



505 Effectively Leveraging Outside Resources

Mark L. Carlton

Former Senior Vice President, General Counsel & Corporate Secretary
Universal Compression, Inc.

Suzanne E. Hawkins

Senior Counsel, Legal Operations
General Electric Company

Kimberly J. Myrdahl

Director of Litigation
SUPERVALU INC.

Faculty Biographies

Mark L. Carlton

Mark L. Carlton is the former senior vice president and general counsel of Universal Compression, Inc., a leading supplier of compression equipment and services for the natural gas industry. Mr. Carlton was responsible for the company's legal division and served as corporate secretary.

Prior to joining Universal, Mr. Carlton was with Mobil Oil Corporation, serving in a variety of roles, including senior counsel, litigation.

Mr. Carlton graduated with honors from the University of Tulsa College of Law.

Suzanne E. Hawkins

Suzanne E. Hawkins is senior counsel, legal operations of General Electric Company. Ms. Hawkins is a leading member of the CEC Lawyers, GE legal's senior leadership team, the "managing partner" of GE's 900-lawyer global department. Ms. Hawkins has overall management responsibility for GE Legal, with emphasis on deploying and increasing the productivity and quality of GE's internal and external legal resources. Ms. Hawkins is known as a tough strategist and negotiator, credited with saving millions of dollars a year from GE's outside legal expenses; a dynamic, creative thinker, evidenced by being named inventor on two patents covering legal-related technology systems; and an energetic, effective, hard-working team player, who works seamlessly with GE's senior management and leads numerous cross-business/functional teams to achieve desired results.

Ms. Hawkins joined GE as an in-house attorney with the GE Plastics division in Germany. Prior to joining GE, Ms. Hawkins was of counsel to Curtis, Mallet-Prevost, Colte & Mosle in Frankfurt, Germany. Early in her career Ms. Hawkins was a litigator at Weil, Gotshal & Manges in New York City.

Ms. Hawkins is an active member of the Board of Directors of ACCA's Westchester/Southern Connecticut Chapter, the Executive Committee of the Large Law Department Council, and the ABA. She is a member of the Bar of the State of New York and the Federal Courts.

Ms. Hawkins received her BA from Georgetown University and is a cum laude graduate of the Georgetown University Law Center.

Kimberly J. Myrdahl

Kim Myrdahl is the director of litigation for SUPERVALU Inc. in Minneapolis. Her responsibilities include managing the commercial litigation for all of SUPERVALU's business units, advising business units on how to handle potential disputes, and implementing preventive litigation initiatives.

Prior to joining SUPERVALU, Ms. Myrdahl worked in the litigation group at the law firm of Fredrikson & Byron in Minneapolis.

She currently provides pro bono legal services as a volunteer lawyer to Volunteer Lawyers Network. She is the past board chair of Volunteer Lawyers Network. In addition, she is active in state and local bar committees concerned with seeing that the disadvantaged have access to the legal system.

Ms. Myrdahl received a BA from Texas Christian University and is a graduate of the University of Minnesota School of Law.

ACCA Annual Meeting 2002

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Effectively Leveraging Outside Resources

Moderator: Richard Mannella
Atofina

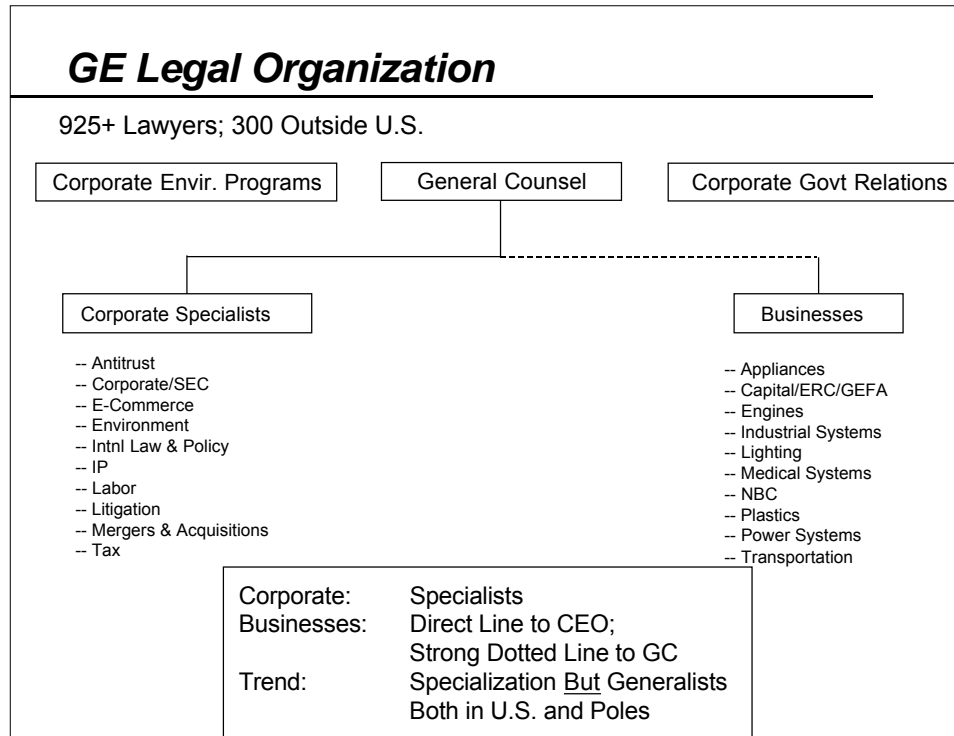
Mark L. Carlton
Universal Compression, Inc.

Kimberly J. Myrdahl
SuperValu, Inc.

Suzanne E. Hawkins
General Electric Company

GE Legal Organization

- GE Legal Organization:
 - 925 Business-Focused Specialists Handling Cutting Edge Issues
 - Co-Located w/ Clients in 50 Business Units in More than 30 Countries
 - Compliance Focus: Black and White and Gray
 - Proactive not Reactive; Future Not Past; Offense, Not Defense
 - Business Advice -- Constructive/Broader Judgments
 - Policy -- Change Playing Field: Advocate and Effect Change
 - Significant Global Presence, and Growing (>300 Lawyers)
 - Integrated Through Technology, Practice Groups (16), Regional, Country Councils
 - Decentralized Dep't. but Strong Leadership, Unified Vision, Six Sigma, Agenda, Initiatives
 - Thin Corporate Staff of Leading Specialists (GC Direct Reports+ GCs= CEC Lawyers)
- Quality, Digitization, Customer Focus:
 - Hiring the Best In-House and External Legal Talent Paramount
 - Overall Legal Cost as a Percent of Revenue Below Industry Average
 - Extraordinary Matters/Litigation Costs Down Contrary to Trends
 - Inside/Outside Legal Costs Shift: Now 60% Inside, 40% Outside
 - Effective Management of Highly Regarded Global Organization: with Six Sigma, Quality, Digitization, Customer Focus



GE Legal –Legal Operations

- Outside Counsel Management: Emphasis on Quality, Effective Firms
 - Preferred Provider Programs in >12 Substantive Areas
 - Fixed Fees, Auctions, Added Value Benefits (CLE, Work Product)
 - Discounts/ Alt. Fees Save Millions Annually from Outside Spend
 - Detailed Legal Spend Data Captured on Web (OCMS) and w/ E-Invoicing
 - Trend Analysis: Litigation Spend Down, Global Spend Increasing
- Digitization Focused: Cutting Edge Technology – Productivity
 - GE Legal Knowledge Bank, State-of-the-Art Features: Search Engine, Decentralized Loading of Documents, Linking Business Intranets
 - Digitizing Legal/Business Processes: Doc Generation, IP, Deal Room
 - Use of Collaborative Tools Internally and with Outside Firms
- Practice Group/Regional Integration: Specialists Across All Fields
 - 16 Substantive Groups (Antitrust, IP, Litigation, M&A, L&E, etc.)
 - Cross-Business Membership: In-Person, Digital Meetings
 - Quality Initiatives, Digitization, Best Practices
 - Global Expansion – International Lawyers Move Towards Specialization
- High Quality, Cost Effective Resources: Supporting 925 Global Lawyers
 - Lexis, Westlaw, GE CIRC
 - Preferred Vendors for Temporary Paralegals, Lawyers, etc.

SUPERVALU

- SUPERVALU is one of the largest grocery companies in the U.S. with total annual sales in excess of \$20 billion.
- SUPERVALU operates two complementary businesses – grocery retailing and distribution services of food and other highly consumable goods.

Retail SUPERVALU has 1,260 stores under the following banners – bigg's, Cub Foods, Farm Fresh, Hornbachers, Metro, Save-a-Lot, Scott's Foods, Shop 'n Save, Shoppers Food Warehouse

Distribution SUPERVALU supplies and provides services to over 4,000 grocery retailers such as Buehler Foods, Byerly's, Haggens, Ukrops, Target Superstores, D'Agostinos and Dierbergs.

SUPERVALU Legal Department

- 15 attorneys – 10 employees and 5 contract
- Region Counsel – handle real estate, acquisition and general legal matters for assigned region of the company.
- Litigation – handle all commercial litigation for the company along with providing clients with advice and preventive strategies to avoid litigation.
- Labor and Employment – provide advice to human resources personnel, assist with labor negotiations and handle all employment litigation for the company.
- Corporate – handle board matters, stock options, acquisitions, and other corporate matters.
- 7 paralegals – 5 employees and 2 contract
 - 2 real estate
 - 2 litigation
 - 1 labor employment
 - 2 corporate



Universal Compression

Universal Compression (NYSE: UCO), headquartered in Houston, Texas, is a leading natural gas compression services company, providing a full range of contract compression, sales, operations, maintenance and fabrication services to the domestic and international natural gas industry.

Leveraging Outside Resources

- Introduction: When to Go Outside; Cost/Benefit Analysis
- Hiring of Outside Counsel
 - Consolidation of law firms
 - Preferred Providers (by practice area, business, location)
 - Fixed Fees—Auctions
 - Use of Legal Groups (I.e. Meritas) to hire counsel
 - Added benefits: (seminars, CLE, work-product)
- Alternative Billing Arrangements with Outside Counsel
 - Discounts
 - Fixed Fees (individual matter or group of matters)
 - Contingency
 - Success Based
 - Retainer/Secondments

Leveraging Outside Resources

- Business Objectives
- Leveraging Outside Counsel to Support Internal Business Objectives
 - The Current Model & Response
 - Billable Hours
 - Metrics
 - Partnering
 - A Proposed Business Model
 - The Billable Hour
 - Metrics
 - Partnering
 - Requirements for Success
 - Communication
 - Commitment
 - Flexibility

Leveraging Outside Resources

- Hiring of Contract Attorneys and Paralegals
 - Use of Preferred Vendors (efficiency, consistency, reporting)
 - Project basis
 - Long term assistance
 - Use of Recruiting Firms
- Hiring of Consultants
 - Internal Investigations
 - Expert Witnesses
 - Economic Analysis
 - ADR
 - Jury Consultants

Leveraging Outside Resources

- Use of Technology Providers
 - Technology Consultants
 - Electronic Billing
 - Internet Depositions
 - Electronic Discovery\Document Productions (scanning/coding)
 - Trial Support
- Research Providers
 - Access to case law, statutes (Lexis, Westlaw)
 - Research Organizations (LRN, LRC)
- Conclusion



General Electric Company **Outside Counsel Policy**

Rev. 08/00

General Electric Company expects outside counsel to provide GE and its affiliates with the highest quality legal services in the most cost-effective manner possible. GE values the contributions of both inside and outside counsel and strives for a collaborative relationship between the two. This Policy sets forth the principles and requirements by which GE intends to meet these objectives.

I. Scope and Applicability

These policies and procedures (hereafter "Outside Counsel Policy") govern the relationship of the General Electric Company and its affiliates (collectively referred to as "GE") with outside counsel. Outside counsel performing any type of legal services for GE may depart from this Outside Counsel Policy only with the prior written approval of the lead inside counsel responsible for the applicable matter. Questions concerning this Outside Counsel Policy should be directed to that lead inside counsel. This Outside Counsel Policy replaces the November 1995 *GE Guidelines for Outside Counsel*, and will take effect August 1, 1999 for all existing and future legal matters. Outside Counsel will be expected to follow this Policy in its entirety, unless specifically waived by GE.

II. Lead Inside Counsel

In any attorney-client relationship, the client has the responsibility for making all substantive decisions about the course of the matter. Accordingly, GE will designate for each engagement a lead inside counsel to direct the representation and coordinate communications with all other GE personnel. The lead inside counsel is responsible for ensuring that appropriate GE personnel are informed about and make the necessary substantive decisions about the matter and that outside counsel is kept appropriately informed both about GE's objectives in the matter and about pertinent business issues and developments. Lead inside counsel should be kept regularly apprised of all significant developments in the matter and consulted sufficiently in advance of the date by which any significant decision must be made. Lead inside counsel should also be given the opportunity and sufficient time to review drafts of all significant documents, including contracts, substantive pleadings, briefs, correspondence, and any other documents that will be provided to third parties on GE's behalf.

III. Outside Counsel Engagement and Staffing

A. Retention Decisions

GE inside counsel are responsible for the selection and supervision of outside counsel. Outside counsel may not accept an engagement directly from a GE businessperson unless GE inside counsel has authorized the specific use of their services for that engagement. Except in extraordinary circumstances, GE will not retain the services of a lawyer affiliated with a firm that has asserted a claim against GE of alleged fraud, misrepresentation or other dishonest or illegal conduct.

B. Engagement Letter

Every engagement (or series of engagements) of outside counsel in which the fees for the entire matter are likely to exceed \$25,000 should be memorialized by a letter setting forth the terms and conditions of the engagement. The letter should be signed by both lead inside and lead outside counsel and should indicate outside counsel's familiarity with and agreement to adhere to this Outside Counsel Policy, subject to any modifications agreed upon with lead inside counsel. GE will ordinarily not pay bills submitted by outside counsel who have not signed such an engagement letter. An example of an appropriate form of engagement letter is attached to this Outside Counsel Policy as Appendix A.

C. Staffing.

At the outset of the engagement, GE and lead outside counsel will together designate as the lead outside counsel a specific lawyer within the law firm who will be chiefly accountable for the conduct of the engagement. That lawyer should be personally and directly involved in the representation and is responsible for assuring that GE's objectives are met with respect to the engagement. **The lead inside counsel must approve all additional members of the team handling the matter, as well as any subsequent changes to the team.** Once the team is established, GE expects continuity of staffing for the duration of the engagement absent extraordinary circumstances. GE will not pay for "learning time" required by the substitution of attorneys or paralegals working on the engagement. Matters should be staffed with the number and level of personnel that are appropriate in order to render quality service in a cost-effective manner. GE prefers that its legal matters be staffed with lawyers who have developed knowledge of GE and have appropriate subject matter expertise. GE will generally not agree to the assignment of first year associates or summer associates to work on GE matters unless special permission is obtained.

GE expects outside counsel to use paralegals instead of lawyers whenever a task does not require a law degree. Certain GE legal departments have trained paralegals on staff who should be utilized on all projects requiring a significant expenditure of time or where knowledge of GE's products, processes or witnesses is helpful. In addition, GE has relationships with legal staffing providers that provide temporary paralegals and junior attorneys at GE-negotiated rates (*See: Section VIII.B Preferred Disbursement Vendors*). **For certain activities, such as file review, compiling and digesting documents and transcripts, due diligence, and similar functions, lead outside counsel is required to consult with and obtain the approval of lead inside counsel before using law firm personnel for such activities.**

D. Diversity

In the selection of counsel, as in its own employment decisions, the Company is committed to equal opportunity and fair treatment for all lawyers and law firms without regard to their race, color, religion, national origin, sex, age, disability, veteran status, or other characteristic protected by law, and selects outside counsel based solely on merit, qualifications, and other job-related criteria. The Company also complies with the spirit and letter of all applicable laws in taking affirmative action to make sure a diverse mix of individuals and firms apply for and are considered for Company engagements. We expect the law firms that represent our companies to work actively to promote diversity within their workplace.

E. Retention of Local Counsel, Consultants, Experts and Vendors

Outside counsel are not authorized to retain any local counsel, consultant, expert or vendor without the advance approval of the GE lead inside lawyer. Unless lead inside counsel approves different arrangements, lead outside counsel will be responsible, in consultation with lead inside counsel, for the budgeting and billing arrangements governing the work to be performed by such local counsel, consultants, experts, or vendors that are required to conform to this Policy. Lead outside counsel will be responsible for any amount billed over budget or not in accordance with this Outside Counsel Policy that is approved in advance by lead inside counsel.

F. Representation of GE Clients and Third Parties

If a GE customer, client or supplier agrees to pay the fees and expenses of outside counsel for GE, the policies and procedures contained in this Outside Counsel Policy shall apply to that representation, unless the GE customer, client or supplier, GE and outside counsel agree to another arrangement. If outside counsel represents a GE customer, client or supplier where GE has agreed to be responsible for the fees and expenses of such counsel, the policies and procedures contained in this Outside Counsel Policy shall apply to that representation.

IV. Planning and Evaluation

Whenever requested by lead inside counsel, lead outside counsel should prepare a written strategic plan for the conduct of the representation. It should be prepared early in the engagement and include an identification of GE's objectives and a proposal as to how best to achieve them; the major steps likely to be required as well as their timing and sequence; an estimate of the projected fees and expenses for each phase of the matter; and the staffing planned for the matter. The plan should be reviewed in draft with lead inside counsel prior to being finalized and updated from time-to-time, as appropriate, to reflect developments in the matter and evolving understanding of the relevant objectives, facts or issues.

V. Early Dispute Resolution

GE is committed to the early and inexpensive resolution of its disputes. Toward that end, and as part of its Six Sigma quality initiative, GE has instituted a Company-wide Early Dispute Resolution ("EDR") Program designed to foster such early resolutions through mandatory early case evaluations and the systematic use of alternative dispute resolution ("ADR") techniques, especially mediation. EDR requires that all such GE disputes be evaluated for their suitability for resolution through some form of ADR. If a case is deemed eligible for resolution through ADR, every effort should be made to resolve the matter on that basis. Lead inside counsel will expect lead outside counsel to fully assist GE in its EDR efforts.

VI. Legal Research

Outside counsel should not bill GE for drafting documents or conducting research previously generated for GE or other clients. At the outset of an engagement, and at appropriate times during the matter, lead outside counsel should ask the lead inside counsel if there are standard GE documents or research that may be used for this matter.

Any legal research project billed by outside counsel must be approved in advance by lead inside counsel. GE has entered into a preferred vendor relationship (currently Legal Research Network) and may, at the discretion of lead inside counsel, determine that legal research should be performed by such preferred vendor. Although GE encourages the use of its preferred legal research vendors, outside counsel are free to recommend to lead inside counsel any particular research that it believes outside counsel should perform.

VII. Fee Arrangements/Compensation

A. Preferred Provider Status

Certain firms have been designated a GE "Preferred Provider" as the result of being selected to participate in a formal program in the following substantive areas: Antitrust, Environmental, Intellectual Property, Labor & Employment, Litigation, Mergers & Acquisitions and Tax. In the event of a conflict between the terms of a Preferred Provider agreement and this Outside Counsel Policy, the Preferred Provider agreement takes precedence for the term of the agreement. All references to the Outside Counsel Guidelines in the Preferred Provider agreements shall now be deemed to refer to this Outside Counsel Policy.

B. Types of Fee Arrangements.

GE encourages outside counsel to propose, in appropriate cases, alternatives to conventional hourly-rate fee arrangements, including fixed or flat fees, productivity incentives, risk-sharing and contingent fees. Any proposal to use a different basis for billing such as "value based" or transactional billing, or to charge a success fee based on the outcome of the matter must be raised at the outset of the engagement and approved in writing by the lead inside counsel. In all cases, the terms on which GE will be charged for the representation must be set forth in writing both at the outset of the engagement and at any point in the engagement at which those terms are modified.

C. Billing Rates.

In matters that are to be billed based on the law firm's hourly rates, outside counsel shall, upon engagement of the firm, provide lead inside counsel with a schedule showing the billing rate for each timekeeper (or class of timekeeper) assigned to the engagement. Once agreed upon at the commencement of a matter, the scheduled billing rates shall remain in effect for the duration of the engagement. An exception to this requirement will be made only if the lead inside counsel **approves in writing a proposed rate change sixty (60) days in advance**. GE expects to be billed at rates that are highly competitive with those of firms providing comparable services to GE or other similar clients. In addition, GE requires that outside counsel charge for services at net billing rates that are no higher than those charged to other clients of the firm, except for not-for-profit or pro bono clients.

D. Task-Based Budgeting and Billing

It is GE policy that in engagements where professional fees are expected to exceed \$25,000 based on hourly rates, outside counsel will charge those fees and expenses that are consistent with task-based budgets approved by the lead inside counsel, and that outside counsel will render its bills in a form corresponding to that budget, as described and illustrated in Appendix B. Prior to incurring unbudgeted fees for a particular task, outside counsel must obtain the advance approval of lead inside counsel. In the absence of prior approval by the lead inside counsel, GE will not pay bills for legal fees and expenses for a particular task that exceed the budget approved for that task.

The budget and bill formats should, to the extent practicable, employ the standard task codes promulgated by the American Bar Association and the American Corporate Counsel Association, as modified from time to time. The particular form, frequency and content of the task-based budgets and bills to be used for a specific engagement should be agreed upon in advance by lead inside and outside counsel. Outside counsel are expected to update task-based budgets whenever necessary without a reminder from inside counsel. GE will not pay for any time associated with preparation of the budget and staffing plan for a particular matter or for consultations regarding matter management required by this Policy.

E. Staffing/Billable Time

GE strongly encourages lean staffing on its matters. **Consequently, GE will pay for no more than two attorneys (or one attorney if so determined by lead inside counsel) to attend events such as depositions, witness meetings, settlement conferences, negotiations and meetings with other parties' counsel.** Duplicative document review, research and drafting tasks should be avoided and will be reviewed carefully.

GE requires that lead inside counsel exercise good judgment with regard to the number of hours per day billed to GE matters by each attorney. GE will closely review the productivity and efficiency of any member of outside counsel's staff who bills more than 12 hours per day to GE matters. GE will only pay for reasonable internal conferencing, and internal conferencing exceeding 10% of the total billings for the month will be questioned. Clerical work is not billable, irrespective of who performs it. Clerical work includes maintenance of internal databases, date stamping, filing, preparing bills, indexing pleadings, opening and closing files, scheduling meetings or making travel arrangements, participating in review or

"feedback" sessions, billing audits. Likewise, time spent on "standby" when no actual work is being performed will not be chargeable without advance approval of the lead inside attorney.

F. Billing Timing and Contents.

Unless lead inside counsel approves different arrangements, bills should be rendered monthly, within 15 days after the end of the month in which the services were rendered. Bills should include **a detail of fees by lawyer and paralegal, including the number of hours spent by task**, a description of services, a list of reimbursable expenses by category, as well as a statement by lead outside counsel that charges for fees and expenses comply with this Outside Counsel Policy. GE will generally not pay for fees or expenses that are not billed on a timely basis or in the agreed-upon format. GE expects bills for professional services to be based on the time reasonably devoted to the matter. The number of hours for which GE is billed should be the subject of "billing judgment" exercised by the lead inside counsel, so that the fees charged reflect only the time appropriately and productively devoted to the matter. **GE reserves the right to request copies of the firm's billing records and supporting documentation with respect to charges to GE and to conduct audits of the bills.**

VIII. Expenses/Disbursements.

A. Overhead/Administrative Costs:

GE considers the following costs part of outside counsel's unreimbursable overhead, and will not accept charges from outside counsel for the following items: computer, word processing and e-mail charges, rent, conference room charges, supplies, library staff, library use and materials, clerks, proofreaders, meals, taxis and limousines for employees to get to and from the office (including at night), support staff salaries and overtime, and local telephone calls. As to other costs, GE will reimburse outside counsel for actually incurred out-of-pocket expenses with no mark-up, provided those expenses are reasonable and comply with the guidelines set forth below. GE expects outside counsel to use its best efforts to minimize reimbursable out-of-pocket costs both by avoiding unnecessary expenditures and by taking advantage of volume discounts and bulk arrangements that may be available either through GE or otherwise. A summary of GE's policies with respect to billing requirements, expenses and disbursements is attached hereto as Appendix C.

B. GE Preferred Disbursement Vendors

GE has entered into agreements with preferred vendors in the following areas: Legal Staffing, Court Reporting, Duplicating and Scanning/Coding. The use of these vendors (as opposed to having the services performed by outside counsel or other vendors) can result in high quality services at significant cost savings for GE. GE requires that outside counsel use these vendors on all GE matters unless an exception is obtained from lead inside counsel. GE expects that outside counsel will contact these vendors directly and use them on GE matters without the necessity for lead inside counsel to raise the issue (*See: Contact Information listed on Appendix D*). The GE-negotiated rates will apply to the services provided by these vendors whether the vendor bills GE directly or bills outside counsel. Outside counsel must advise the vendor for each new engagement that the services are for GE in order that the GE-negotiated rates will apply. In no case will GE accept and/or reimburse outside counsel for any mark-up or administrative charge on these services. GE receives regular reports from these vendors that indicate the use of these services by outside counsel.

C. Travel:

GE expects outside counsel to avoid unnecessary travel through such alternatives as teleconferencing. Only coach air fare and mid-size rental cars will be reimbursed, except that business class air fare may be reimbursed for travel to and from Europe, Latin America and Asia but not within Europe, Latin America

and Asia. Luxury transportation, including limousines and hire cars, will not be reimbursed unless lead inside counsel has approved the expense in advance. If counsel is traveling on business for more than one client, GE expects counsel to apportion the expenses appropriately. Outside counsel shall purchase travel services under GE contracts with travel service providers, such as car rental companies and hotels, whenever such rates are available to contractor personnel. **GE will not pay for time spent traveling unless outside counsel works on GE business while traveling.**

D. Meals and Accommodations:

GE expects its counsel to use good judgment in selecting hotels and restaurants while traveling on GE business. Personal incidental expenses incurred while working on GE matters will not be reimbursed and must be distinguished from those expenses that are appropriately charged to GE. GE will not pay for meals or other incidental expenses, **including evening taxis or cars for attorneys or staff members** when they are working in their normal office location.

E. Electronic Distribution of Documents:

Advances in technology, specifically transmission of information and documentation by e-mail, scanning, imaging, sharing of documents on secure web sites, etc., have made routine copying, faxing and delivery of hard copy documents less critical and, in many cases, unnecessary. Consistent with security concerns, GE expects outside counsel to maximize the use of state of the art technology to minimize the expenses listed below (*See Section XIII, Technology*).

(i) *Photocopying:* GE will reimburse the firm for necessary photocopying at the firm's actual annualized per-copy expense or ten cents per page, whichever is lower. GE expects outside counsel to avoid and/or minimize unnecessary copying. GE requires the use of its preferred legal duplicating vendor for bulk copying, unless there are specific concerns about speed, confidentiality or reliability that dictate the use of the firm's own facilities.

(ii) *Telephone and Facsimile:* GE will pay for actual charges billed to the firm for toll calls including those relating to outgoing fax transmissions. No other amounts will be paid for outgoing or incoming faxes.

(iii) *Messenger Services:* GE will reimburse the firm only for actual charges billed to the firm for deliveries (including overnight express) that are necessary for speed and reliability.

F. Computerized Research:

Lead outside counsel shall monitor and be responsible for all research conducted to assure that the matter is handled in the most cost-efficient and productive manner. GE will pay only for actual charges billed to the firm for computerized research, without mark-up or administrative fee. In the event GE provides outside counsel with a unique password for electronic research to be utilized only for GE matters, outside counsel agree to utilize said password in accordance with the specified requirements.

G. Secretarial Time, Word Processing:

GE will not pay fees, costs or charges for word or document processing or for secretarial time, including overtime.

IX. Public Comment

In the absence of specific authorization, GE does not authorize outside counsel to 1) offer media or other public comment on GE or matters being handled for GE or 2) respond to requests for comment. Any inquiries or proposed public comment about GE or a GE matter must be referred to lead inside counsel or to GE public affairs specialist designated by GE lead inside counsel. That GE representative will be

responsible for determining what comment is appropriate and who should be designated to comment on GE's behalf.

X. Other Clients

Outside counsel are required to search for and disclose to GE any actual or potential conflicts of interest prior to accepting an engagement. Outside counsel should identify and disclose to GE any existing or prospective engagement by another client that could create an actual or potential conflict of interest with counsel's representation of GE (or the appearance thereof). For purposes of the rules of professional conduct barring or limiting an attorney's representation adverse to the interests of existing or former clients, GE itself and all of GE's subsidiaries, unincorporated divisions, and affiliates should be treated as the client of any outside counsel providing services to any one of such businesses, entities, or affiliates. See American Bar Association, Standing Committee on Ethics and Professional Responsibility, Formal Opinion 95-390 at 5 (January 25, 1995). This standard is applicable as well to counsel outside the United States.

Requests for waivers of potential or actual conflicts of interest will be considered on a case-by-case basis; GE will not provide blanket or prospective waivers. Waiver requests should be directed to the lead inside counsel for the matter on which the waiver is sought and, where the waiver is sought for litigation or potential litigation, the law firm should provide a complete list of the matters currently being handled by the law firm for GE or its subsidiaries, divisions or affiliates, the identity of each GE component or affiliate involved in those matters and the identity of lead inside counsel for those matters. Any waiver granted by GE will be conditioned on counsel's other client providing a written agreement that it will not object to counsel's continued ability to represent GE on existing and future matters. An illustration of a letter confirming the waiver of a potential conflict of interest is attached as Appendix E.

GE will ordinarily not waive a conflict where representation of another client will involve the assertion against GE or any affiliate of a claim of alleged fraud, misrepresentation, or other dishonest or improper conduct. If GE grants a waiver subject to this limitation on the scope of the firm's proposed representation, the limitation must be clearly communicated in writing to the other client at the commencement of the adverse engagement, because the limitation could later require counsel to withdraw from that engagement. If GE consents to the representation of another client adverse to GE in a transaction, it will not consent to the firm's representation of the other client in litigation against GE arising out of the transaction. No waiver will ordinarily be granted if the subject of the proposed adverse representation involves substantially the same matter in which the firm has represented GE on a related matter. Nor will a waiver be granted if the firm's access to confidential information, including GE's business and litigation strategies, would be useful to the adverse client.

If GE's outside counsel anticipates that representation of another client will involve counsel advancing a position on a legal issue which may be materially opposed to GE's interests, counsel should, to the extent reasonably practicable and consistent with that counsel's confidentiality obligations to other clients, bring the matter to GE's attention in advance of doing so.

XI. Ownership of Material

All materials in written, graphic, electronically stored or other form, generated or prepared in the course of representing GE or its affiliates and all copyrights therein shall belong to GE. Outside counsel, by representation of GE, agrees to assign all right, title, interest and copyrights in all such materials to GE and agrees to execute all documents necessary for GE to perfect its ownership and copyright interests. At the conclusion of the engagement, lead outside counsel should obtain direction from lead inside counsel regarding disposition of all such materials, in addition to the requirement in Section XII.

XII. GE Legal Home Page

GE maintains a Legal Home Page on a secure internal web site for legal research, briefs, pleadings, memoranda of law, contracts, agreements and other documents generated in GE matters. In order to maintain the Legal Home Page with current materials, GE requires lead outside counsel at the conclusion of each GE matter to forward completed research memoranda, briefs, pleadings and transaction documents (contracts, acquisition agreements, etc.) by e-mail to Legal.Gatekeeper@corporate.ge.com, or on disk to Counsel, Manager Legal Resources, GE, 3135 Easton Turnpike, Fairfield, Ct. 06431. GE may request from time to time that outside counsel provide GE with non-privileged research memoranda, forms, training materials or other documentation prepared for the firm or other clients which GE may load onto its Legal Home Page (with appropriate credit to the firm preparing the materials).

XIII. Technology

The effective use of technology in legal matters and with outside law firms is critical to generating superior work product efficiently and at a significantly lower cost. GE expects that unless another format is required or agreed to by GE, outside firms will utilize software and technology compatible with GE's technology. GE will not be responsible for any costs associated with the purchase or installation of hardware or software by outside counsel for GE matters.

XIV. Confidentiality

GE may provide to outside counsel on a confidential basis copies of confidential and proprietary information, including intellectual property, trade secrets, internal policies, business plans, customer information, organizational charts, standard forms or other materials relevant to the work outside counsel is performing on GE's behalf. None of these documents or other materials should be used by outside counsel directly or indirectly for any purpose other than in connection with their representation of GE.

XV. Quality-Outside Counsel Evaluation

GE is endeavoring to improve all critical processes using Six Sigma Quality methodology, a discipline of defining, measuring, analyzing, improving and controlling key process performance, to assure that strategic goals are achieved. As part of the application of GE's Six Sigma quality methodology to legal processes, GE will be tracking and evaluating the performance of outside counsel at the conclusion of each matter. GE has implemented an internal Outside Counsel Management System that collects, tracks and disseminates information about outside counsel retained by GE and the legal matters they handle. GE lead inside counsel will evaluate outside counsel at the end of each legal matter by use of numerical rankings in the following four categories: Expertise, Client Service, Cost Effectiveness and Results. GE may inform outside counsel as to the results of these evaluations and suggest areas for improvement. Outside counsel agrees to conform its work product to GE's quality standards where advised. Outside counsel will be expected to cooperate with these efforts to improve the overall quality of outside counsel representation at their own expense and will not bill GE for time spent for this purpose.

Appendices

- A. *Sample Engagement Letter*
- B. *GE Task-Based Billing and Budgeting Formats and Worksheets*
- C. *GE Billing Requirements, Disbursements and Expenses Summary*
- D. *GE Preferred Disbursement Vendors*
- E. *Sample Conflict Waiver*

APPENDIX A



General Electric Company
Sample Outside Counsel Engagement Letter
(8/00)

[Date]

Lead Outside Counsel Name
Law Firm Name
Address

Re: [Matter Name]

Dear _____:

This letter will confirm that [GE business name] has asked you to represent us in the above matter. In connection with your representation we have asked you to [describe scope of the engagement].

With this letter I am sending a copy of General Electric Company's Outside Counsel Policy (Rev. 8/00). Except as set forth in this letter, or specifically agreed to by me, the Policy will govern your representation of [GE business name] in this matter and all subsequent matters in which you are retained. We have agreed that you will be the lead outside counsel on this matter and will be responsible for ensuring adherence to the Policy. I [or name of appropriate inside counsel] will be lead inside counsel on this matter. We believe that providing you with a clear statement of the principles which apply to your representation of [GE business name] will assist us both in providing effective, high quality legal representation responsive to the needs of the company. I urge you to raise any questions you may have about the Outside Counsel Policy with me or [other lead inside counsel] at the outset.

We have agreed that you will be compensated for your work on this matter [insert fee arrangement]. [If task-based billing and budgeting. We have agreed that you will prepare [a] task-based budget[s] (monthly, quarterly, for all the work necessary to complete this assignment, for each phase of this matter) for my approval.] We have agreed that you will submit your bills [monthly, quarterly, or at the completion of this matter]. We have agreed that the attorneys and staff who will work on this matter are:

Name	Billing rate
Name	Billing rate

I look forward to working with you on this matter. Please confirm that you have received and agree to abide by the Policy by returning a signed copy of this letter to me at your earliest convenience.

Very truly yours,

GE Attorney

We have received General Electric Company's Outside Counsel Policy and agree to be governed by that document's terms in our representation of [GE business name] and its affiliates.

Law Firm Name

By _____
Lead Outside Counsel



GE Outside Counsel Policy-Billing Requirements and Disbursement/Expenses Summary

I. General Requirements

- A. **Engagement Letter** (III.A) Required for all matters where fees likely to exceed \$25,000.
- B. **GE Lead Inside Counsel** (III.B) Responsible for all substantive decisions; outside counsel to keep informed; provide all documents to inside counsel for review.
- C. **Retention of Local Counsel, Consultants, Vendors** (III.E) GE pre-approval required for all retentions; GE outside counsel policy terms apply.

II. Billing Requirements

- A. **Billing Rates** (VII.C). In effect for entire matter unless GE written approval 60 days in advance.
- B. **Staffing/Billable Time** (VII.E)
1. No more than 2 attorneys at meetings, negotiations unless GE pre-approval.
 2. No firm paralegals unless GE pre-approval (III.B)
 3. More than 12 hours per day by one member outside counsel staff closely reviewed
 4. Internal conferences more than 10% total monthly billings closely reviewed
 5. No billing for travel time, clerical work (filing, date stamping, indexing, making arrangements)

III. Budgeting/Billing Requirements

- A. **Task Based Budgeting and Billing** (VII.D) Required for all matters where fees will be greater than \$25,000
- B. **Billing Timing/Contents** (VII.F)
1. Bills to be rendered monthly within 30 days after end of month.
 2. Detail of fees by lawyer, paralegal, number of hours by task, description
 3. Expenses/disbursements detail and charges by category

IV. Expenses/Disbursements

- A. **Non-Reimbursable Overhead** (VIII.A)
1. Computer, e-mail, word processing charges
 2. Conference room charges, rent

3. Supplies
4. Library use, staff
5. Clerks
6. Proofreaders charges
7. Meals (except during business travel)
8. Taxis and limousines to and from firm office (even at night)
9. Support salaries, overtime
10. Local telephone calls
11. Fax charges

- B. **GE Preferred Disbursement Vendors** (VIII.B) GE legal staffing, court reporting, duplication, scanning/coding vendors must be used; GE will not pay any firm mark-up/administrative charges.

C. Travel (VIII.C)

1. **Airfare.** Coach only fare in U.S., within Europe, Asia, Latin America; business airfare may be reimbursed U.S. to/from Europe, Asia, Latin America with GE pre-approval.
2. **Rental cars** Mid-size cars only, no limousines, hired cars unless GE pre-approval.
3. **GE Travel Center/Providers:** Use where possible.

D. Meals/Accommodations (VIII.D)

1. **Hotels:** Use reasonable judgment, GE Travel Center
2. No personal/incidental expenses reimbursed.

E. Telephone/Facsimile/Photocopying (VIII.E)

1. **Photocopying:** \$.10 per page or firm's actual annualized per page if lower.
2. **Telephone/facsimile:** No local call charges, toll charges only for outgoing transmissions, no charges for incoming faxes.
3. **Messenger services:** Only actual charges.

- F. **Computerized Research** (VIII.F) Actual charges only without firm mark-up, admin charges; use GE password when provided.

- G. **Secretarial time, Word processing** (VIII.G) No charges for secretarial, word processing charges, including overtime.

**GUIDELINES FOR DEVELOPING PROPOSAL TO PROVIDE
E-COMMERCE RELATED LEGAL SERVICES TO GE AND
ITS AFFILIATES (hereinafter "GE")
GE Proprietary Information**

I. GENERAL INFORMATION TO BE INCLUDED IN PROPOSAL

A. **Description of attorneys, offices, experience and expertise.** Please provide the names of the attorneys in your Firm who would be appropriate to work on GE matters in this area. For each attorney, state: the address of the office in which he/she works; his/her billable rate on a discounted basis; the extent of his/her experience in Internet and E-Commerce matters, specifically (i) e-commerce contracts of all types, encryption, content liability, digital signatures; (ii) e-commerce and business method patents; (iii) experience relating to domain name protection in all TLDs, enforcement of trademark rights against domain name cyber squatters and other infringers; (iv) internet privacy issues, internet site terms and conditions and disclaimers; (v) tracking legislation and regulations in the e-commerce field; (vi) transaction experience related to various types of e-commerce transactions, including joint ventures, alliances, acquisitions etc. We are looking for litigation (specifically trial experience) and non-litigation experience. In addition, please provide citations to published opinions on Internet or E-Commerce matters handled by your Firm, and any published articles by the attorneys to be assigned to GE matters.

B. **Equal Opportunity.** In the selection of counsel, GE is committed to equal opportunity and uses criteria such as merit and qualifications, without regard to race, color, religion, national origin, sex, age, disability, veteran status or other characteristic protected by law. GE also complies with the spirit and the letter of its affirmative action obligations in making sure a diverse mix of individuals and Firms apply for and are considered for company engagements. Please comment on your ability to assist GE in meeting these commitments. Please also state whether your Firm is a participant in the ABA Minority Counsel Program.

C. **Office Technology.** What type of technology/equipment do you currently have at your Firm (e.g. types of computers, word-processing software, e-mail, internet access, "security" software to send encoded messages, video-conferencing capability, etc.)? Has your firm used an extranet (secure web-site) to exchange information with clients, if so, please provide state whether it internally developed or if a third-party software was used.

D. **Budgeting and Billing Software.** Do you currently have software which has the ability to generate budgets and invoices in Task Based Budgeting and Billing format? If so, state the name of the software. To what extent are you

currently using the software for your clients? Are you currently interfacing with your clients electronically on budgeting and billing?

E. **GE Contacts.** Provide the name(s) of GE lawyers who are currently familiar with your Firm/work product.

F. **Possible Presentation.** Your Firm will be willing to meet with GE in October, 1999 to discuss your proposal.

II. TERMS AND CONDITIONS

GE expects that certain important terms will be part of any "preferred provider" arrangement between the selected Firms and GE. Please indicate in your proposal whether you will agree to the following terms:

- **Administrative**

A. **Rights to Use GE-related Work Product.** All memoranda, motions and other work product created by the Firm for use in a GE matter will, upon request, be provided to GE in an electronic format. GE will have unlimited rights to use such materials.

B. **Access and Rights to Other Firm Work.** GE will be given access to any existing Firm repository of e-commerce memoranda, pleadings and other work product created for GE *and* non-privileged documents and materials (including library resources)--for its unlimited use in GE matters.

C. **Partnering with GE Staff.** GE may, upon its request, substitute GE or other personnel for any Firm secretary, paralegal or counsel who is assigned or expected to work on GE matters. Please indicate whether you would be willing to provide office space and support (e.g. secretarial) to a GE person at your facility at no cost while a GE matter is being handled by your Firm.

- **Billing**

D. **Productivity Meetings.** Your Firm will agree to meet with GE on a periodic basis (in person or by other means) to discuss strategy to decrease costs, increase productivity, etc. on a non-billable basis.

E. **Non-Billable Advice.** Your Firm will agree to offer advice that does not involve substantial research or time on an ad hoc basis. Such advice will not be included as billable advice.

F. **Budget.** Your Firm will submit a detailed budget concerning potential

matters identified by GE in accordance with **GE Outside Counsel Policy** (rev. 8/99).

- **Services**

G. **Seminars.** Your Firm will offer, at no additional cost, an annual seminar on an Internet and/or E-Commerce topic of GE's choice to a GE Practice Group at a location designated by GE.

H. **Legal Developments.** Your firm will provide GE electronically, on no less than a bi-weekly basis, with updates and developments on Internet related issues.

I. **Attorney Loan.** If requested, your Firm will be willing to loan an attorney to GE for short-term support in exchange for a negotiated amount which approximates the firm's cost for the attorney (salary and benefits) for that time period.

III. GEOGRAPHIC CAPABILITIES

Please indicate whether you would be capable of providing service to GE on a national basis (for all GE businesses, in all 50 states) or whether your proposal will be limited to a specific geographic region or city/state. Please provide specific information regarding the amount of work which you have done both within the city/state in which your offices are located and outside the city/state. Please provide information as to your expertise and experience in Internet and related matters outside the US.

IV. ALTERNATIVE FEE ARRANGEMENTS/DISCOUNTS

GE's objectives are to maintain or improve quality, decrease costs and increase productivity. It is our intention, through these proposed "preferred provider" arrangements, to work in partnership with selected Firms to achieve GE's objectives, to the mutual benefit of both parties.

A. **Arrangements with other Firms.** Please advise us if your firm has been selected as a Preferred Provider for E-Commerce for any other major corporations, and provide references. Describe in detail, by practice area if applicable (e.g. litigation, M&A work, etc.), any alternative fee arrangements in which you are/have been involved, including your opinion as to which elements have been successful and unsuccessful. Please indicate whether your Firm has any arrangements involving national representation of clients and identify the client(s).

B. **Fee Arrangement with GE.** Please provide the types of fee arrangements your Firm is willing to enter into with GE for particular types of work and describe in detail the fee arrangements that you are proposing. If your firm currently provides a discount to GE, please provide the discount and confirm that it will apply to these services. GE is open to alternatives to the traditional hourly fee arrangement. A fixed budget based on Task Based Budgeting and Billing with substantial incentives and disincentives for meeting or exceeding the budget will also be considered. The objective is to encourage efficient, cost-effective resolution of issues.

Note: where hourly fees are proposed, your Firm should list the hourly fees for all people whom you will have work on GE matters and indicate whether the rate is before or after any proposed discount. GE expects that any firm that is accepted into this preferred program will provide a discount off standard rates for services that are billed on an hourly basis. We would also expect that if the Firm substitutes an associate (or other person) on a matter, the new person will be billed at a rate which is no higher than his/her predecessor.

V. PROCEDURAL MATTERS AND OTHER IMPORTANT INFORMATION

A. Enclosed please find a copy of **GE's Outside Counsel Policy** (rev. 8/99) which will be included in any final agreement between the Firm and GE.

B. **Deadline for submission.** All proposals must be submitted to GE by October 4, 1999. GE will not be charged for the time spent or costs incurred in preparing any proposal. Each Firm shall send two hard copies as designated in the cover letter and one copy by e-mail to Suzanne.Hawkins@corporate.ge.com or on diskette (Word 97 preferred). All documentation submitted will become the property of GE unless otherwise requested in writing by the Firm at the time of submission.

C. This request does not commit GE to any contract award or action based upon any information submitted. GE retains the right to accept or reject any proposal.

September 15, 1999

E-COMMERCE PREFERRED PROVIDER AGREEMENT

This Agreement is dated January 13, 2000 between General Electric Company with offices at 3135 Easton Turnpike, Fairfield, CT 06431 and
(hereinafter the "Firm") with its head office in New York, New York.

1.0 PURPOSE

1.1 The purpose of this Agreement is to establish a preferred provider arrangement for the provision of one or more types of E-Commerce services (as described in Paragraph 1.2) by the Firm to GE and its direct and indirect subsidiaries and controlled affiliates (collectively "GE"). However, if the Firm is a party to another preferred provider or other contractual agreement with GE that relates to provision of legal services in an area that is also covered by such other agreement, then with respect to a particular engagement involving such a dual coverage situation, the GE lead lawyer involved in such matter may determine which preferred provider or other agreement applies to that engagement.

1.2. "E-Commerce Services" as referred to in this Agreement shall mean legal services (including corporate matters (such as mergers and acquisitions, licensing and commercial transactions, securities, financing), litigation, and relevant specialty practices areas (such as antitrust, tax, intellectual property)) related to, or the need of which arises from, various aspects of electronic commerce, Internet and other similar interactive technology and related software, applications, intellectual property, business and investments, including but not limited to matters involving:

- A. Intellectual Property, such as domain names, trademarks, copyright, linking, framing, metatags, trade secrets, patents, URL piracy;
- B. Financial Services and On-Line Processing, such as, transaction processing, advertising, marketing, gambling, sweepstakes, fraud prevention, insurance, securities;
- C. On-Line Contracting Matters, such as, digital signatures and encryption, terms of use, electronic management, "click wrap agreements", enforcement, fraud prevention;
- D. Regulatory, such as anti-trust, sales tax, advertising, securities, consumer laws, trade laws; and
- E. Commercial Transactions, Mergers and Acquisitions and Investments, such as marketing, distribution, transactional agreements (e.g. warrants, equity purchases, joint ventures), license agreements, website development and hosting and outsourcing agreements.

2.0 TERM

Subject to Paragraph 12, this Agreement shall become effective as of January 13, 2000 and shall continue in effect through January 31, 2002. Unless terminated by either party by notice at least 30 days prior to the scheduled termination date, this Agreement will be renewed for successive one-year periods.

3.0 PREFERRED PROVIDER STATUS

By agreeing to the terms herein, the Firm shall be considered a Preferred Provider of E-Commerce Services. This designation does not give the Firm an exclusive arrangement or commit GE to provide any particular work to the Firm. However, GE's in-house attorneys will be provided with information regarding the Firm and the lawyers designated as lead legal resources for GE matters (as listed on Exhibit A) and will be encouraged to use such providers to furnish E-Commerce Services and for other related projects.

4.0 SUPPORT FOR GE

4.1 All memoranda, agreements and other work product created hereafter by the Firm for use in a GE matter will, unless the GE lead lawyer involved in the matter instructs otherwise, be provided to GE in an electronic format (in a Word '97, Excel, Power Point or other type of file format as requested by GE) and GE will have unlimited rights to use such materials.

4.2 GE will be given access to and permitted to use any existing Firm repository of E-Commerce related (1) memoranda, legal opinions, agreements and other work product created for GE and (2) any redacted or non-privileged documents and materials created for the Firm (e.g., legal analyses, memoranda, model agreements and documents, training materials) or for other clients (including but not limited to all publicly filed agreements and documents). Within 10 business days after the date hereof and thereafter on a quarterly basis (with respect to new materials), GE shall be provided with an index to such documents to the extent such exists (or be advised as to searching capabilities) and with assistance for any searches, at no cost to GE (other than costs of duplication). GE shall be provided with such documents in electronic format (Word '97 unless otherwise requested) to the extent feasible and, if not, then on computer disk. To the extent made available to any other client or third party, GE will be given access (including, if feasible, through a link from GE's Legal Home Page or similar direct computer or Internet access) to the Firm's intranet database of nonprivileged memoranda, documents and information. The Firm will send to designated GE lawyers any memoranda, newsletters or other materials relevant to E-Commerce practitioners (for matters within the scope of Paragraph 1.2) which it distributes to persons outside the Firm.

4.3 From time to time or in connection with a particular E-Commerce matter in which the Firm is representing GE, GE may request the Firm assist GE in its efforts to enhance GE's technological capabilities and utilization of technology in connection with E-Commerce projects and matters (such as though establishing a secure electronic extranet or other method to facilitate secure electronic document distribution, collection of comments on draft documents and sharing of information among a team). In addition, at GE's request in connection with provision of E-Commerce Services, to the extent feasible the Firm shall make available at no cost its technological capabilities and resources for increasing efficiency in connection with E-Commerce matters.

4.4 At GE's discretion, GE may substitute any GE or other personnel (including temporary legal assistants and/or attorneys) for any Firm secretary, legal assistant or counsel who is assigned or expected to work on GE matters. To the extent the Firm has available space, the Firm shall provide office space and support (e.g., secretarial) to a GE person at its offices at no cost while the Firm is handling a GE matter.

4.5 The Firm will provide fee and expense information in a form and at such times as GE requests and will meet with GE representatives on an as needed basis (in person or by other means) to discuss strategies to increase efficiency, decrease costs, etc., on a non-billable basis.

4.6 At GE's request, the Firm shall periodically meet by telephone or in person with GE and with GE's other E-Commerce Services' Preferred Providers to discuss substantive issues and productivity issues of interest to GE.

5.0 TRAINING

5.1 The Firm will make available to GE attorneys and other GE personnel all continuing legal education ("CLE") and other educational seminars and/or the written and other materials from seminars and other educational programs and presentations offered by the Firm, at no cost to GE and, if other non-Firm personnel are invited, will invite GE attorneys to attend any seminars or other education programs offered by the Firm to the extent feasible.

5.2 If requested by GE, the Firm shall conduct an annual one-day seminar, free of charge, on E-Commerce topics selected by GE at a GE-designated site. GE agrees to pay for the Firm's reasonable travel expenses in connection with providing the seminar. The Firm is encouraged to propose topics that it considers appropriate for such seminars.

6.0 POLICY FOR OUTSIDE COUNSEL

The Firm shall provide legal services to GE in accordance with the "Outside Counsel Policy" (Rev. 8/99) a copy of the current text of which has been provided to the

Firm and which is made a part hereof, and any revisions of such Policy which may be generally used by GE (as may be revised further, the "Policy"). In the event that any provisions of the Policy conflict with provisions set forth in the Agreement, the provisions in the Agreement shall prevail.

7.0 FEES

7.1 As provided in Article VII(B) of the Policy, in connection with all engagements, the Firm and GE shall consider arrangements that are alternatives to conventional hourly-rate fee arrangements, unless GE advises otherwise.

7.2 Absent the conclusion of such alternative fee arrangements, fees shall be billed on an hourly basis, with GE to be entitled to a 15% discount from the standard rates charged by the Firm for its attorneys' and legal assistants' services on January 1, 2000, provided that such rates shall be subject to increases as specified in Paragraph 7.3 (the "GE Rate"). The GE Rate shall be applicable with respect to the following matters as to which GE is being charged for services on an hourly rate: (a) unless the lead GE lawyer involved elects otherwise, all E-Commerce matters as to which the Firm is representing GE as of January 13, 2000 and (b) all E-Commerce matters (except to the extent that a lower rate has been agreed to by the parties on such other matters) commenced during the term of this Agreement. The GE Rate shall continue in effect through the term of this Agreement and after the termination or renewal of this Agreement with respect to the preceding matters for the duration of any E-Commerce matter pending on the date of such termination or renewal.

7.3 Annexed hereto as Exhibit A is a list of the Firm's attorneys who will serve as the primary legal resources for E-Commerce Services of the type indicated. Each such lawyer's standard and discounted rates as of January 1, 2000 are listed on Exhibit A. If the Firm or GE proposes to modify the list of primary legal resources, the parties will discuss such possible changes and cooperate to ensure GE receives the highest quality of services available at the Firm. In the event the firm increases the hourly rate of any associate listed on Exhibit A (or who otherwise provides E-Commerce Services to GE) solely due to the duration of time such attorney has practiced with the firm (*i.e.* a step increase), the GE Rate for such associate shall upon written notice of the Firm to GE as provided below be increased prospectively for future E-Commerce matters to reflect such increase. GE understands that the Firm may from time to time increase its hourly rates on a Firm-wide basis due to inflation or similar cost-of-living adjustments. Accordingly, the GE Rate may be increased for future E-Commerce representations to give effect to such a Firm-wide rate adjustment, provided that over the initial two-year term (and any successive two-year periods, in the event of renewal) of this Agreement, the GE Rate may not be so increased by more than 5% over the GE Rate then in effect. The Firm shall provide GE with 10 days' advance written notice of any increase in the GE Rate.

Notwithstanding anything else in this Agreement, the Firm agrees that the GE Rate will only be increased in the event such increase is applicable to all other clients of the Firm.

7.4 Fees for services that are not included in or that exceed agreed upon task based or other budgets will not be paid absent special circumstances.

7.5 GE has selected certain preferred vendors, a list of which is attached to the Policy in the following areas which, at the request of GE, are to be utilized by the Firm on GE matters: temporary legal staffing; court reporting, legal duplicating; imaging and coding. GE will not be charged any mark-up or administrative fee on these services. The Firm will favorably consider using temporary legal staffing for all appropriate matters, including but not limited to document review and production. GE expects the Firm to raise the issue with lead inside counsel in all cases.

8.0 BILLS AND PAYMENT FOR SERVICES

8.1 Unless otherwise agreed to by the lead GE counsel on the matter, an invoice and a report of the Firm's proposed billing or fees incurred, including the number of hours, if applicable, proposed to be charged by each attorney and legal assistant for work performed by the Firm under this Agreement will be provided to GE monthly within thirty days after the end of the month in which the services were rendered.

8.2 Subject to its right to audit and contest any bill submitted by the Firm, GE shall pay invoices within 60 days from GE's receipt of the invoice, with payment in this time frame being considered timely and not subject to interest.

8.3 GE will only pay for travel time and expenses expended by the Firm to the extent that it has been approved in advance by the cognizant GE counsel and complies with the Policy.

9.0 CONTRACT BENEFIT EXTENSIONS

From time to time, GE may identify opportunities for the Firm to lower its costs on GE matters by taking advantage of terms GE has negotiated with GE's suppliers of goods and services (e.g., photocopying and the like). The Firm agrees to cooperate with GE in identifying such opportunities, and to use its reasonable efforts to obtain such cost savings when they are available.

10.0 PRODUCTIVITY

10.1 GE may from time to time request meetings with the Firm to discuss strategies to decrease costs, increase productivity and achieve other GE goals. The Firm agrees to

make reasonable efforts to meet (in person or by other means as may be mutually agreed upon) on a non-billable basis to discuss these matters.

10.2 GE is pursuing a number of initiatives to enhance productivity and accessibility of resources and information relevant to its lawyers. In addition to the electronic submission of work product as set forth in Paragraph 4.1 above and the technological capabilities referred to in Paragraph 4.3, the Firm agrees to advise GE of technology developments and enhancements it deploys from time to time to increase its productivity in delivering E-Commerce Services to other clients, facilitate lawyer training and experience or assist it in fee budgeting and cost containment.

11.0 QUALITY MEASUREMENTS

The Firm understands that as part of the application of GE's Six Sigma quality methodology to legal processes, GE will be evaluating the performance of the Firm on all matters handled for GE. Such evaluations include, but are not limited to, assessment of compliance with all aspects of work product including timely completion. When requested by GE, the Firm will participate in collecting and providing data that allow for reduction of process variations and achievement of "Six Sigma" Quality as determined by GE.

12.0 EARLY TERMINATION

This Agreement may be terminated by either party, in its sole discretion, upon thirty days written notice provided to the party coordinator identified below. Unless directed by the cognizant GE counsel, any matters for which the Firm has assumed professional responsibility pursuant to this Agreement shall continue to be handled subsequent to such termination in accordance with the terms of this Agreement until the completion of the work.

13.0 DESIGNATED FIRM COORDINATOR

is hereby designated as the Firm's authorized representative for purposes of administration of this Agreement and coordination of legal staffing for all E-Commerce matters handled by the Firm. Contact information for the Firm coordinator is:

14.0 DESIGNATED GE COORDINATOR

is designated as GE's coordinator and authorized representative for administration of this Agreement, it being understood that GE may designate a different or additional persons as its coordinator(s) and representative(s). Contact information:

Questions relating to specific matters for which the Firm has assumed professional responsibility should be directed to the cognizant GE counsel for that matter.

15.0 CONFIDENTIALITY

GE and the Firm shall keep strictly confidential all the terms and conditions, including fee arrangements, hourly rates and discounts, in this Agreement and shall not disclose them to any third party unless obligated by law to do so or with the written consent of the duly authorized representative of the other party. Notwithstanding the foregoing, GE may disclose the identity of the firms participating in the E-Commerce preferred provider program as it deems reasonably necessary or appropriate.

16.0 STATUS OF THE FIRM

The Firm is an independent contractor under this Agreement, as is each principal, partner, agent or employee of the Firm. No principal, partner, agent or employee of the Firm will by virtue of this Agreement, be considered as an employee of GE for any purpose, including but not limited to eligibility for GE benefits or compensation or other rights and privileges afforded to employees of GE. The Firm shall not be considered a partner or joint venturer of GE in connection with any matters for which the Firm has been retained by GE.

17.0 NO WAIVER

Failure to insist upon strict compliance with any of the terms in this Agreement or the Policy (by way of a waiver of a term or of a breach) by either party hereto shall not be deemed to be a continuous waiver in the event of any future breach or waiver of any term in this Agreement or in the Policy.

18.0 THIRD PARTY BENEFICIARY

Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to this Agreement and their respective successors and assigns.

19.0 ASSIGNMENT

This Agreement may not be assigned or otherwise transferred voluntarily or by operation of law, nor may the obligations hereunder be subcontracted or delegated by the Firm without the express written consent of the GE coordinator or a GE cognizant counsel.

20.0 FIRM COMMUNICATIONS

Subject to Paragraph 15, the Firm shall not refer in its publicity, press releases or other materials or information disseminated outside the Firm to the Firm's participation in the GE E-Commerce Services Preferred Provider program. The Firm may, however, advise clients or prospective clients of its participation in this program and may use GE as a client reference.

21.0 CONFLICT OF LAWS

This Agreement shall be governed by the law of the State of New York without giving effect to its conflict of law provisions.

22.0 ENTIRE AGREEMENT

This Agreement, including the Exhibit, represents the entire agreement and understanding of the parties and all prior or concurrent negotiations and agreements, whether written or oral, with respect to the subject matter hereof are merged herein and superseded hereby. This Agreement, which may be executed in one or more counterparts, may be amended only with the written consent of the party to be bound thereby.

By: _____
Name:

By: _____
Name:

Title: _____

Title: _____

THIS AGREEMENT (hereinafter called Agreement) for services is made and entered into as of this [REDACTED] day of July, 2002 by and between General Electric Company (hereinafter called GE), a New York corporation with offices at 3135 Easton Turnpike, Fairfield, CT. 06431 on behalf of itself and for the benefit of all its components, subsidiaries, and affiliates (herein referred to collectively as GE), and, a [REDACTED] Corporation (hereinafter called SERVICE PROVIDER), whose principal business is located at

WHEREAS the parties are mutually desirous that SERVICE PROVIDER be authorized by GE to perform services in accordance with the provisions hereof; and

WHEREAS SERVICE PROVIDER represents that it has the requisite personnel, competence and legal right to perform such services;

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth, the parties agree as follows:

1. SCOPE

SERVICE PROVIDER will provide services to GE in the area and related services described on **Schedule A (hereinafter the "Services")**

GE agrees that it has designated SERVICE PROVIDER as a "Preferred Provider" of services in the area of Court Reporting and related services, as described on **Schedule A**, and that it will recommend the use of SERVICE PROVIDER for these services to its internal legal staff, and, where GE considers appropriate, outside law firms providing services to GE.

Except as expressly stated herein, nothing contained herein shall constitute a minimum commitment by GE to use SERVICE PROVIDER services hereunder and SERVICE PROVIDER has not relied on any representation to the contrary.

Services purchased under this Agreement may be used by GE on behalf of itself and for the benefit of all its components, subsidiaries, and affiliates worldwide. Any component, subsidiary, or affiliate of GE worldwide which uses a service, whether right to use passes directly to that entity or not, shall be entitled to all of the rights and benefits afforded under this Agreement and may enforce this Agreement in its own name. It is also agreed that the terms of this agreement, including but not limited to the pricing set forth on **Schedule A** will apply to any law firm when it is performing legal work for GE, irrespective of whether those services are billed to the law firm or directly to GE.

2. TERM

This Agreement shall take effect on **July xx, 2002** and remain in effect until June 30, 2004. The period of this Agreement may be extended by mutual consent, under the same terms and conditions unless amended.

3. INDEPENDENT SERVICE PROVIDER

SERVICE PROVIDER is an independent contractor to GE and this Agreement is not intended to create or constitute a joint venture, partnership, agency or other formal business arrangement of any kind other than an independent contractor arrangement. The employees of SERVICE PROVIDER shall in no event be considered employees or agents of GE, nor shall they be entitled to or be eligible, by reason of the contractual relationship hereby created, to participate in any benefits or privileges given or extended by GE to its employees. Each party will be solely responsible for payment of all compensation owed to its employees, as well as federal and state income tax withholding, Social Security taxes, and unemployment insurance applicable to such personnel as employees of the applicable party. Each party shall bear sole responsibility for any health or disability insurance, retirement benefits, or other welfare or pension benefits (if any) to which such party's employees may be entitled. Each party agrees to defend and indemnify the other against any claims that the indemnified party has failed to pay compensation, tax, insurance, or benefits for employees of the indemnifying party; provided that (a) the indemnified party notifies the indemnifying party in writing within thirty (30) days of the claim; (b) the indemnifying party has sole control of the defense and all related settlement negotiations; and (c) the indemnified party provides the indemnifying party with the assistance, information, and authority reasonably necessary to perform the above; reasonable out-of-pocket expenses incurred by the indemnified party in providing such assistance will be reimbursed by the indemnifying party.

SERVICE PROVIDER shall be responsible for maintaining satisfactory standards of employee conduct and integrity, and shall be responsible for taking such disciplinary action with respect to such employees as may be necessary. GE reserves the right, in its sole discretion, to require SERVICE PROVIDER to remove any employee from the contract work whose continued employment is decided by GE to be contrary to GE's interest.

4. PRICING/ INVOICES/ REPORTS

Services shall be provided in accordance with the pricing set forth on **Schedule A**, which shall be fixed until June 30, 2004. GE may audit SERVICE PROVIDER's records to determine whether SERVICE PROVIDER has complied with this provision, then and in addition to any other remedy that may be available, GE shall be entitled to the more favorable pricing, terms, warranties and benefits, as well as the cost of the audit. If SERVICE PROVIDER shall, during the Term of this Agreement, enter into arrangements under similar conditions with any other customer providing greater benefits or more favorable terms, this Agreement shall thereupon be deemed amended to provide the same to GE for the remainder of the Term of this Agreement. If during the Term, GE shall receive a bona fide offer, including but not limited to a bona fide offer by auction or exchange, from another supplier to supply Services, on terms substantially the same set forth herein, for any Services at a price below that then in effect for the Services under this Agreement, and GE provides reasonable evidence thereto to SERVICE PROVIDER, SERVICE PROVIDER shall meet such price for the Services for the remainder of the Term of this Agreement. Unless otherwise specified, these prices include all incidental costs and all taxes except those which SERVICE PROVIDER is required by law to collect from GE. These taxes will be paid to SERVICE PROVIDER unless an exemption is available.

Records and invoicing will be kept by SERVICE PROVIDER at its principal business offices. Unless otherwise agreed in **Schedule A**, SERVICE PROVIDER will invoice the GE entity (component, subsidiary, affiliate) monthly (using non-repetitive invoice numbers) for the portion of work completed during that billing period. If the GE entity so requests, invoices can be sent instead to the law firm working for GE on a particular matter. Such monthly invoice shall contain sufficient data to verify the Services performed, the rates charged, the case/matter name, the law firm on the case, if known, and the inside GE attorney, plus any permitted expenses. SERVICE PROVIDER shall take reasonable action to become an EDI (Electronic Data Interchange) trading partner with GE or to implement another form of electronic invoicing and payment specified by GE. Upon GE's request, SERVICE PROVIDER shall sign an EDI Trading Partner Agreement or other appropriate agreement with GE within fifteen (15) days from receipt of GE's request. Following such agreement, GE and SERVICE PROVIDER shall establish an implementation schedule which shall call for active electronic invoicing and payment capability within forty-five (45) days from the date on which such agreement is executed. The time for payment of invoices shall run from the date, after the Services are performed, that correct invoices are received by GE. (Invoices are generally paid sixty (60) days after receipt by GE). However, upon mutual agreement between GE and SERVICE PROVIDER, GE will settle payments with SERVICE PROVIDER using a Procurement Credit Card (P-Card). Should GE choose to settle payments with this method, SERVICE PROVIDER agrees to provide GE with Level III billing details, as defined by Master Card standards. Acceptance of final payment of the Purchase Price shall constitute full and complete satisfaction of, and release for, any and all claims by SERVICE PROVIDER against GE arising out of, related to, or connected with the provision of Services under this Agreement.

SERVICE PROVIDER agrees to provide to Suzanne E. Hawkins, Senior Counsel, Legal Operations, GE, 3135 Easton Turnpike, Fairfield, CT, monthly reports showing the total services provided to GE during the previous month and to date under the agreement. This report shall include all amounts invoiced directly to GE or to its law firms, if any. The report shall be in the form agreed upon between the parties, but shall include the following information: GE business/affiliate receiving the services; description of services; case/matter name; fee charged; name of GE inside attorney and name of GE outside law firm, if known. Ms. Hawkins shall also receive a monthly report indicating the savings achieved over standard rates.

5. GE ACQUISITIONS

In the event GE acquires, merges with or forms a joint venture or partnership with all or part of another Company during the term of this Agreement, GE retains the right and SERVICE PROVIDER agrees to renegotiate in good faith the pricing terms of this Agreement. Pricing will be negotiated downward and at no point during negotiation will the other terms and conditions of this Agreement be considered for renegotiations unless agreed upon by GE.

6. GE PROPERTY

Unless otherwise agreed in writing, all documents, tools, equipment, software or material of every description furnished to SERVICE PROVIDER by GE or specially paid for by GE, and any replacement thereof, or any materials affixed or attached thereto, shall be and remain the personal property of GE.

7. NOTICES

Any notice to be given hereunder by either party to this Agreement shall be in writing and shall be sent to the representative of the other party designated by title at its address set forth in the signature block below (i) by certified mail, return receipt requested, or (ii) by courier or hand delivery, or (iii) by facsimile transmission with confirmation, or (iv) next-day delivery service.

8. FORCE MAJEURE

Neither party shall be in default or otherwise liable for any delay in or failure of its performance under this Agreement where such delay or failure arises by reason of any Act of God, or any government or any governmental body, acts of the common enemy, the elements, strikes or labor disputes, or other similar or dissimilar cause beyond the control of such party.

9. STANDARDS

SERVICE PROVIDER shall provide all Services in strict accordance with this Agreement and with a high degree of care, skill, diligence, professional knowledge, judgment, and expertise according to sound work practices and accepted professional and industry standards, in a well-managed, organized, and efficient manner and to the entire satisfaction of GE.

10. WARRANTY

SERVICE PROVIDER warrants that its Services hereunder will be performed by qualified individuals in a professional and workmanlike manner conforming to generally accepted industry standards and practices, and in strict accordance with all applicable law, regulations, codes and standards of government agencies or authorities having jurisdiction. The foregoing warranty is exclusive and in lieu of all other warranties, whether express or implied, including the implied warranties of merchantability and fitness for a particular purpose. In order to receive warranty remedies, GE must report deficiencies in the Services to SERVICE PROVIDER in writing within ninety (90) days of when GE discovered, or should have discovered that SERVICE PROVIDER breached its warranty in the performance of Services.

For any breach of the above warranty, GE's exclusive remedy, and SERVICE PROVIDER's entire liability, shall be the reperformance of the Services. If SERVICE PROVIDER is unable to perform the Services as warranted, GE shall be entitled to recover the fees paid to SERVICE PROVIDER for the deficient Services and for those Services provided under this Agreement arising from or related to the deficient Services which GE cannot reasonably use as a consequence of SERVICE PROVIDER's inability to perform the Services as warranted

11. SIX SIGMA QUALITY

SERVICE PROVIDER agrees that the quality of the Work related to the Products and Services supplied hereunder is an essential component of this Agreement. SERVICE PROVIDER warrants that the Work related to the Services supplied hereunder shall consistently be of a standard of quality at least equivalent to the Quality Attributes as defined by GE and SERVICE PROVIDER. Within (90) days of the signing of an Agreement, both parties to this Agreement shall jointly establish a quality baseline by

selecting and identifying one or more Critical to Quality (CTQs) Attributes of each Service or Product. GE may, solely at GE's option, jointly re-establish the quality baseline at any time after the first twelve (12) months following the signing of this Agreement.

12. PATENT AND COPYRIGHT INFRINGEMENT

SERVICE PROVIDER shall indemnify and hold harmless GE against any claims, suit, or proceeding brought against GE and any liability arising therefrom based on a claim that any article, equipment, material, invention, mark, name, diagram, drawing, design, apparatus, process, or work of authorship (including computer programs and documentation), or any part thereof, furnished hereunder, or that the use of any such item or part thereof, constitutes an infringement of any patent, copyright, trademark, or proprietary interest. SERVICE PROVIDER shall defend, at its sole expense, every such claim, suit, or proceeding. SERVICE PROVIDER shall pay all judgments, losses, damages, penalties, costs, fines and expenses awarded against GE in every such claim, suit, or proceeding and indemnify and hold harmless GE against all loss, damage, or expense which it may incur by reason thereof. If the use of such item, or any part thereof, shall in any suit or proceeding be held to constitute an infringement and the use thereof be enjoined, SERVICE PROVIDER shall, at its sole expense, either procure for GE the right to continue to use such item or part thereof, replace it with non-infringing items, or so modify it that it becomes non-infringing. Any substituted non-infringing items shall be in quality and performance equal to or better than the items replaced.

13. COMPLIANCE WITH LAWS

SERVICE PROVIDER shall procure and keep effective all necessary permits and licenses required in performance of the work and shall obey and abide by all applicable laws, regulations, ordinances, and other rules of the United States of America (and other countries where services are provided), of the state, territory, or subdivisions thereof where the Services hereunder are provided, and of any other duly constituted public authority. SERVICE PROVIDER shall also comply with any provisions, representations or agreements, or contractual clauses required thereby to be included or incorporated by reference or operation of law in the contract, including but not limited to those relating to equal opportunity, disabled and Vietnam veterans and handicapped workers. Any Work performed under this Agreement will fully comply with the provisions of the Federal Occupational Safety and Health Act of 1970 and with any rules and regulations pursuant to the Act.

14. NON-EXCLUSIVITY

It is expressly understood and agreed that this Agreement does not grant SERVICE PROVIDER an exclusive privilege to provide to GE any or all of the services provided for in this Agreement and GE may contract with others for the procurement of comparable services. Further, when GE needs require it, SERVICE PROVIDER shall reasonably cooperate with any such supplier.

15. CONFIDENTIAL INFORMATION

By virtue of this Agreement, the parties may have access to information that is confidential to one another ("Confidential Information"), including but not limited to information concerning GE's legal matters, law firms, legal expenses, employees,

organization, activities, policies, or products and including any written reports, conclusions, or reporting data and analysis prepared by SERVICE PROVIDER and provided to GE under this Agreement. It is the express intent of this Section that SERVICE PROVIDER not disclose to any third party any information it learns concerning the business of GE in the performance of Services hereunder. SERVICE PROVIDER agrees at GE's request to have all employees, where appropriate, execute confidentiality agreements provided by GE.

SERVICE PROVIDER agreed that for a period of three (3) years following the date of disclosure thereof to it, SERVICE PROVIDER will not disclose to any third party or itself use, except in the performance of this Agreement, any confidential information which may be made available to it in connection with the performance of this Agreement, except as may be specifically authorized in writing by a duly authorized representative of GE. As used herein, the term "confidential information" means and includes all information, whether oral or written or in the form of documents, drawings, specifications, data or otherwise, relating to GE's business except the following:

- A. Information actually known to SERVICE PROVIDER prior to its disclosure under this Agreement or internally developed without breach of any confidential arrangement.
- B. Information which SERVICE PROVIDER can demonstrate was available to general public or general industry knowledge at the time of its disclosure to SERVICE PROVIDER; or which thereafter becomes available to the public or becomes general industry knowledge, without a breach of this Agreement by the SERVICE PROVIDER.
- C. Information which SERVICE PROVIDER can demonstrate was legally furnished to SERVICE PROVIDER by a third party having the right to so disclose without restriction on its further disclosure.

16. ON-SITE SERVICE PROVIDER EMPLOYEE(S)

If SERVICE PROVIDER is to provide services or perform work on GE's premises under this Agreement, SERVICE PROVIDER's employees shall work in harmony with all other GE employees, and contractors, if any, engaged in any work on the premises. Further, SERVICE PROVIDER's employees and subcontractors, if any, shall comply with all GE's rules, regulations, and policies regarding personnel practices in the work place as well as all applicable security procedures, and fitness for duty requirements, including but not limited to, its policy on drugs and alcohol. SERVICE PROVIDER agrees not to assign to work on GE's premises any SERVICE PROVIDER employee not suitable to GE and to remove from GE's premises immediately in the case of misconduct, any SERVICE PROVIDER at GE's request.

17. SUBCONTRACTING

SERVICE PROVIDER shall not assign or sublet the services, rights or obligations to be performed hereunder, in whole or in part, without GE's prior written approval, with the exception of court reporting services which may be performed by an affiliated company subject to the terms and conditions of this Agreement. Any proposed subcontractor shall be satisfactory to GE, in its sole discretion, and agree to comply with the terms and conditions of this Agreement.

18. INDEMNIFICATION

SERVICE PROVIDER shall indemnify, hold harmless and defend GE, at SERVICE PROVIDER's expense, against every claim, suit, proceeding, judgment, loss, damage, penalty, cost, fine, or expense resulting from a breach of applicable law, rule or regulation or of any of the warranties or undertakings contained in this agreement. However, if SERVICE PROVIDER and GE are both named as defendants in an action, and no patent conflict exists, SERVICE PROVIDER may use the same law firm to defend GE and SERVICE PROVIDER. SERVICE PROVIDER's liability hereunder shall extend to all damages caused by the breach of said warranties. Any attempt by SERVICE PROVIDER to limit, disclaim, or restrict any such warranties or remedies of GE, by acknowledgment or otherwise, in accepting or performing this Agreement, shall be null, void, and ineffective without GE's written consent.

19. INSURANCE

Prior to the start of any work, SERVICE PROVIDER shall at its own expense procure and maintain during the term of this Agreement all insurance coverage as appropriate for the Services to be performed and as per GE's request. Evidence of such coverage will be provided upon GE's request. Said insurance, however, is in no manner to relieve or release SERVICE PROVIDER, its agents, subcontractors, and invitees from, or to limit their liability as to, any and all obligations herein assumed or risks indemnified against. SERVICE PROVIDER waives all rights to recovery against GE or GE's agents, employees, or representative for any loss, damage, or injury of any nature whatsoever to SERVICE PROVIDER's property.

20. TERMINATION

This Agreement may be terminated by either party in writing, at any time without cause before the expiration of this Agreement by giving 30 days' written notice to the other party, or by either party if a written notice of default sent by such party is not cured within 15 days of such notice, such notice to be sent to the representative of such other party designated by title and address below.

21. WAIVER/SEVERABILITY

Failure of either party to enforce any of the provisions hereof shall not be construed as a waiver of such provisions or of the right thereafter to enforce such provisions. If any provisions of this Agreement shall be held to be invalid, void, or unenforceable, the remaining provisions hereof shall not be affected or impaired, and such remaining provisions shall remain in full force and effect.

22. ADVERTISING/PUBLICATIONS

SERVICE PROVIDER or its agents agrees that no acknowledgment or other information concerning this Agreement and the services provided hereunder will be made public or used in any advertising, brochure or publicity by SERVICE PROVIDER without the prior written agreement of GE. Further, SERVICE PROVIDER or its agents shall not use GE's name, photographs, logo, trademark, or other identifying characteristics or that of any of its subsidiaries or affiliates without GE's prior written approval. SERVICE PROVIDER may orally advise a prospective client on an individual basis about the existence of the Preferred Provider relationship with GE,

and advise a prospective client in writing to that effect with GE's advance approval, and with the advance approval of said individuals, provide names of individuals at GE who have used said services as references.

23. HEADINGS

The headings or sub-headings assigned to the sections in this Agreement are for convenience only and may not accurately or fully describe all of the requirements of a section. The headings or sub-headings do not limit or modify the scope and applicability of the sections.

24. GOVERNING LAW

This Agreement shall be interpreted in accordance with the substantive law, but not the choice of law rules, of the State of New York.

25. LIMITATION OF LIABILITY

GE's total liability to SERVICE PROVIDER for all claims or suits of any kind, whether based upon contract, tort (including negligence), warranty, strict liability, or otherwise, for any losses, damages, costs or expenses of any kind whatsoever arising out of, resulting from, or related to the performance or breach of this Agreement shall, under no circumstances, exceed the amount due from GE for services rendered under this Agreement. GE shall not, under any circumstances, be liable for any special, indirect, incidental, punitive, or consequential losses, damages, costs, or expenses whatsoever. Any action against GE arising out of, resulting from, or related to the performance or breach of this Agreement shall be filed not later than one year after the cause of action has accrued.

26. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and permitted assigns. Assignment of this Agreement or any interest or obligation hereunder or any payment to become due hereunder by SERVICE PROVIDER without GE'S prior written consent shall be void and unenforceable.

27. SURVIVAL OF OBLIGATIONS

SERVICE PROVIDER's obligations under this Agreement, which by their nature would continue beyond the termination, cancellation or expiration of this Agreement (including without limitation any obligation to indemnify GE hereunder) shall survive termination, cancellation or expiration of this Agreement.

28. ENTIRE AGREEMENT

This Agreement and the Schedules attached hereto constitutes the entire agreement between the parties and shall supersede all prior offers, negotiations, exceptions and understandings, whether oral or written, between the parties hereto relating to the products and services called for hereunder. No modification of any provision of this Agreement shall be binding upon GE or SERVICE PROVIDER unless evidenced in writing and duly signed by both parties.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized officer or representative.

GENERAL ELECTRIC COMPANY

By: _____

By: _____

Name:

Name: _____

Title:

Title: _____

Date: _____

Date: _____

Address:

Address: _____

CONSULTING AGREEMENT

This Consulting Agreement ("this Agreement") made by and between SUPERVALU INC., a Delaware corporation having a place of business at 11840 Valley View Road, Eden Prairie, Minnesota ("SUPERVALU") and _____ ("Consultant").

Background

A. SUPERVALU desires to engage Consultant to render consulting and advisory services for SUPERVALU in connection with certain litigation and other legal transactions for SUPERVALU.

B. The Consultant has legal knowledge relating to litigation and other legal transactions and is willing to perform such services for SUPERVALU subject to the terms and conditions of this Agreement.

Terms and Conditions

SUPERVALU and Consultant agree as follows:

1. Appointment.

- 1.1. Consultant Appointed. SUPERVALU hereby appoints, retains and hires the Consultant as a temporary independent contractor litigation attorney as of the Effective Date of this Agreement as specified in Exhibit A.
- 1.2. Scope of Services. Consultant shall perform consulting services for, and at the request of, SUPERVALU or such affiliates of SUPERVALU as SUPERVALU may designate. All such services shall be rendered personally by Consultant.
- 1.3. Supervisor. During the term of this Agreement, Consultant shall report to the Director of Litigation.

2. Term.

- 2.1. Term and Renewal. This Agreement shall be in force as of the Effective Date and continue unless sooner terminated as provided in this Section 2.
- 2.2. Termination Without Cause. This Agreement shall be subject to termination by SUPERVALU or Consultant at any time upon providing at least ten (10) business days' written notice to SUPERVALU or to Consultant, as the case may be.
- 2.3. Termination for Cause. Notwithstanding the above, this Agreement may be terminated immediately prior to the expiration of the term:
 - (a) by SUPERVALU providing notice in writing to the Consultant in the event the Consultant shall have committed any breach of his, her, or its obligations hereunder; or

(b) by Consultant providing notice in writing to SUPERVALU in the event SUPERVALU shall have committed any breach of its obligations hereunder.

2.4. Effect of Termination. Notwithstanding anything to the contrary in this Agreement, Consultant's obligations under Section 5 and 6 and paragraph 8.3 shall survive termination of this Agreement.

3. Compensation.

3.1. Compensation. SUPERVALU shall pay to Consultant a consulting fee of \$_____ per hour for the consulting services performed pursuant to Section 1 of this Agreement.

3.2. Reporting and Payment. Each week or every two (2) weeks, Consultant shall submit an invoice for work performed and an attached Work Report in a form similar to Exhibit A. Each such invoice submitted shall show, in reasonable detail, the reasonable expenses incurred during such period plus an amount equal to the sum of the number of hours worked by Consultant (as listed on Exhibit A). Payment of invoices shall be in the normal course of business upon receipt of an invoice therefor.

3.3. Overtime. In no event shall Consultant be entitled to overtime pay unless the same shall be expressly authorized by SUPERVALU.

4. Confidential Information.

4.1. Confidential Information Defined. the term "Confidential Information" shall mean any and all information that is disclosed by SUPERVALU to Consultant including, without limitation, the specific nature of Consultant's projects and all work product generated in connection with this Agreement. Confidential Information shall expressly include any and all information derived from the foregoing Confidential Information.

4.2. Obligations. Consultant shall keep the Confidential Information in strict confidence and shall not disclose it to any person, firm or corporation, nor use the Confidential Information for any purpose other than for the performance of this Agreement without the prior written consent of SUPERVALU. Consultant shall protect and safeguard the Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, dissemination or publication of the Confidential Information as Consultant uses to protect its own confidential or proprietary information of a like nature. Consultant shall limit the disclosure of the Confidential Information to officers, employees or agents of Consultant who need to know such information in order to perform in accordance with the terms of this Agreement. The obligations of confidentiality shall extend for a period of five (5) years from the date of disclosure of any such information and shall survive termination of this Agreement.

4.3. Exceptions. The obligations of confidentiality contained in paragraph 4.2 shall not apply to any information which (a) is rightfully received by Consultant from a third party having the right to disclose such information;

(b) is or hereafter becomes public knowledge through no act or fault of Consultant; (c) is proven by written evidence to have been independently developed by Consultant without any reference to the Confidential Information; or (d) is disclosed pursuant to law or any governmental or court order, provided the Consultant shall first have given notice to SUPERVALU of such order and made a reasonable effort to obtain a protective order.

5. Mediation/Arbitration.

Any controversy, claim, or dispute of whatever nature arising between the parties (a "Dispute") shall be resolved by mediation or, failing mediation, by binding arbitration. This agreement to mediate or arbitrate shall continue in full force and effect despite the expiration, rescission, or termination of this Agreement.

Either party may begin the mediation process by giving a written notice to the other party setting forth the nature of the Dispute. The parties shall attempt in good faith to resolve the Dispute by mediation within 60 days of receipt of that notice.

If the Dispute has not been resolved by mediation as provided above, or if a party fails to participate in a mediation, then the Dispute shall be resolved by binding arbitration in Minneapolis, Minnesota. The arbitration shall be undertaken pursuant to the substantive laws of the State of Minnesota and the Federal Arbitration Act, and the decision of the arbitrator(s) shall be enforceable in any court of competent jurisdiction. The parties knowingly and voluntarily waive their rights to have their dispute tried and adjudicated by a judge or jury.

Any party may demand arbitration as provided above by sending written notice to the other party. The arbitration and the selection of the arbitrator(s) shall be conducted in accordance with such rules as may be agreed upon by the parties, or, failing agreement within 30 days after arbitration is demanded, under the Commercial Arbitration Rules of the American Arbitration Association, as such rules may be modified by this agreement. In any Dispute which involves more than one million dollars in damages, three arbitrators shall be used. Unless the parties agree otherwise, they shall be limited in their discovery to directly relevant documents. The arbitrator(s) shall resolve any discovery disputes.

The arbitrator(s) shall have the authority to award actual money damages (with interest on unpaid amounts from the date due), specific performance, and temporary injunctive relief, but the arbitrator(s) shall not have the authority to award exemplary or punitive damages, and the parties expressly waive any claimed right to receive money damages in excess of its actual compensatory damages. The costs of arbitration, but not the costs and expenses of the parties, shall be shared equally by the parties. If a party fails to proceed with arbitration, unsuccessfully challenges the arbitration award, or fails to comply with the arbitration award, the other party is entitled to costs, including reasonable attorney's fees, for having to compel arbitration or defend or enforce the award. Except as otherwise required by law, the parties agree to maintain as confidential all information or documents obtained during the arbitration process, including the resolution of the Dispute.

Notwithstanding the above, the parties recognize that certain business relationships could give rise to the need for one or more of the parties to seek emergency,

provisional, or summary relief to repossess and sell or otherwise dispose of goods and/or fixtures, to prevent the sale or transfer of goods and/or fixtures, or to protect real or personal property from injury, and for temporary injunctive relief. Immediately following the issuance of any such relief, the parties agree to the stay of any judicial proceedings pending mediation or arbitration of all underlying Disputes.

This agreement to arbitrate shall continue in full force and effect despite the expiration, rescission or termination of this Agreement.

6. **General Provisions.**

6.1. Entire Agreement and Modification. This Agreement, including attached Exhibit A evidences the entire understanding and agreement of the parties hereto relative to the consulting arrangement between Consultant and SUPERVALU and the other matters discussed herein. This Agreement supersedes any and all other agreements and understandings, whether written or oral, relative to the matters discussed herein. No modification, amendment, supplement to or waiver of this Agreement shall be binding upon the parties hereto unless made in writing and duly signed by both parties.

6.2. Status of Consultant. In rendering services pursuant to this Agreement, Consultant shall be acting as an independent contractor and not as an employee or agent of SUPERVALU. Consultant shall not be entitled to receive any health insurance, life insurance or any other fringe benefit generally made available to SUPERVALU employees. As an independent contractor, Consultant shall have no authority, express or implied, to commit or obligate SUPERVALU in any manner whatsoever, except as specifically necessary for the resolution of litigation and as approved in advance by SUPERVALU. Nothing contained in this Agreement shall be construed or applied to create a partnership, agency or joint venture relationship between Consultant and SUPERVALU. Consultant is liable for the payment of all taxes applicable to any compensation paid to Consultant hereunder, and SUPERVALU shall not withhold or pay any federal, state or local income, social security, unemployment or workers' compensation taxes related to such compensation.

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year written below.

SUPERVALU:

CONSULTANT:

SUPERVALU INC.
P.O. Box 990
Minneapolis, MN 55440

By: _____
Name: _____
Title: _____
Dated: _____

Dated: _____

Kimberly J. Myrdahl
(952) 828-4159
Fax: (952) 828-4403
E-Mail: kim.myrdahl@supervalu.com

August 30, 2002

Name
Company
Address
City, State and Zip

RE: SUPERVALU

Dear Mr./Ms.:

I am looking forward to working with you in your representation of SUPERVALU INC. in connection with the above-referenced matter. As in-house counsel, I will be principally responsible for managing this litigation.

Enclosed is a copy of SUPERVALU's Policy on Billings for Outside Counsel, which you may already have. Please review the policy and get back to me if you have any questions or concerns.

The following paragraphs summarize some of the procedures SUPERVALU requests that its local counsel follow as we work together towards resolving this matter. If any of the following procedures pose problems for you, please call to discuss the situation with me.

CASE REVIEW: Please plan to discuss strategy decisions with me and keep me informed of developments in the case. I prefer to review pleadings, discovery responses, and other important documents prior to their filing with the court. I also want to be consulted about substantial research projects or the preparation of internal memoranda prior to the work being performed. If there should be particular pieces of correspondence that are substantive, I would appreciate receiving copies of them as well.

DEPOSITIONS: I may want to attend the depositions of key witnesses in order to assess the dynamics involved in the case. When the time comes to schedule such a deposition, please consult with me. I do not need summaries of depositions, and I expect that computerized reporting of depositions eliminate any need for costly summaries and indexing.

STAFFING: SUPERVALU prefers to have one principal attorney on a case. With respect to this case, I understand that you will be the primary attorney. If there is another attorney or professional who will work on the case, I ask that you discuss the arrangement and scope of work with me.

BILLING: I understand that your hourly rate is \$_____. I would appreciate it if you kept me informed of the billing rate of any other personnel used on the case.

BUDGET: Enclosed is a form SUPERVALU uses to formulate a budget for planning purposes. With respect to this case, I do not believe we need to complete a budget until there is more known about the intention of the other parties. However, the form may be helpful to you in planning how to proceed.

Again, if you have any questions about any of these matters, please give me a call. I look forward to working with you.

Very truly yours,

SUPERVALU INC.

Kimberly J. Myrdahl
Director of Litigation

KJM/lae
Enclosures
cc:

SUPERVALU INC.
POLICY ON BILLINGS FROM OUTSIDE COUNSEL

1. **Purpose:** This policy is intended to benefit both SUPERVALU INC. and subsidiaries (collectively, "SUPERVALU") as well as outside counsel by (a) clarifying billing procedures to assist in the budgeting and control of expenses, and (b) facilitating prompt payment of statements submitted in accordance with this policy.
2. **Billing Procedures:**
 - 2.1 **Fees.** An hourly rate or other fee arrangement must be agreed upon in advance in a separate written engagement letter and cannot be changed without prior written consent from SUPERVALU. Time spent preparing, revising or negotiating invoices is not billable. If a fee arrangement is on an hourly basis, billing should be on a one-tenth of an hour interval unless the engagement letter indicates otherwise.
 - 2.2 **Expenses.** SUPERVALU will not pay any mark-up or profit on any expense items. SUPERVALU will reimburse the following actual expenses when they are reasonable and necessary in performing the tasks assigned to outside counsel; postage, messenger and other express delivery services (when necessary); photocopying (the invoice should state the number of pages and the cost per page - not to exceed \$.10 per page); long distance and cellular telephone charges based on actual usage on SUPERVALU's behalf. SUPERVALU will pay only the long distance telephone charge incurred in sending facsimiles. Any single disbursement in excess of \$500, including volume copying, must be approved in advance by SUPERVALU. Other expenditures, such as secretarial overtime and word processing charges will not be paid. All expenses should be separately itemized.
 - 2.3 **Travel.** All out-of-town travel as well as arrangements and billing during travel must be approved by SUPERVALU in advance. When such travel has been approved in advance, SUPERVALU will reimburse coach class air expense, and reasonable expenses and disbursements when separately itemized by category.
 - 2.4 **Research.** SUPERVALU must approve in advance the scope and cost of any research in excess of five hours required in the course of the representation.
 - 2.5 **Interoffice Conferences.** SUPERVALU discourages excessive billing for interoffice conferences. In particular, billing for interoffice conferences to transfer matters is viewed as inappropriate.
3. **Invoice Procedures:**
 - 3.1 **Separate Billing Matters.** Except for very minor matters, each project should be invoiced as a separate matter and not as "miscellaneous" or "general."
 - 3.2 **Invoice Format.** All invoices should be submitted on a monthly basis and indicate the name of the matter. In the case of real estate transactions, the invoice should indicate the SUPERVALU facility number as well as the city and state of the real estate. In the case of non-real estate matters, the invoice should contain the SUPERVALU file number, names of other parties, if applicable, and the matter name as designated by the responsible SUPERVALU attorney. Each entry on the invoice should contain the following detail: date of service, billing party performing service, specific description of services rendered, time spent, and charge. If the service performed includes a

contact with a SUPERVALU employee, the description of services rendered should state the name of the SUPERVALU employee. Each invoice should also include a summary identifying the full name, billing rate, associate, partner or paralegal status of each billing party and the number of hours for each billing party included in that invoice.

3.3 Account and Budget Summaries. When requested by SUPERVALU, each invoice should be accompanied by a summary of past and current billings and payments in that matter.

3.4 Payment and Compliance. Statements submitted in accordance with this procedure will be paid promptly by SUPERVALU. Non-conforming statements will either be reviewed and discussed with outside counsel or returned with the request that it be revised to conform to this policy. No interest shall accrue on invoices unless they are in the format required under this Policy and have remained unpaid for more than 30 days.

4. General Matters:

4.1 Engagement Attorney Involvement. SUPERVALU has retained the attorney identified in the engagement letter, not a firm, and the named attorney is expected to remain primarily responsible for and involved in the handling of the matter. SUPERVALU should be consulted before involving other lawyers or paralegals. However, efficient use of associates and paralegals is encouraged, and need not be cleared in advance if the work performed can be done more efficiently and without duplication of time or expenses. The attorney named in the engagement letter is expected to review the invoices prior to submission to SUPERVALU.

4.2 SUPERVALU Attorney Contact. SUPERVALU's contact with the outside counsel is the attorney in the SUPERVALU Legal Department named in the engagement letter. For any item set forth in this policy or in the performance of the legal services which requires prior approval of SUPERVALU, that approval may be given only by the stated SUPERVALU attorney or other member of the Legal Department.

4.3 Forms. Any forms (whether paper or electronic) provided to outside counsel by SUPERVALU shall remain SUPERVALU's property and may not be used without its permission.

4.4 Selection of Outside Experts. SUPERVALU shall control the selection of all outside consultants, experts, professionals and other vendors.

4.5 Return of Files. At the conclusion of the matter, outside counsel shall provide to SUPERVALU an original execution copy of each document signed in a transaction, original marked-up title commitment and policies and photocopies of all other relevant due diligence materials as required by SUPERVALU. All prior documents and files provided by SUPERVALU shall be returned to it at the conclusion of the matter.

4.6 Public Comment. No public comment should be made on SUPERVALU matters. Please refer any media inquiries to the responsible SUPERVALU attorney.

4.7 Reporting Improprieties. SUPERVALU intends to strictly comply with all applicable laws, rules and regulations governing its business as dictated by its corporate compliance program. Any suspicion of illegal or unethical conduct on the part of any SUPERVALU employee should be promptly reported to the SUPERVALU legal department or our compliance hotline at 1-800-241-5689.

SUPERVALU INC. LITIGATION COST ESTIMATE WORKSHEET
 CONFIDENTIAL/ATTORNEY-CLIENT PRIVILEGE

CASE NAME:				
Assumptions:				
Time estimates are in person - hours				
Partner/Associate/Paralegal	Partner:	Associate:	Paralegal:	Actual Fees Billed
Hourly Billing Rate =	\$	\$	\$	
Phase I - L100				
Case Assessment, Development & Administration				
L110 Fact Investigation/Development				\$
L120 Analysis/Strategy				\$
L130 Experts/Consultants				\$
L140 Document/File Management				\$
L150 Budgeting				\$
L160 Settlement/Non-Binding ADR				\$
L190 Other Case Assessment, Development & Administration				\$
Budgeted Time Value Subtotal	0	0	0	
Budgeted Dollar Value Subtotal				
Budgeted Total Dollars Value				\$ -
Phase II - L200				
Pretrial Pleadings and Motions				
L210 Pleadings				\$
L220 Preliminary Injunctions/Provisional Remedies				\$
L230 Court-Mandated Conferences				\$
L240 Dispositive Motions				\$
L250 Other Written Motions & Submissions				\$
L260 Class-Action Certification & Notice				\$
Budgeted Time Value Subtotal	0	0	0	
Budgeted Dollar Value Subtotal				
Budgeted Total Dollars Value	\$ -			\$ -
Phase III - L300				
Discovery				
L310 Written Discovery				\$
L320 Document Production				\$
L330 Depositions				\$
L340 Expert Discovery				\$
L350 Discovery Motions				\$
L390 Other Discovery				\$
Budgeted Time Value Subtotal	0		0	
Budgeted Dollar Value Subtotal				
Budgeted Total Dollars Value				\$ -
Phase IV - L400				
Trial Preparation and Trial				
L410 Fact Witnesses				\$

L420 Expert Witnesses				\$
L430 Written Motions & Submissions				\$
L440 Other Trial Preparation & Support				\$
L450 Trial & Hearing				\$
L460 Post-Trial Motions & Submissions				\$
L470 Enforcement				\$
Budgeted Time Value Subtotal	0	0	0	
Budgeted Dollar Value Subtotal				
Budgeted Total Dollars Value	\$ -			\$ -
Phase V - L500				
Appeal				
L510 Appellate Motions & Submissions				\$
L520 Appellate Briefs				\$
L530 Oral Argument				\$
Budgeted Time Value Subtotal	0	0	0	
Budgeted Dollar Value Subtotal				
Budgeted Total Dollars Value				\$ -
E600 Expenses				
Case Assessment, Development & Administration				Actual Expenses Billed
E101 Copying				\$
E102 Outside Printing				\$
E103 Word Processing				\$
E104 Facsimile				\$
E105 Telephone				\$
E106 On-Line Research				\$
E107 Delivery Services/Messengers				\$
E108 Postage				\$
E109 Local Travel				\$
E110 Out-of-Town Travel				\$
E111 Meals				\$
E112 Court Fees				\$
E113 Subpoena Fees				\$
E114 Witness Fees				\$
E115 Deposition Transcripts				\$
E116 Trial Transcripts				\$
E117 Trial Exhibits				\$
E118 Litigation Support Vendors				\$
E119 Experts				\$
E120 Private Investigators				\$
E121 Arbitrators/Mediators				\$
E122 Local Counsel				\$
E123 Other Professionals				\$
E124 Other				\$
				\$ -
Total Budgeted Expenses	\$ -			
Total Budgeted Attorneys' Fees				
LITIGATION BUDGET TOTAL	\$ -			
ACTUAL FEES & EXPENSES BILLED	\$ -			