

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 .49 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.

*Furnish this exhibit for EACH foreign principal listed in an initial statement
and for EACH additional foreign principal acquired subsequently.*

1. Name and address of registrant Burson-Marsteller 1801 K Street, NW, Suite 1000-L Washington, DC 20006	2. Registration No. 2469
3. Name of foreign principal King Faisal Foundation	4. Principal address of foreign principal Riyadh, Saudi Arabia

5. Indicate whether your foreign principal is one of the following type:

Foreign government

Foreign political party

Foreign or domestic organization: If either, check one of the following:

Partnership

Committee

Corporation

Voluntary group

Association

Other (specify) Foundation

Individual—State his nationality _____

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant.

N/A

b) Name and title of official with whom registrant deals.

7. If the foreign principal is a foreign political party, state:

a) Principal address

N/A

b) Name and title of official with whom registrant deals.

c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

b) Is this foreign principal

Owned by a foreign government, foreign political party, or other foreign principal Yes No

Directed by a foreign government, foreign political party, or other foreign principal Yes No

Controlled by a foreign government, foreign political party, or other foreign principal Yes No

Financed by a foreign government, foreign political party, or other foreign principal Yes No

Subsidized in whole by a foreign government, foreign political party, or other foreign principal Yes No

Subsidized in part by a foreign government, foreign political party, or other foreign principal Yes No

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

The King Faisal Foundation is operated by the Saudi Royal Family.

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

N/A



Date of Exhibit A
September 5, 1997

Name and Title
Kenneth C. Rietz
President and CEO

Signature

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.

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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	Name of Foreign Principal
Burson-Marsteller (2469)	King Faisal Foundation

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.

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REGISTRATION UNIT
U.S. DEPARTMENT OF JUSTICE

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.
Registrant will provide public relations, media relations and counseling services to the foreign principal.

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal. Burson-Marsteller will render the following professional services as requested by the Client in connection with this assignment:

1. Media relations on behalf of the Client for Saudi Arabia's centennial celebration.
2. Coordination of placement of articles in U.S. travel/trade publications.

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.

Activities are detailed in response to question #8.

Date of Exhibit B September 5, 1997	Name and Title Kenneth C. Rietz President and CEO	Signature 
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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.

MEMORANDUM OF AGREEMENT

Dated as of April 1, 1997

By and between

BURSON-MARSTELLER
New York, N.Y., U.S.A.

and

AILAMIA-INTERMARKETS
Riyadh, Saudi Arabia

The parties agree as follows:

Appointment and Programme

This agreement confirms the appointment of BURSON-MARSTELLER LTD (hereafter referred to as "Burson-Marsteller" or "the Consultancy") as Public Relations Consultants to AILAMIA-INTERMARKETS (hereafter referred to as "the Client") to carry out an agreed public relations programme in the U.K. and the U.S. on behalf of the King Faisal Foundation.

Commencement and Duration of the Agreement

Subject to the provisions hereof, this Agreement will commence on 1 April 1997 and will continue in effect until terminated under the Termination Provisions clause of this agreement.

Fees

The Consultancy's service fees, based on management, executive and administrative time, will be charged at a rate of \$15,000 per month for the U.S. and \$15,000 per month for the U.K. (billed in sterling at the prevailing rate) for April and May; and \$13,500 for each office for June through September.; and \$11,250 for each office for October until April 1998. The fee will be reallocated between Ailamia-Intermarkets for the period starting in October 1997 based on the workloads of Burson-Marsteller and Ailamia-Intermarkets.

Burson-Marsteller will invoice Ailamia-Intermarkets will, and Ailamia-Intermarkets will, upon receipt and approval (which shall not unreasonably be delayed or withheld) by Ailamia-Intermarkets of the final Programs for the U.S. and U.K. public relations programs (the "Final Programs") and the line-item budgets for the Disbursements/Operating Costs for each program for the twelve month period, including Burson-Marsteller administrative charges and taxes (the "Disbursement/Operating Costs Budgets"), pay Burson-Marsteller US\$43,500 for the U.S. Consultancy, and the Sterling equivalent of US\$43,500 for the U.K. Consultancy, representing the fees for the first three months of the Consultancy. Thereafter, separate invoices will be issued by Burson-Marsteller for the two Consultancies monthly in arrears, accompanied by a separate progress report for the U.S. and U.K. programs for the month covered by the progress report, and a summary plan for Consultancy services for the succeeding month.

In addition there will be a contingency budget of \$40,000 to take advantage of publicity possibilities in other European markets. Money from this fund will only be spent with the specific approval of Ailamia-Intermarkets. There will also be a contingency budget of \$30-40,000 for research in the U.S. and U.K. of knowledge of and attitudes towards The King Faisal Foundation by the key media. Money from this fund will only be spent with the specific approval of Ailamia-Intermarkets. Burson-Marsteller will submit to Ailamia-Intermarkets, along with the Final Programs and Disbursement/Operating Costs Budgets referred to above, a brief description of the Consultancy Services proposed for the contingency budgets and the allocation in those budgets between fees and Disbursements/Operating Costs.

Burson-Marsteller and Ailamia-Intermarkets reserve the right to negotiate a revised fee structure if the Client requirements are amended so as to involve changes in the agreed workload during the period of this Agreement.

Disbursements/Operating Costs

In addition to fees, Ailamia-Intermarkets will pay for all reasonable costs or similar costs as detailed below as and when incurred by the Consultancy on the Client's business, invoiced on a monthly basis, up to the limit of the Disbursements/Operating Costs Budgets referred to above

(unless increased by Ailania-Intermarkets):-

- . Accommodation and subsistence
- . Advertising artwork and mechanical items
- . Design, artwork and print
- . Direct Mail
- . Media monitoring (radio, television and press)
- . Messenger Service
- . Secretarial Services
- . Travel
- . Administrative charge (7%) of fees

The Consultancy reserves the right to levy a handling charge or management fee of 17.65% in connection with the purchase of third party materials and services, within the limits of the Disbursements/Operating Costs Budgets (unless increased by Ailania-Intermarkets).

Payment Terms

The Consultancy's invoices are payable by cheque or credit transfer to reach the U.S. offices of the Consultancy designated by the Consultancy not later than 30 days after the invoice date.

Interest will be charged on all overdue invoices at a rate of 1.5% per month.

Termination Provisions

This Agreement may be terminated at any time after an initial period of nine months by either party giving not less than three months written notice of termination to the other.

In the event of termination of this Agreement, for whatever reason, Ailania-Intermarkets will be responsible for all fees due to the Consultancy including costs, expenses and disbursements incurred by the Consultancy on behalf of the Client as provided herein up to and including any notice period. During the period of notice the Consultancy will charge a minimum fee (plus VAT for the U.K. Consultancy, if applicable) based upon the fees payable for the notice period.

Upon any such notice of termination, and the payment by Ailamia-Intermarkets to Burson-Marsteller of all fees and Disbursements/Operating Costs previously invoiced as provided herein, Burson-Marsteller will co-operate with Ailamia-Intermarkets and the Client so far as practicable to facilitate the transfer of the U.S. and U.K. public relations programs by Ailamia-Intermarkets and the Client to third parties.

Standard Terms and Conditions

The attached Standard Terms and Conditions are deemed to be an integral part of this Memorandum of Agreement. All references in the Standard Terms and Conditions to "Client" shall refer to "Ailamia-Intermarkets".

Burson-Marsteller

Ailamia-Intermarkets

(Signature)



(Signature)

(Print Name)

Bandar bin Saud bin Khaled Al Saud

(Print Name)

(Print Title)

Chairman & Managing Director

(Print Title)

Date _____

Date: May 5, 1997

STANDARD TERMS AND CONDITIONS OF BUSINESS

1. Co-operation

The Consultancy will co-operate fully with the Client and take the initiative in offering advice and services. The client agrees to assist the Consultancy in the performance of these duties by making available to the Consultancy all relevant information.

2. Consultancy Status

The Consultancy acts in all contracts as a principal at law.

3. Approvals and Authority

After obtaining general approval of campaign or project plans, the Consultancy will submit to the Client for specific approval as required:

- (i) Draft press releases, articles, photographs and captions
- (ii) Copy, layouts, artwork and scripts

Written or oral approval by the Client of drafts or proofs will be taken by the Consultancy as authorisation to proceed to publication, and such approval will be taken as authorisation to enter into contracts with suppliers on the basis of estimates submitted.

The Consultancy will take all reasonable steps to comply with any requests from the Client to amend, halt, reject or cancel work in preparation, insofar as this is possible within the terms of its contractual obligations to suppliers.

Amendments or cancellations will be implemented by the Consultancy only on the understanding that the Client will be responsible for any costs or expenses incurred prior to, or as a result of, the cancellation by the consultancy or amendment and which cannot be recovered by the Consultancy.

4. Copyright

On payment by the Client of the relevant consultancy fees and charges in full covered by each invoice, any copyright lawfully assigned by subcontractors and their agents to the Consultancy and the Consultancy's own copyright in respect of all artwork, copy and other work produced or assigned to the Consultancy up to the date of payment of such invoice will be promptly assigned to the Client, unless other arrangements are made.

5. Confidential Information

The Consultancy acknowledges its duty not to disclose without Client permission during or after the term of appointment, any confidential information.

The Client in turn acknowledges the Consultancy's right to use any general intelligence regarding Client products or services gained during its appointment.

6. Insurance

(a) Professional Indemnity

The Client shall indemnify, and keep indemnified, the Consultancy against any and all proceedings, claims, damages, losses, expenses or liabilities which the Consultancy may incur or sustain as a direct or indirect result of, or in connection with, any information, representation, reports, data or material supplied, prepared or specifically approved (as described in paragraph 4) by the Client (other than the work product or other activities of the Consultancy carried out under its own direction and control) which are false or grossly inaccurate, particularly in relation to proceedings under the Trade Descriptions Act 1968. Such material shall include, but not be limited to, press releases, articles, copy, scripts, artwork, detailed plans and programmes.

(b) Client Indemnity

The Consultancy shall indemnify, and keep indemnified, the Client against any and all proceedings, claims, damages, losses, expenses or liabilities which the Client may incur

or sustain as a direct or indirect result of, or in connection with, any information, representation, reports, data or material supplied, prepared or specifically approved by the Consultancy (other than the work product or other activities of the Client carried out under its own direction and control) which are false or grossly inaccurate. Such material shall include, but not be limited to, press releases, articles, copy, scripts, artwork, detailed plans and programmes.

(b) Client's Property

Goods or information made available by the Client to the Consultancy for the purposes of demonstration or publicity, or for any other purpose arising from, or in connection with this agreement, shall be and at all times remain the property of the Client at the sole and entire risk of the Client, and the Consultancy shall not be the subject of any liability for it.

7. Payment of Expenses

Two fundamental principles on which the Consultancy/Client financial relationship is based are:

- (i) The Consultancy shall finance its own operations, but not costs incurred on behalf of its clients.
- (ii) As principal at law, the Consultancy is held by suppliers as solely liable for payment.

It is therefore essential that the Consultancy is paid by the Client in good time to pay its suppliers. A charge of 1.5% per month is applied to overdue account.

8. New York Law

All contracts between the Client and Consultancy will be governed by the construed in accordance with New York law.

9. Force Majeure

Both the Client and the Consultancy will be released from their respective obligations in the event of national emergency, war, prohibitive governmental regulations or if any other cause beyond the reasonable control of the parties renders performance of any contract between them impossible, and whereupon all money due to either of the parties shall be paid immediately.