

December 19, 2005

[insert firm contact lawyer name]
[insert firm name]
[insert firm address]

Re: Master Retention Agreement under FMC Technologies Alliance Counsel Engagement System ("ACES™")

Dear [insert first name]:

FMC Technologies, Inc. is pleased to confirm the engagement of your firm on one or more matters requiring outside legal assistance. This agreement and the attachments will serve as a master retention agreement between your firm and FMC Technologies. The initial matter engagements are set forth on Attachment 1. Additional or future matter engagements will be subject to this letter and will be memorialized by completion of a similar matter management summary within our on-line matter management system and notification to you by electronic mail.

To assist you in your efforts, Attachment 2 includes the FMC Technologies Covenant with Counsel establishing the foundation of our relationship. The Serengeti Law Tracker system, an ASP-based extranet matter management system, forms the technological backbone of our 1°Law™ proactive and holistic approach to cost effective delivery of legal services to FMC Technologies. This platform provides an efficient and user-friendly interface to integrate matter management, knowledge management, financial management and relationship management in a collaborative environment. As such, we believe the success of our relationship with your firm directly depends upon our close coordination, which we feel can best be done through our integrated scheme of conventions and the persistent use of Tracker, to exchange information and process invoices. Yvonne Harlan will be in contact with you to establish the appropriate protocols for use of this system.

As you are aware, as part of our 1°Law™ program, we are committed to the concept of creating a true partnering relationship between outside counsel and FMC Technologies and we are equally committed to rewarding your firm's successful embrace of these concepts. At its core, this requires a relationship based on trust and communication and a sharing of some of the risk and some of the rewards inherent in a mutually beneficial partnering environment. Success requires us each to commit to continuous improvement in our services and approach, innovative exploitation of appropriate technologies, relentless pursuit of cost reductions to enhance our profit margins in a non-zero-sum environment, and focused efforts to ensure that we realize the benefits of past experiences as "learning" enterprises. As such, your engagement in this matter is based on the partnering concepts embodied in our ACES™ model as more fully described in Attachment 3. The matter profile in Attachment 1 will identify the specific ACES™ fee model we have found most suitable for this engagement.

We value creative, forward looking, efficient, effective and diverse firms and therefore ask that you complete the firm profile included as Attachment 4 so that we can better understand your firm culture, values, and structure. This document will be posted to your firm profile under the Serengeti Tracker system and it will be under your firm's control to update, which should be done no less than annually.

Please demonstrate your agreement that this forms the bedrock master engagement establishing a relationship between your firm and FMC Technologies by signing this letter, completing the attachments and posting it as a document to your Serengeti Tracker firm profile.

Welcome as a valued member of our elite Alliance Counsel roster and thanks for your assistance, counsel, advice and commitment. We truly appreciate your willingness to consider and embrace new methods for the delivery of legal services to corporations. We firmly believe that together we are on the cutting edge of redefining how law firms and corporations interact for their mutual benefit.

Sincerely,

Jeffrey W. Carr
Vice President, General Counsel & Sec
FMC Technologies, Inc.

Accepted for [insert firm name] by:

(Signature) _____

(Name) _____

(Title) _____

Covenant with Counsel

FMC Technologies will:

- Designate one lawyer to serve as our relationship manager
- Define our objectives in the engagement and advise you if those objectives change
- Pay your bills promptly and trust you to bill us in compliance with our billing guidelines
- Understand that matter-specific budgets may need to be revised for unforeseen events
- Understand that this relationship is built on mutual trust and that by eschewing a “no stones unturned” approach, we accept some risk
- Evaluate your performance fairly and regularly
- Keep our commitment to reward success and efficiency
- Organize and participate in “after-action” reviews at the conclusion of each matter to help us continuously improve performance
- Be flexible, accommodating and creative in dealing with potential conflict of interest issues that may arise
- Provide training opportunities for your associates through short term secondments or other creative arrangements
- Assist your firm to be a better collaborator with other lawyers and law firms
- Seek creative arrangements with our other service suppliers to leverage our costs down
- Recommend your firm to other companies

Our Firm will:

- Designate one lawyer to serve as our relationship manager and will not bill for time in this role.
- Understand your objectives and give honest feedback on whether they are realistic and attainable.
- Provide non-binding estimates of fees and expenses for specific matter engagements shortly after your engagement, but in no case longer than 90 days. We will update that estimate immediately if we determine that there will be any material change in the estimate (upward or downward).
- Understand that we are responsible for our budgets and estimates and that our experience forms a basis for accuracy and limits the scope of events and developments that are truly unforeseen
- Post our bills electronically and in a timely fashion
- Bill you fairly and understand that you seek neither education, elegance, new law, nor perfection unless these provide value consistent with your company’s objectives.
- We will always seek simple, effective solutions
- Embrace the concepts of 1° Law™ and ACES™, recommend that other clients and law firms do the same and refer inquiries to you regarding any marketing opportunities
- Seek continuous improvement in all that we do
- Find ways to train our associates efficiently and effectively without imposing additional and unwarranted costs on you
- Never “reinvent the wheel” by looking first to past work product wherever that may be and develop ways to do so to encourage efficiency and continuous improvement
- Seek to reduce our costs creatively and constantly and share those savings with you while also increasing our profitability
- Not ask for blanket conflict waivers and be responsible to bring actual or potential direct, client or issue conflicts to your attention
- Exploit technology to our mutual benefit and fully utilize the Serengeti Tracker system
- Meet deadlines and keep in touch
- Eliminate pass through billing of costs that are truly overhead and part of our cost of providing legal services

FOR FMC TECHNOLOGIES, INC. BY:

FOR LAW FIRM BY:

ACES™ Terms and Conditions

1. Our ACES™ LT model will apply to all matter specific non-litigation engagements based upon hourly, retainer or fixed project based structures, your bills will be 'all-in' rates without pass-through overhead type costs. We will pay 80% of the invoiced fees. Upon the conclusion of the project or at semi-annual increments, we will provide you with an evaluation of your performance to date, and based upon that evaluation, pay you 0-200% of the 20% of unpaid fees. In other words, you will, based upon performance, realize 80-120% of the aggregate amount of your invoices. The criteria we will use in this evaluation are the overall quality of service based on our assessment of the following factors: knowledge; responsiveness; effectiveness; efficiency; predictive accuracy; and goals achievement. We will discuss our evaluation with you and make adjustments we deem appropriate in our final evaluation. For your convenience, the summary evaluation form and description of each of these factors is attached.
2. For litigation or similar matter engagements, you agree to utilize the formal ACES™ spreadsheet which provides for a more structured risk-reward engagement model. If success is obtained as defined (by our mutual agreement), you will be paid a success bonus as calculated by the model. Should your total fees for this engagement be less than targeted, the success bonus will be increased by an efficiency bonus in accordance with the model. Conversely, should your total fees for this engagement be greater than targeted, the success bonus will be reduced in accordance with the model. A more detailed description of this litigation-specific model is attached and additional information is available on our website.
3. While you may use the ACES™ model in connection with this engagement, you acknowledge that this is an FMC Technologies proprietary model and that you may neither utilize this model in engagements for other clients nor otherwise transfer or disclose the model to third parties. Should you be interested in utilizing the model outside of this relationship, please contact FMC Technologies or Serengeti Law to determine if a license is available for such use.
4. This limited use license will include any improvements to the model devised by FMC Technologies and FMC Technologies will promptly advise you of any such improvements.
5. You shall promptly disclose any improvements to the model devised by you, the firm, or its clients which shall be the property of FMC Technologies but shall be included in the limited use license to the firm.
6. You, the firm, its partners, employees, consultants and affiliates, shall be bound by this limited use license even if you leave the firm and the firm shall be responsible for any unauthorized use of the ACES™ model.

ACES™ Evaluation Form for Bonus Review

Firm: _____
Date: _____

Attorney: _____
Evaluator: _____

Instructions: Categories are consistent with Serengeti Tracker evaluation tool and FMC Technologies 5 core principles. This evaluation will be completed semi-annually or at the conclusion of a project for use in connection with the ACES LT ("report card") engagement system. A normal score is a "2" reflecting good, expected professional performance. A score of 0 or 4 for any category reflects an extreme and should not be the norm. Similarly, a score of 2 or 3 for any category should not become a default. All categories are given an equal weight.

- Scale:**
- 0 – Poor
 - 1 – Needs Improvement
 - 2 – Average
 - 3 – Outstanding
 - 4 – Exceptional

RESPONSIVENESS: LISTENS TO THE CUSTOMER **Score 0-4:** _____

- Demonstrates an understanding of business objectives and its customers
- Understands impact of legal strategies on business and its customers
- Demonstrates ability to incorporate feedback to improve service
- "Owns" responsibilities and meets them timely
- Communicates clearly, openly, and frequently with Legal Team

GOALS ACHIEVEMENT/EFFECTIVENESS: CREATES SOLUTIONS **Score 0-4:** _____

- Demonstrates ability to use substantive knowledge and experience to offer creative solutions to difficult issues
- Proactively offers relevant and timely advice regarding important legal developments
- Provides practical real world advice and solutions
- Focuses on how to accomplish the goal at hand, not past practice

KNOWLEDGE: INNOVATES CONTINUOUSLY & EMBRACES TECHNOLOGY **Score 0-4:** _____

- Demonstrates substantive expertise and depth of knowledge
- Exploits technology to deliver value-added legal solutions within desired time frames
- Embraces Serengeti Tracker & other technology for speed, efficiency and accessibility
- Seeks continual improvement and alternative methods to deliver cost effective services

PREDICTIVE ACCURACY: MAXIMIZES VALUE **Score 0-4:** _____

- Provides meaningful expense estimates, timely communicates any changes
- Effectively manages expenses against business objectives; is aware that businesses products and services need to be sold to pay for legal services
- Accepts and works under risk/reward structures, such as the ACES model.
- Helps eliminate red tape to accomplish the business objective

EFFICIENCY: TEAMWORK & EFFECTIVE COMMUNICATION **Score 0-4:** _____

- Understands and delivers against team goals, even when different than individual
- Contributes to internal and external teams to accomplish objectives
- Develops cooperative relationships with other vendors
- Contributes to the 1^o Law knowledge base

TOTAL: _____

The ACES™ For Litigation Model

FMC has developed a fee structuring model for use in litigation which seeks to align FMC's interest in rapid, successful, and cost effective resolution of disputes with a fair compensation model for the outside law firm. This proprietary system, known as the Alliance Counsel Engagement System or the ACES™ Model (**patent pending**), consists of the following elements:

- FMC must define the success criteria – if success is achieved, a bonus is paid to the firm. If we can't define the objective, we shouldn't be hiring outside counsel
- FMC and the firm develop a case/matter budget where the activities in the matter are grouped into four to five major activity categories corresponding to the UTBMS codes for litigation (e.g., initial case assessment, pleadings, discovery, pre-trial/trial and appeal). For each activity a "target budget" is developed. Normally, the target for the initial case assessment is \$15K and for appeal is \$0.
- The aggregate of the activity targets is the total matter target
- Within each activity grouping, the firm bills FMC at its normal hourly rates (subject to FMC's billing policies and procedures). Until the target is reached for any particular activity group, FMC pays the firm a percentage (normally 80%) of the billed fees. The unpaid fees (normally 20%) are placed in a success "bucket".
- Once a target is reached for an activity, the proportion of payment to "bucket" is reversed. Thus, the firm will recover those fees if success is achieved, and will forfeit these fees if success is not achieved. As such, 20% of the fees are paid to the firm and 80% of the fees are placed in the bucket. Some firms may wish to place a greater amount at risk.
- If success is reached, a bonus is paid. The bonus consists of the amount in the bucket **plus** a multiplier. The amount of the multiplier depends upon the point in time when success is achieved and normally is 100% (early stages before substantial expenses incurred), 75% (pleadings), 50% (discovery), or 25% (trial & appeal). This declining multiplier has the effect of paying higher effective hourly rates for early success and lower rates as a matter drags on before resolution.
- A second level bonus is paid by adding 1% to the bucket multiplier for each 1% of total matter target saving. In other words, if the firm had expended only 40% of the total matter target, there would be an additional 60 percentage points added to the applicable bonus multiplier. Conversely, if the total matter target is exceeded, this becomes a point-for-point penalty, reducing the bucket multiplier by 1% for each percentage point of total matter excess.
- A third level bonus/penalty may be used to reflect the deviation from the expected value of the case (based on a mutually agreed decision tree) for any settlement or judgment.
- Budget targets are flexible and will be revised to reflect unanticipated events; however, the firm must identify its baseline assumptions and these must be agreed in advance.

A Microsoft Excel spreadsheet contains the model for the firm's use and experimentation. The variable values are comprised of the following: targets for each activity; the billing/basket percentage split; the point-in-time bucket multipliers; the expected value. These variables will be subject to revision and refinement.