# POLICY ON ENGAGEMENT OF OUTSIDE LEGAL COUNSEL

1. PURPOSE AND SCOPE: This policy sets out the guidelines that the Millennium Challenge Corporation ("MCC") will follow regarding the engagement and use of outside legal counsel. This policy applies to both U.S.-based international counsel and local counsel qualified to practice in the host country.

2. AUTHORITY: Section 614(a)(3) of the Millennium Challenge Act of 2003 (Pub. L. 108-199, Division D, "the Act").

3. BACKGROUND: MCC will engage outside legal counsel to assist in the negotiation and implementation of Compacts, supplemental agreements, and other agreements and documents in connection with MCC assistance.

4. GENERAL POLICY: MCC expects to work closely with outside legal counsel in formulating positions and policies in documents and agreements that may be applied across country programs and projects. In order to facilitate the free flow of information and ideas between MCC staff and outside legal counsel, MCC has adopted the general policy that any individual attorney who is involved in the representation of MCC pursuant to a specific task order (an "MCC Representation Matter") should not simultaneously be representing any party other than MCC (except as specified below) in any program or project funded directly or indirectly by MCC. All outside counsel, both international and local counsel, are responsible for complying with the code of professional responsibility of the jurisdiction(s) where outside counsel is licensed to practice.

5. PROCEDURE:

   5.1. Upon the execution of a contract to perform legal services for MCC, and prior to the commencement of each representation of MCC pursuant to a task order (an "MCC Representation Matter"), the outside legal counsel shall submit to MCC a representation letter ("Representation Letter"), in which the firm shall acknowledge that it has reviewed this Policy and agrees to comply with it. "MCC Representation Matter" shall mean any legal work outside counsel performs at MCC's direction and paid for with MCC funds. In the event that there is any ambiguity as to whether an existing or potential matter in which MCC is involved is covered by this Policy, outside legal counsel should consult with the MCC contracting officer's technical representative (COTR) assigned to the MCC Representation Matter.

   5.2. In addition, such Representation Letter shall confirm the following information from the outside counsel's contract with MCC: (i) the name

of each attorney expected to perform work on the MCC Representation Matter and the lead attorney; (ii) the billing rate of each attorney and paraprofessional who is expected to provide legal services in connection with the MCC Representation matter; and (ii) a commitment by outside counsel to submit invoices for fees and expenses to MCC on a periodic basis as specified by the contract, with each invoice including, at a minimum, a description of the services rendered, the name and billing rate of each attorney and paraprofessional who provided services during that period, a breakdown of work performed by a tenth of an hour, the total number of hours billed by each attorney and paraprofessional, and a list of reimbursable expenses itemized by category.

5.3. During the course of an MCC Representation Matter, outside legal counsel should be responsive to inquiries from MCC's COTR and other contracting officials regarding the fees and expenses that have been incurred to date as well as those that can reasonably be expected to be incurred prior to completion of the MCC Representation Matter based on current assumptions.

5.4. Outside legal counsel shall limit the time spent by its staff to that which is reasonably necessary to achieve MCC's objectives as to the MCC Representation Matter. In addition, MCC expects outside counsel's staff to use good judgment and to incur only reasonable expenses in connection with an MCC Representation Matter, including, without limitation, expenses incurred in connection with travel.

6. AVOIDING CONFLICTS OF INTEREST:

6.1. During the course of an MCC Representation Matter, the lead attorney may determine that it would be advisable to assign additional attorneys or paraprofessionals to assist in such representation. In such cases, the lead attorney may add an attorney or paraprofessional to the team handling the MCC Representation Matter, *provided* that: (i) such individual is not then engaged in the representation of any other party in any matter in which MCC is involved and (ii) such individual has been informed of the restrictions contained in this Policy and agrees to abide by them. The lead attorney shall notify the MCC COTR of the addition of such individual to the team handling the MCC Representation Matter, at which time such individual shall become subject to this Policy and any procedures adopted by outside legal counsel to facilitate compliance therewith.

6.2. Notwithstanding paragraph 6.1, attorneys and paraprofessionals whose involvement in an MCC Representation Matter is limited to the extent hereinafter described shall not be deemed to be representing MCC for the purposes of this Policy: (i) attorneys who are consulted by outside legal counsel on a limited basis with respect to non-sensitive, non-proprietary matters, *provided* that such attorneys are provided with only the information needed to render the requested advice; and (ii) junior attorneys and paraprofessionals who assist with ministerial matters in

connection with the closing or funding of a particular MCC Representation Matter.

6.3. During the course of any MCC Representation Matter and for three months after the completion of such MCC Representation Matter, attorneys and paraprofessionals assigned to such representation may not, without MCC's prior written consent, represent any other party in any matter in which MCC is involved (including the MCC Representation Matter). Upon completion of the particular representation, outside legal counsel shall give notice to MCC specifying the date of completion, which date, when such notice is accepted and countersigned by MCC, shall constitute the date of completion.

6.4. Without prior notice to and consultation with MCC, outside legal counsel (whether through the attorneys and paraprofessionals assigned to an MCC Representation Matter or others) shall not represent in any project or activity in which MCC is involved any party who is at the same time a party in another project or activity in which outside legal counsel is representing MCC.

6.5. Attorneys and paraprofessionals assigned to an MCC Representation Matter may not discuss any aspects of any MCC Representation Matter that could be considered proprietary or sensitive with any attorney or paraprofessional of the law firm, unless either such individual has been assigned to the team handling the MCC Representation Matter in accordance with this Policy, or MCC has specifically consented. If there is any ambiguity or doubt as to whether any aspect of an MCC Representation Matter is proprietary or sensitive, the lead attorney shall discuss such issue with MCC's COTR.

6.6. Attorneys and paraprofessionals assigned to an MCC Representation Matter may not discuss any aspects of any MCC Representation Matter whatsoever with any attorney or paraprofessional of the law firm who is performing professional services for another client in connection with any other matter in which MCC is involved. Such prohibition shall include any form of written or oral communication.

6.7. At the beginning of its first MCC Representation Matter, outside legal counsel shall disclose to MCC any existing matter in which the law firm is representing a client in a matter in which MCC is or may be involved. In addition, in the case of any new client representation involving a matter in which MCC is involved, outside legal counsel shall use its best efforts to give notice to MCC of such representation in a reasonable period of time prior to the initial contact by outside counsel with MCC in such matter.

6.8. This Policy is not intended to reduce or modify any of the professional or ethical obligations applicable to outside legal counsel and their professional and paraprofessional staff.

7. PUBLICATIONS AND SPEECHES:

7.1. In the event that any outside legal counsel publishes any article or makes any speech or appears on a panel discussion on an area relating to an MCC Representation Matter, outside legal counsel shall undertake to avoid the disclosure to anyone of any confidential information, whether relating to MCC or to another party to the transaction in connection with which the outside counsel represented MCC.

7.2. If any attorney, or any other person, who performs work as part of the outside counsel team on an MCC Representation Matter is writing or speaking about MCC, whether about its programs generally or about a specific transaction, such person shall make clear that he or she is writing or speaking in his or her own behalf, and not on behalf of MCC. The lead attorney for outside legal counsel is responsible for ensuring compliance with this provision.

7.3. Outside legal counsel should deliver promptly to MCC copies of all speeches and articles referred to above after they have been given or published.

7.4. In its promotional materials describing various client representations, outside legal counsel may disclose a particular MCC Representation, provided that outside legal counsel has performed substantial work in connection with such representation.

8. INCORPORATION BY REFERENCE: The terms of this Policy shall be incorporated by reference into any contract between outside legal counsel and MCC.

9. AMENDMENTS: This Policy is effective upon the date of signing and may be amended from time to time at the sole discretion of the Vice President and General Counsel. MCC will take any necessary action to inform outside legal counsel of any changes to this Policy.

10. APPROVAL:

Jon A. Dyck
Vice President and General Counsel

Date: March 1, 2006