

Hill and Knowlton, Inc.  
Washington Harbour  
901 31st Street, N.W.  
Washington, D.C. 20007-3838  
202-333-7400  
Telecopy 202-333-1638  
Telex 440143 HKDC

August 10, 1990

Dr. Hassan A. Al-Ebraheem  
President  
Citizens For a Free Kuwait  
3500 International Lane  
Washington, D.C. 20008

My dear Dr. Al-Ebraheem:

This will serve as the agreement between Hill and Knowlton, Inc. ("H&K") and Citizens For a Free Kuwait ("Client") pursuant to which H&K will serve Client as public affairs counsel.

1. As counsel, H&K will:

- (a) Advise Client management on public affairs aspects of Client's policies and problems;
- (b) Develop for Client's approval and implementation, a program designed to achieve Client's communications objectives;
- (c) Provide professional staff services as may be required to assist Client in the implementation of its program.

2. Charges

- (a) Charges for the services of H&K will be made at H&K's special situation hourly staff rates for participating executives and staff as the same are required to carry out the programs and activities approved by Client.
- (b) In addition to staff time charges, Client will pay H&K the net cost of all materials, services and rights obtained by H&K from third party suppliers on Client's behalf, plus a 15% handling and administration fee on all such disbursements. In obtaining such materials, services and rights, H&K will act as agent for Client and disclosed principal.

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REGISTRATION

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Citizens For a Free Kuwait  
Page Two

- (c) Client will reimburse H&K for the net cost of all routine out-of-pocket disbursements such as travel, local messengers, in-house photocopying and ordinary communications (telephone, telex and postage).
- (d) In the rare event H&K may be called upon to respond to or assist Client in connection with litigation commenced or threatened against Client (for example, in responding to a document subpoena), it is understood that H&K will be entitled to staff time charges and reimbursement of expenses for services rendered to Client or time spent by H&K in connection with such matters. This provision shall survive the expiration or earlier termination of this agreement.
- (e) Client will reimburse H&K for staff time and expenses incurred in order to comply on Client's behalf with the Foreign Agents Registration Act. It is understood that pursuant to such Act, H&K may be making reports of its activities to appropriate U.S. government regulatory agencies and that such reports will be available to the public.

3. Billing

- (a) At the beginning of each month H&K will submit to Client an estimated budget and invoice for staff services, purchased materials, and routine disbursements to be incurred during such month for Client's review and approval. Client shall pay such amount ("Monthly Advance") to H&K within ten to fifteen days of receipt of budget and invoice. In the event payment is not made within thirty (30) days from receipt, H&K will be entitled to charge Client a late payment penalty of 1 1/2% per month on any overdue and unpaid balance.

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Citizens For a Free Kuwait  
Page Three

(b) Following the conclusion of each calendar month, H&K will provide Client with a statement of staff time charges and expenses actually incurred during such month. To the extent that actual staff time charges and expenses shall exceed the Monthly Advance paid by Client for such month, such additional charges will be promptly paid over to H&K by Client. Should actual charges for the month be less than the Monthly Advance paid, the amount of such shortfall shall be applied against subsequent months' charges.

4. Records

(a) H&K will maintain accurate records of all staff time work and out-of-pocket expenditures incurred on behalf of Client and, during the term of this agreement and for one year thereafter, Client may examine such records upon reasonable notice and during normal business hours. It is understood that the foregoing does not include H&K's salary data, overhead and other internal H&K costs or non-billable items.

(b) If requested, copies of supplier invoices and other back-up materials in support of H&K's out-of-pocket charges of \$100 or more will be included with H&K's end-of-month invoices for an additional handling fee of \$100 per month. Client shall give H&K's financial accounting department at least one full month's prior notice of desire to receive such supporting documentation.

5. Confidentiality

H&K acknowledges its responsibility, both during and after the term of its appointment, to use all reasonable efforts to preserve the confidentiality of any proprietary or confidential information or data developed by H&K on behalf of Client or disclosed by Client to H&K. Notwithstanding the above, H&K's obligation to maintain the confidentiality of any such information that it maintains in its possession or control, shall cease on the third anniversary of the termination of this agreement.

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6. Indemnity

It is acknowledged that H&K cannot undertake to verify facts supplied to it by Client or factual matters included in material prepared by H&K and approved by Client. Accordingly, Client agrees to indemnify and hold harmless H&K from and against any and all losses, claims, damages, expenses (including reasonable attorneys' fees and disbursements) or liabilities ("damages") which H&K may incur (i) as a result of any materials, releases, reports or information supplied to H&K by or on behalf of Client or prepared by H&K and approved by Client prior to its dissemination or broadcast; and (ii) except when attributable to H&K's failure to use due care, resulting from disputes between H&K and third parties related to and or within the scope of this agreement. Client shall similarly indemnify and hold H&K harmless in respect to any damages arising out of the nature or use of Client's products or services. This provision shall survive the expiration or earlier termination of this agreement.

7. Termination

H&K's appointment under this agreement shall be effective as of August 10, 1990 through and including October 31, 1990.

Upon termination of this agreement, provided that there is no outstanding indebtedness then owing by Client to H&K, H&K shall transfer, assign and make available to Client all property and materials in its possession or control belonging to Client.

8. Governing Law

This agreement will be governed and construed in accordance with the laws of the State of New York for contracts made and to be performed entirely in New York.

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Citizens For a Free Kuwait  
Page Five

If you are in agreement with the above, would you kindly sign both copies of this letter in the space provided for that purpose below and return one copy to Hill and Knowlton for our records.

Sincerely yours,

HILL AND KNOWLTON, INC.

*Robert K. Gray*  
Robert K. Gray  
Chairman

Date: 20 August 1990

AGREED:

Citizens For a Free Kuwait

*H. A. al-Ebraheem*

Dr. Hassan A. Al-Ebraheem  
President

Date: 20<sup>th</sup> August 1990

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