

Service and Billing

VARNUM LLP SERVICE AND BILLING INFORMATION

Varnum LLP ("Varnum") is pleased to have you as a client of our firm. Throughout our relationship, you should have a clear understanding of the legal services we will provide. Any questions that you have will be dealt with promptly.

THE ATTORNEY-CLIENT RELATIONSHIP

The person or entity we represent is the person or entity identified in our engagement letter and does not include any affiliates of that person or entity (i.e., if you are a corporation or partnership, any parents, subsidiaries, employees, officers, directors, shareholders, or partners of the corporation or partnership, or commonly owned corporations or partnerships; or, if you are a trade association, any members of the trade association). In proceeding with this relationship, you agree that our relationship is with you and not your affiliates, and that, as a result, it will not be necessary for us to obtain the consent of you or your affiliates in order for us to represent another client in a matter adverse to your affiliates. Furthermore, to the extent that our representation of others adverse to any of your affiliates may be deemed to require your consent, you give that consent.

The attorney-client relationship will end at our completion of the services you have retained us to perform. If you later retain us to perform additional services, our attorney-client relationship will be reactivated.

WHO WILL PROVIDE THE LEGAL SERVICES

At the beginning of our relationship, where appropriate, we will establish a team of firm members to serve you. This Client Service Team will be led by one attorney who will serve as your client service manager and primary contact at the firm. This attorney should be someone in whom you have confidence and with whom you enjoy working.

Client Service Teams include attorneys and legal assistants in different practice areas who, under the supervision of the client service manager, may perform work on behalf of the client. Delegation of assignments may be to take advantage of special expertise, cost-efficiency, or time deadlines. When applicable, we will advise you of the names of the attorneys and legal assistants who serve on your Client Service Team.

You are free to request a change in the client service manager or Client Service Team members at any time. If a change in the client service manager is desired, please contact any other partner of the firm. For questions concerning team members, please contact your client service manager.

As part of our agreement to represent you, if during the course of the representation we decide, in our own discretion, that it is necessary or appropriate to consult with our counsel, at our expense, you agree and consent that we may do so and that our continued representation of you shall not waive any attorney-client privilege that Varnum may have to protect the confidentiality of our communications with firm counsel.

COMMUNICATION AND RESPONSIVENESS

We strive to return all telephone calls on the day received or by the following morning, if received late in the day.

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You will have 24-hour access to the attorneys' direct dial telephone numbers and voice mail system on which confidential, detailed messages can be left. Where appropriate, you will be provided with the home telephone numbers and the cell telephone numbers of the attorneys working with you. The names of secretaries and staff supporting your Client Service Team can also be provided.

Communication by email is now common, although it may be subject to unauthorized interception (as are cell phone communications). We will consider ourselves authorized to communicate with you by email or cell phone, where available, unless you instruct us otherwise. Some of our clients utilize social media for a variety of purposes. Any communications by social media are not legal advice.

We recommend to our clients that they protect all communications to or from us from disclosure to others who are not our client in the matter. It is your obligation to ensure that the information sent to the electronic address you provide to us is secure and not accessible by others who are not our client. You must also ensure that legal matters in your electronic communications are not disclosed to others.

EXPRESSIONS OF PROFESSIONAL JUDGMENT

Any statements on our part concerning the outcome of your legal matters are expressions of our professional judgment, but are not guarantees. Our opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are given.

HOW FEES WILL BE SET

Attorneys may be compensated under a variety of fee arrangements, including purely hourly or per diem arrangements. At Varnum, in determining the amount to be charged for the legal services we provide, we generally consider the following, unless described otherwise in the engagement letter:

- The time and effort required, the novelty and complexity of the issues presented, and the skill required to perform the legal services promptly;
- The fees customarily charged in the community for similar services and the value of the services to you;
- The amount of money or value or property involved and the results obtained;
- The time constraints imposed by you as our client and other circumstances, such as an emergency closing, the need for injunctive relief from court, or substantial disruption of other office business;
- The nature and longevity of our professional relationship with you;
- The experience, reputation, and expertise of the lawyers performing the services;
- The extent to which office procedures and systems have produced a high-quality product efficiently.

Among these factors, the time and effort required are typically weighted most heavily. We keep records of the time we devote to your work, including conferences (both in person and over the telephone), negotiations, factual and legal research and analysis, document preparation and revision, travel on your behalf, and other related matters. We record our time in fractions of an hour.

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The hourly rates of our lawyers and legal assistants have an important bearing on the fees we charge. The firm establishes a range of hourly rates for each attorney and legal assistant. These rates may be adjusted from time to time to reflect current levels of legal experience, changes in our costs, and other factors.

We are often requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. When requested, we will furnish such an estimate based upon our professional judgment, but always with a clear understanding that it is not a maximum or fixed-fee quotation. The ultimate cost frequently is more or less than the amount estimated.

For well-defined services (for example, a simple business incorporation), we will consider quoting a fixed fee. In those situations, the fixed fee arrangement will be expressed in a letter, setting forth both the amount of the fee and the scope of the services to be provided.

Varnum encourages discussion with our clients about legal fees and billing arrangements. Unnecessary misunderstandings can result from a lack of clear communication on these sensitive matters. We would expect to have candid discussions regarding fees and billing arrangements with you at the beginning of our relationship.

OTHER CHARGES

Typically, we will charge our clients not only for legal services, but also for other ancillary services which we provide. Examples of ancillary charges include: computerized research services and the use of our photocopy machines. While our charges for these services are measured by use, they do not, in all instances, reflect our actual out-of-pocket costs. For photocopying or computerized research, for example, the true cost of providing the service is difficult to establish. While we strive to maintain these charges at rates which are lower than those maintained by others in our markets, in some instances, the amounts charged may exceed the actual costs to the firm. We would be pleased to discuss the specific schedule of charges for these additional services with you and to answer any questions that you may have. If you would prefer, in some situations we can arrange for these ancillary services to be provided by third parties with direct billing to you.

DISBURSEMENTS

In addition to our fees and other charges, we will bill you, without any mark-up, for any out-of-pocket expenses which we incur on your behalf. Examples of costs in this category may include filing fees, court costs, mileage and third-party carrier or overnight delivery service. We may ask that you pay directly any third-party costs or expenses, such as expert or consultant fees.

BILLING ARRANGEMENTS AND TERMS OF PAYMENTS

We will bill you, normally each month, for fees, other charges, and disbursements. You are expected to make payment upon receipt of our invoice. Unpaid fees and disbursements accrue interest at the maximum rate permitted under the laws of the State of Michigan, but not exceeding one percent (1%) per month from the beginning of the month in which they became overdue. Unless otherwise agreed, partial payments or late payments will be applied in the manner we determine in our discretion.

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If your account becomes past due, you are expected to bring the account or the retainer deposit current. If the delinquency continues and you do not arrange satisfactory payment terms, we may withdraw from the representation and pursue collection of your account. You then agree to become responsible for paying the costs of collecting the debt, including court costs, filing fees, and reasonable attorney fees (regardless of whether Varnum in-house counsel is used).

Invoices are typically sent monthly unless there is a project to be billed in a different fashion. At times, when there is low activity, an invoice may be sent less frequently than monthly. Generally, one person acts as the billing attorney for each client in order to coordinate the billing process. Billing can be done on a composite basis or broken down by subject matter. If you want particular invoices sent to specific individuals for approval in your company, that can be done.

Under normal circumstances, we submit regular monthly invoices to clients listing in a narrative fashion the particular work performed by date and the exact amounts of other charges and disbursements for all client matters.

RETAINERS

New clients of the firm are commonly asked to pay the firm a replenishing retainer. If you pay us a retainer, you grant us a security interest in those funds. The amount of the retainer will depend on a variety of factors, including but not limited to the complexity of the matter and whether the matter involves an appearance before a court or tribunal. If the initial retainer amount proves to be insufficient, an increase in the retainer may be necessary. Unless otherwise agreed, the retainer typically will be credited toward your unpaid invoices, if any, on a monthly basis at the time the invoice is generated. If you dispute any amount charged against the retainer, you may notify us promptly and we will return the disputed amount to a trust account pending resolution of the dispute.

Failure to replenish a retainer to the agreed upon amount after notice from us may be grounds for our termination of the representation.

At the conclusion of our representation or at such time as the retainer is unnecessary or is appropriately reduced, the remaining balance or an appropriate part of it will be returned to you.

Deposits received to cover specific items will be disbursed as provided in our agreement with you, and you will be notified from time to time of the amounts disbursed. Any amount remaining after disbursement will be returned to you.

By court rule, most retainers will be placed in a pooled account, and interest earned on the pooled account is payable to a charitable foundation established in accordance with the court rule. This is called an IOLTA account. Funds in an IOLTA account may have limited FDIC insurance. That means deposits in excess of the insurance are not insured. Also, any funds we are holding for your benefit in this account will be aggregated with any funds you hold at the bank towards the FDIC insurance limit. In some instances, your retainer may be placed in a separate trust account for your benefit.

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Any funds we deposit for your benefit, or pursuant to an escrow agreement between you and another party where Varnum acts as escrow agent, will be placed in a trust account at an FDIC-insured financial institution. This financial institution may be a client of Varnum, and Varnum may or may not hold other accounts at that institution. Funds in a trust account that is not an IOLTA account may accrue interest and the interest will be credited for your benefit. Funds in a trust account that is not an IOLTA account may have limited FDIC insurance. That means deposits in excess of the insurance are not insured. Also, any funds we are holding for your benefit in this account will be aggregated with any funds you hold at the bank towards the FDIC insurance limit. By retaining our services, you agree that we may deposit your funds in this trust account.

TERMINATION

You may terminate our representation at any time by notifying us. Your termination of our services will not affect your responsibility for payment of legal services rendered, additional charges and disbursements incurred before termination and in connection with an orderly transition of the matter.

We may also withdraw from providing services to you. The ethics rules for the jurisdictions in which we practice list several types of conduct or circumstances that require or allow us to withdraw from representing a client. We try to identify in advance and discuss with our clients any situation which may lead to our withdrawal, and if withdrawal ever becomes necessary, we will give the client written notice of our withdrawal.

MATTER REPRESENTATION FILES

Client Property. Once our engagement in this matter ends, we will return the materials provided by you upon your request. You agree that we may copy your materials at your expense and retain copies of the materials and electronically stored information ("ESI") that you provided. You also agree that any materials or ESI left with us after the engagement ends may be retained or destroyed, at our discretion. Any retained materials or copies will be destroyed at our expense. In most cases, any retained records will be destroyed in accordance with our then current policy.

Varnum Property. Our own files and ESI pertaining to the matter will be retained by the firm (as opposed to being sent to you) or destroyed. These firm files and ESI include, for example, firm administrative records, time and expense reports, personnel and staffing materials, credit and accounting records, documents and ESI generated or received by us in the course of our representation, and internal lawyers' work product (such as drafts, notes, internal memoranda, legal research, and factual research, including investigative reports prepared by or for the internal use of lawyers). For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any documents, ESI or other materials retained by us within a reasonable time after the termination of the engagement. In most cases, retained records will be destroyed in accordance with our then current policy.

When you request Varnum's documents or ESI from us, copies will be produced and made at your expense, and the copies will be provided to you in electronic or paper format, at our discretion. Varnum will retain the originals of its property.

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PRIVACY POLICY

We follow the high professional standards of confidentiality imposed on lawyers.

Types of Nonpublic Personal Information We Collect. We collect nonpublic personal information about you that is provided to us by you or obtained by us with your authorization.

Parties to Whom We Disclose Information. For current and former clients, we do not disclose any nonpublic personal information obtained in the course of our practice, except as required or permitted by law. In a generic sense, any information a client provides us is likely to be considered nonpublic personal information and receives confidential treatment. Permitted disclosures include, for instance, providing information to our employees, and in limited situations, to unrelated third parties who need to know that information to assist us in providing services. In all such situations, we stress the confidential nature of information being shared.

Protecting the Confidentiality and Security of Current and Former Clients Information. We retain records relating to services that we provide so that we are better able to assist you with your needs and, in some cases, to comply with guidelines of our profession. In order to safeguard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with the rules of professional conduct applicable to us.

Please call your Varnum attorney if you have any questions, because your privacy, our professional ethics, and the ability to provide you with quality services are very important to us.

ENGAGEMENT OF THIRD-PARTY SERVICE PROVIDERS

From time to time at your request, we may act on your behalf to engage the services of third parties to provide professional advice, goods or services to you or for your benefit, in connection with our legal engagement. Examples of such third parties include (without limitation) title insurance companies, appraisers, surveyors, environmental experts, process servers, financial consultants, information technology experts, court reporters, and law firms in other jurisdictions or in specialized practice areas. You will be responsible for the payment of all costs, fees and other expenses incurred in connection with any such engagement. If such costs are relatively small we may include them on our direct bills to you; in most cases, we will instruct third parties to bill you directly for their services and products, or will forward to you all third-party bills that we receive, for direct payment by you.

In connection with such an engagement or otherwise, we may from time to time, again at your request, recommend particular third-party service providers to you as the need arises. In making any such recommendation, or in engaging for the services of any such third-party, we do not make any warranty, representation or guaranty to you of any kind concerning the third-party provider or its services, including (without limitation) warranties as to the quality of service, professional acumen, or financial circumstances of the third-party service provider. You will at all times retain the right to terminate the services of any such third-party service provider, at your election and at your expense.

AUDIT LETTER RESPONSES

At times, you may request that we provide your auditors certain information in connection with such auditors' examination of your financial statements. Of course, we will charge for our services in doing so. In addition, for

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your benefit and in order to protect the attorney-client privilege, our responses will only be made in accordance with the ABA Statement of Policy Regarding Lawyers' Responses to Auditors' Requests for Information (December 1975), including all of the limitations contained therein. You hereby agree not to request information in addition to that provided for in the ABA Statement of Policy and consent to our providing responses only in accordance with the ABA Statement of Policy.

OPINIONS TO OTHERS

As a general matter, any third party opinions will be based on your representations and warranties that the facts on which the opinion is based are true, complete, and accurate, and that such representations and warranties do not omit any facts necessary to make such representations and warranties not misleading. You acknowledge and agree that we undertake no duty to investigate such representations and warranties, or verify any matters that you represent and warrant to us as true, complete, and accurate.

SECURITIES LAW ADVICE

Unless specifically requested and agreed by us in writing, we will not provide any advice with respect to the securities laws of the United States or any other jurisdiction or any related rules or regulations and we will not provide any advice as to whether any information, statement, opinion, or other writing is required to be filed with, incorporated into, submitted to, or furnished to the United States Securities and Exchange Commission or any state securities regulators. You will not, without our prior written consent, include documents or information we provide to you in any filings with federal or state securities regulators, including the SEC.

FEDERAL TAX ADVICE

Unless specifically requested and agreed by us in writing, we will not provide any advice that is intended or written to be used, and without such specific request and agreement by us, it cannot be used, for the purpose of (a) avoiding federal tax penalties that may be imposed on the taxpayer; or (b) promoting, marketing, or recommending to another party any tax-related matters addressed by us.

DISPUTE RESOLUTION

Other than a complaint to a disciplinary authority, you agree that any controversy, dispute, or question arising out of, in connection with, or relating to the engagement agreement (including, but not limited to, interpretation, performance, nonperformance, or breach), the attorney-client relationship, fees or any services of Varnum shall be determined exclusively in a state or federal court located in the State of Michigan under the laws of Michigan. You expressly consent to the jurisdiction of courts in Michigan.

Varnum is willing to consider whether to use alternative dispute resolution procedures (including but not limited to binding arbitration), if you are also willing to do so. Such alternative dispute resolution will be used only if all parties to the dispute agree on its use and the procedures to be followed.

KEEPING YOUR CONTACT INFORMATION CURRENT

You must keep us informed as to your current mailing address, physical address (if different), and phone numbers (also email address if that is used). You will keep this information accurate and up to date, because of our need to be able to contact you with respect to the subject of the representation and aspects of our relationship with you—as described above. We will rely upon the last contact information you provide to us. You agree that we can do so with respect to any need we may have to communicate with you (during the existence

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of the attorney-client relationship or after conclusion of that relationship) relating in any way to our representation of you, including in connection with commencing any dispute resolution as described above.

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