

REC 20 4 30 1973
UNITED STATES DEPARTMENT OF JUSTICE
Washington, D.C. 20530

REGISTRATION UNIT
INTERNAL SECURITY
SECTION

EXHIBIT B

CRIMINAL DIVISION TO REGISTRATION STATEMENT
Under 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. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
Foote, Cone & Belding Advertising, Inc.	Bermuda Department of Tourism

Check Appropriate Boxes:

- The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit. Contract attached. (This contract was attached to original registration, 3/26/73)
- 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 two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- The agreement or understanding between the registrant and 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.
- Describe fully the nature and method of performance of the above indicated agreement or understanding.
As an advertising agency, we provide advertising, sales promotion and research services. The creative and analytical personnel in the N. Y. office provide services which are communicated to the client in writing or are discussed with the client by account personnel who visit Bermuda as required.

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

To provide the services of an International advertising agency to the client.

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.

Date of Exhibit B	Name and Title	Signature
August 20, 1973	Richard G. Balian V. P. Administration	

^{1/} 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.

For: Department of Tourism
Bermuda

EXHIBIT B -- CONTRACT

RECEIVED
DEPARTMENT OF JUSTICE
APR 23 4 35 PM '73
REGISTRATION UNIT
INTERNAL SECURITY
SECTION
CRIMINAL DIVISION

FOOTE, CONE & BELDING

AGENCY SERVICE AND COMPENSATION POLICY

Accepted

Date

April 11, 1973

FOOTER, CONE & BELDING

AGENCY SERVICE AND COMPENSATION POLICY

MEDIA ADVERTISING

All advertising space in magazines, newspapers, transportation and outdoor displays, or other print advertising media, and facilities for the broadcast of radio and television programs, will be billed to the Client at the "card" rates of media owner. Where card rates allow no agent's commission or a commission less than 15% of the gross rate, Client will be billed at media's net rate plus 17.65%.

In conformity with standard Agency practice, invoices will be rendered to and paid by the Client in sufficient time to enable the Agency to meet payment dates of the media owners.

Cash discounts in the amounts allowed the Agency will be credited to the Client, provided agency bills are paid by Client on or before the discount dates indicated thereon.

PRODUCTION CHARGES--PRINT MEDIA

All artwork, engraving, typesetting, electrotyping, and other production costs incident to space advertising will be billed to Client at Agency's net cost plus 17.65%. Mechanicals prepared by the Agency's Art Staff will be billed to the Client at prevailing hourly rates, and will be considered part of Agency's net cost. Charges for final comprehensive layouts used will be on the following basis, which will be considered part of the agency's net cost:

FINAL COMPREHENSIVE USED:

General Magazines

1 page	\$125.00
1/2 page	\$90.00
1/4 page or less	\$65.00

Newspapers

1,500 lines to full page	\$125.00
751 to 1,499 lines	\$90.00
750 lines or less	\$65.00

PRODUCTION CHARGES--RADIO AND TELEVISION

All radio and television talent including payroll taxes and insurance, rights, props and other production costs incident to radio or television advertising will be billed to Client at Agency's net cost plus 17.65%. If quoted to the Agency at a gross rate, including 15% commission, as in package shows, they will be billed at gross rate. Production costs will include a charge for the final storyboard selected for use on the basis of \$300.00 for commercials of one minute or over and \$150.00 for commercials less than one minute. Travel and living expense of Agency staff for out-of-town or location production will be billed at net cost.

INCIDENTAL EXPENSES

Expenses incurred on behalf of the Client which are considered extraneous to the direct preparation of advertising will be billed at net cost without commission. Examples of these would be travel expenses, postage, shipping charges, packing, etc.

SPECIAL SERVICES

The writing, designing and production of merchandising, display or other promotional material, booklets, dealer advertising materials, direct mail, motion pictures, etc., will be billed at Agency's net cost plus 17.65%. Net cost will include Agency time.

Agency time, at this date, will vary from \$25 to \$40 per page for copy and from \$20 to \$35 per page for layout. The same ranges of charges will apply to revisions of both copy and layout as well as to modifications incident to reruns of existing materials.

MARKETING

The cost of Marketing Services, to the extent of counsel and advice to the account team and the Client, shall be absorbed by the Agency. This function usually involves aiding the account team in the preparation of annual Marketing Plans.

Where special marketing analyses are needed in conjunction with product or market development activities on the part of the Client, an agreement will be reached in advance as to an equitable fee for marketing services provided by the Agency. Such fees usually cover time and out-of-pocket expenses for fieldwork and preparation of a marketing report and recommendations.

RESEARCH

The agency will absorb copy research costs incurred in the development and pretesting of Client's advertising at the rate of \$2,000.00 per million dollars in billing per annum, contingent upon a Client commitment of \$1,000.00 per million dollars in billing. These costs shall include staff time (excluding research consultation and supervisory time) and net out-of-pocket costs.

All developmental copy research and advertising execution pretesting in excess of the above \$3,000.00 per million dollars in billing, and all other research, is billable to the Client, subject to advance authorization.

NEW PRODUCT DEVELOPMENT

While the Agency welcomes the opportunity to work on new product assignments, this frequently results in a substantial increase in Agency costs. When the Client's regular billing will not support such increased Agency costs, a supplementary agreement will be submitted in connection with new product development.

SPECIAL FEES

In special instances, as for example on accounts highly technical in character, the Agency's costs may be disproportionately high in relation to commissionable volume. In such cases, by mutual agreement in advance, a monthly fee basis may be arranged to supplement the regular commissions earned.

ESTIMATES AND COMMITMENTS

On all special work of whatever nature, where the Client is to be billed, estimates will be submitted to the Client for his approval prior to proceeding with such work.

Where commitments or agreements are made in the name of or on behalf of a Client, thereby incurring a liability of the Client, such commitments or agreements shall be submitted to the Client for his specific approval prior to incurring any obligation.

TERMINATION

This agreement shall remain in force for a minimum of one year from effective date of appointment and may thereafter be terminated by 90 days' notice in writing sent to the principal office of the party to whom such notice is directed. During the 90-day period, the Agency shall be entitled to receive all commissions on advertising placed for the Client.

In the event of an account transfer, where short rates or additional discounts are involved, the Agency will bill for short rates in advertising it has placed and will refund any additional discounts earned by the advertiser in such advertising.

Contracts or commitments entered into on behalf of the Client (including liability for talent residuals), and still in existence at the termination date, shall become the responsibility of the Client.

The Client shall have full rights to all materials, including ideas, which have been previously used or paid for prior to the termination date. The Agency shall retain all rights to material and/or ideas which have not been paid for or have been rejected by the Client during the period of their association.

CHANGES IN COMPENSATION FOR SERVICES

Any changes in the basic outline of compensation for services shall be specifically outlined in writing and shall become a part of the agreement Agency and Client.