

**Law Department Counsel Retention
and
Billing Policy for Outside Counsel**

RETENTION AND BILLING POLICY

Set forth below are the terms and conditions upon which the Company is offering to engage the firm's services as outside counsel ("Outside Counsel"). The Company, in its sole discretion, reserves the right to change, amend or alter this policy at any time. By the firm's agreement to represent the Company, it is accepting the responsibility to conduct the representation consistent with these terms and conditions and is deemed to have accepted the Company Law Department Counsel Retention and Billing Policy terms and conditions.

The particular attorney engaged by the Company at the outset of each matter shall actively participate in the matter and manage his or her firm's relationship with the Company to assure continued compliance with the terms and conditions set forth in this policy.

The Company Law Department is responsible for handling legal matters relating to Company business units. All contacts between Outside Counsel and the Company shall be through the Company Law Department lawyer supervising the matter ("the Company Counsel"), unless otherwise agreed.

CONFLICTS OF INTEREST

Outside Counsel shall undertake a thorough search for conflicts of interest immediately after being contacted to represent the Company in a matter. Outside Counsel should promptly identify and disclose to the Company Counsel any existing or prospective engagement by another client that could create an actual or potential conflict of interest with Outside Counsel's representation of the Company (or the appearance thereof).

Requests for waivers of potential or actual conflicts of interest will be considered on a case-by-case basis; the Company will not provide blanket or prospective waivers. The Company Counsel for the matter can direct Outside Counsel to the appropriate contact within the Company Law Department. The law firm should provide a complete list of the matters currently being handled by the law firm for the Company.

Generally, the Company will not waive a conflict where representation of another client would involve the assertion against the Company of a claim of alleged fraud, misrepresentation, or other dishonest or improper conduct or where the firm will represent another party in a litigation or adversarial proceeding against the Company.

STAFFING, WORK PLAN AND BUDGET

At the outset of each engagement, Outside Counsel and the Company Counsel will jointly determine how the matter will be staffed. The Company Counsel will evaluate the degree to which internal Company Law Department resources may be used to meet requirements such as legal research, organization of files, depositions and witness interviews.

No changes in staffing may be without prior approval of the Company Counsel. Specifically, Outside Counsel must obtain from Company Counsel prior approval of all additional members of the team handling the matter and may subsequent changes to the team. **The Company expects continuity of staffing for the duration of the engagement. To the extent that changes to attorney staffing may be required, proposed newly assigned attorneys should have experience comparable to that of prior attorneys on the engagement, and to have hourly rates that are the same as or lower than hourly rates for the attorneys previously assigned. The Company will not pay for "learning time" required by the substitution of attorneys or other personnel working on the engagement. The Company will not accept charges for administrative tasks or administrative time. The Company will not accept charges for summer associate time. The Company will not agree to the assignment of first year associates on Company matters without prior approval from Company Counsel and reserves the right to reject these charges if such approval is not obtained. The billing rates negotiated between Outside Counsel and the Company shall remain unchanged during the duration of a matter. Please note that any new timekeepers or existing timekeeper rate increases submitted without prior approval by Company Counsel will be rejected and could cause a delay in the processing of Outside Counsel's invoices.**

All work performed shall be pursuant to a Work Plan and Budget developed in advance by Outside Counsel and Company Counsel based on agreed assumptions about the nature and proper handling of the matter. In developing the Work Plan and Budget for litigated or non-litigated matters, Outside Counsel and Company Counsel shall use the Company's electronic e-billing system ("eBilling system") (refer to **Litigation Code Definitions** and **eBilling Guide** attachments). The Work Plan and Budget shall reflect realistic projections of fees and expenses for all tasks that can be reasonably anticipated. It is the expectation of the Company that actual fees and costs will not exceed these projections. Revisions to the Work Plan and Budget to reflect changed assumptions and unanticipated tasks must be discussed with and agreed to by Company Counsel before they are made. Each month, Outside Counsel must submit a rolling three-month Work Plan and Budget that explains the material tasks to be undertaken and the expected cost to provide. Should facts and circumstances change such that submitted Budgets or Work Plans are no longer accurate, Outside Counsel shall promptly notify Company Counsel and discuss the expected deviation. Time spent preparing, reviewing, and submitting a Work Plan and Budget will not be billed to the Company.

Outside Counsel will provide Company Counsel with a copy of all final and complete memoranda analyzing legal issues raised in the matter in which the firm has been engaged by the Company, and all pleadings, memoranda of law, briefs and other papers filed or served in any litigation.

DIVERSITY STAFFING

Diversity is a core value and a fundamental element of the Company's business culture. We are committed to equal opportunity and fair treatment for all attorneys. Accordingly, when selecting Outside Counsel, we endeavor to promote and increase diversity in an effort to create an environment of inclusion and meet the multifaceted business needs of the Company. Similarly, we expect law firms that represent the Company to work actively to promote diversity within their respective organizations, and to ensure diverse quality representation on our legal matters.

Also available as part of the eCourse

[eSupplement to the 7th Annual Government Enforcement Institute](#)

First appeared as part of the conference materials for the
43rd Annual Corporate Counsel Institute session

"Networking and Presentation:

"Rumble in the Virtual Jungle": Negotiating Engagement Letters and Fee Agreements with
Outside Counsel"