

ARNOLD & PORTER

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NEW YORK
DENVER
LOS ANGELES
LONDON

February 28, 1996

PRIVILEGED AND CONFIDENTIAL

Mr. Sebahattin Gazanfer
General Secretary
Aegean Exporters' Unions
General Secretariat
1375 Sokak No. 25 Kat. 3
Alsancak, Izmir 35210
Turkey

Dear Mr. Gazanfer:

We are very pleased that the Aegean Exporters' Unions ("Exporters' Unions") have engaged Arnold & Porter (the "Firm") to provide general legal and advisory services to the Exporters' Unions and to the Undersecretariat for Foreign Trade, Republic of Turkey ("UFT"), including to the Economic and Commercial Counsel in Washington, D.C., in the international trade area, as generally described in the attached statement. The purpose of this letter is to set forth our mutual understanding as to the terms of this Agreement and the basis on which our fees and related expenses will be charged with respect to the above-mentioned engagement.

1. Term

The term of this Agreement shall be for a trial period of six months commencing on the first day of the month following the signing of this letter by the Exporters' Unions and receipt by the Firm. This Agreement will terminate six months after the commencement date. However, either party shall have the right to cancel this Agreement on 60 days' prior written notice to the other.

2. Fee Calculation

The Firm will charge for our legal and trade advisory services based upon our usual and customary hourly rates in effect at the time the work is performed, less a ten percent discount. However, the total amount (for fees and expenses) charged under this Agreement will not exceed \$60,000 for the six-month term of this Agreement.

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DEPT. OF JUSTICE
CRIMINAL DIVISION
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INTERNATIONAL
REGISTRATION
STUDY UNIT

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3. Special or Separate Projects

Any special or separate projects to be paid for by the Exporters' Unions that are outside the scope of our retainer would be subject to arrangements separately agreed upon with the Exporters' Unions.

4. Reimbursement for Expenses

The Firm shall be reimbursed for reasonable expenses expended by the Firm in performance of its services. The said out of pocket expenses will include domestic travel and transportation expenses (including subsistence expenses while on travel); charges for long distance telephone calls; overtime secretarial charges which were prior approved; express delivery and postage charges; duplicating charges; and any special computer data-processing or similar expenses that are beyond the capacity of the Firm's existing system. We will bill you at cost for charges paid to third parties, and charges for internal services will be billed at the Firm's usual and customary rates for such services.

The total expenses charged under this Agreement will not exceed \$6,000 during the six-month term of this Agreement without your prior approval. The firm will provide each month a printout that summarizes expenses and, upon request, will provide a detailed statement itemizing such expenses.

It is understood that any expenses for international travel and for outside consultants (although use of such consultants is not currently contemplated) would have to be approved in advance by your office, will not be included within the \$6,000 total expense limitation or the \$60,000 total fee and expense limitation, and will be billed by the Firm as a separate expense.

5. Statements and Payments for Fees and Expenses

It is agreed that the Exporters' Unions will make an advance retainer payment of \$10,000 within 30 days following the signing of this Agreement.

Every month, the Firm will send you a detailed description of the work performed and the expenses incurred under this Agreement. A copy will also be sent to UFT and to the Economic and Commercial Counsel.

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Every month the Firm will also send to the Exporters' Unions a statement, for payment purposes, covering the actual fees and expenses for the prior month up to \$10,000, providing all such reasonable back-up documentation. All such statements are due and payable within 30 days following your receipt of them.

Our actual fees and expenses for the sixth month plus any fees and expenses for prior months in excess of the \$10,000 limitation on monthly statements will be charged against the advance retainer payment of \$10,000. If that total amount is less than \$10,000, the remaining amount of the advance retainer payment will be refunded. If that total amount is more than \$10,000, the Firm will send a final statement for payment purposes, covering the amount in excess of \$10,000 up to a maximum of \$60,000 less the total amount of all statements previously sent to the Exporters' Unions (including the advance retainer payment).

6. Potential Conflicts of Interest

Arnold & Porter is a large firm with offices in four United States cities and in foreign countries. Our practice is broadly based and covers many areas of both domestic and international law. The very size of the firm has created situations where work for one client in a narrow area has barred other lawyers from pursuing major matters, unrelated to the first matter, under the terms of the Code of Professional Responsibility to which we are subject.

In order to avoid the potential for this kind of restriction on our practice, we request an advance agreement that the Firm will not be disqualified from representing interests adverse to the Exporters' Unions in matters that are not substantially related to the matters on which Arnold & Porter has been retained by the Exporters' Unions.

This waiver is not intended to, and would not, permit the Firm to represent interests directly adverse to the Exporters' Unions in matters that are substantially related to the work done for the Exporters' Unions. Nor is it intended that there be, and there would not be, any waiver of your right not to have confidences or secrets that you transmit to the Firm disclosed to any third party or used against you. We would, of course, hold such information that you provide to us in strict confidence.

* * * *

ARNOLD & PORTER

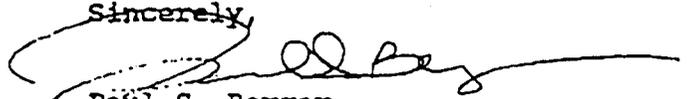
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If you have any questions about the terms of the engagement, as described above, I hope you will feel free to raise them with me as soon as possible, and, during the course of the engagement, I would hope that you will feel equally free to raise promptly with me any questions you have about our statements. If the terms of the engagement are acceptable to you, I would appreciate it if you would sign and return to me the enclosed copy of this letter evidencing the agreement to these terms.

For your information, as required by U.S. law under the Foreign Agents Registration Act, a copy of this letter (and any attachments) will be filed with the United States Department of Justice, where it will be made available to the public.

Our firm has made a major commitment to the Republic of Turkey. Once again, let me say how pleased we are that you have engaged Arnold & Porter in this matter.

Sincerely,



Paul S. Berger

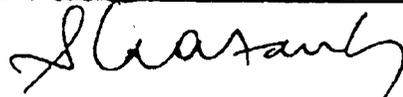
Attachment

ACCEPTED AND AGREED TO:

Aegean Exporters' Unions

By: Sebahattin CAZANFER

Date: 21. 3. 1996



SCOPE OF THE RETAINER

Arnold & Porter will provide the following services under the retainer.

- Ongoing monitoring and advice regarding developments in U.S. trade policy, legislation, and regulations that are likely to affect bilateral U.S.-Turkish trade and economic relations, including, as appropriate, the review of issues that might be the subject of individual bilateral discussions and negotiations. A list of the specific issue areas for which international trade monitoring services will be provided is attached.
- Reviewing with representatives of the Government of Turkey whether Turkey should seek to initiate, advance, forestall, or amend U.S. trade policy, legislative or regulatory initiatives.
- Identifying opportunities for Turkey and the United States to participate jointly in the economic development (through trade, investment, and scientific cooperation) of the Middle East and the former Soviet Union.
- Ongoing monitoring and advice about developments related to U.S. antidumping and countervailing duty laws and regulations, as well as initial guidance regarding the appropriate response to any possible U.S. government investigations involving the pricing of Turkish exports.
- Ongoing monitoring and advice on international trade matters relating to: developments in, or cases before, the General Agreement on Tariffs and Trade ("GATT"), the World Trade Organization ("WTO") and related dispute settlement panels.
- Identifying opportunities for Turkey and the United States to participate jointly in economic development related to free trade agreements in which the United States is a party.

INTERNATIONAL TRADE MONITORING FOR TURKEY
ISSUE AREAS

INTERNATIONAL TRADE

Import Restrictions
Competitiveness & Trade Policy Issues
Customs Service
 Rules of Origin, e.g., on Textile Products
 Administrative Decisions
 Fees and other Charges
Export Controls
 Trade Sanctions
 U.S. Regulations
 Multinational Organizations
 Bilateral Cooperation
Export Promotion
Export-Import Bank
Foreign Corrupt Practices Act
Foreign Market Access, Including Section 301
Free Trade Agreements-Customs Unions
 General
 Canada
 Israel
 Israel-Turkey
 Mexico/NAFTA
 European Union-Enlargement
 European Union-Turkey
 European Union-U.S.A.-Turkey
Government Procurement
Generalized System of Preferences ("GSP")
Import Relief Laws and Regulations, including
 Antidumping and Countervailing
Labor Standards & U.S. Trade Laws
Most Favored Nation ("MFN") Issues
Overseas Private Investment Corporation ("OPIC")
Products (Bilateral Trade Matters)
 Chemicals
 Electronics
 Food Products
 Footwear
 Steel
Textiles & Apparel
 Quotas
 Textile Monitoring Boards
 Customs Textile Binding Rulings
 U.S. Outward Processing Rules
The Other Preferential Tariffs Agreements or
 Arrangements of U.S.A.
The Technical Textile Standards and Labelling
 Requirements

U.S. Trade Relations with Emerging Markets
Services, Trade in
State Trading Companies
World Trade Organization ("WTO"), General Agreement
on Tariffs and Trade ("GATT"), and related
Dispute Settlement Panels

INTELLECTUAL PROPERTY (International Trade Aspects)

Copyrights
Patents
Trademarks
Bilateral & Multilateral Negotiations

CONGRESS (Trade Issues Related to Turkey)

House of Representatives
Senate
Congressional Budget Office ("CBO")
Congressional Research Service ("CRS")
General Accounting Office ("GAO")

ENVIRONMENTAL POLICY

Trade & Environmental Policy Matters

EXECUTIVE BRANCH AGENCIES

United States Trade Representative ("USTR")
Bilateral U.S. - Turkish Issues
Organizational Issues Affecting Turkey
Turkish - Specific Trade Programs
Department of Commerce

MIDDLE EAST

Turkey's Trade Relations
Regional Trade Agreements
Middle East Development Bank