

**U.S. RETENTION AND BILLING TERMS AND CONDITIONS FOR OUTSIDE COUNSEL**

**Effective AUGUST 1, 2023**

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**1. RETENTION**

These Retention and Billing Terms and Conditions for Outside Counsel ("Retention Terms") are applicable to all engagements by authorized representatives (collectively, "Travelers Representatives" or individually, the "Travelers Representative") of The Travelers Companies, Inc. and its subsidiaries ("Travelers") of any attorneys and firms as outside counsel ("Outside

Counsel”) representing Travelers or an insured or customer of Travelers within the U.S. These Retention Terms are intended to promote optimal matter outcomes and strengthen Outside Counsel’s relationships with Travelers and its insureds and customers.

Note that the business area that retains Outside Counsel may have additional requirements beyond those set forth herein.

Upon Travelers’ request, Outside Counsel will execute an engagement letter with Travelers, which may identify the lead attorney(s) within Travelers and Outside Counsel’s firm, specific attorneys authorized to work on the matter, applicable hourly rates or other fee structures and other information that may be required. At all times, these Retention Terms and Travelers’ engagement letter (if any) will supersede any engagement letters provided to Travelers by Outside Counsel.

Unilateral modification to these Retention Terms by Outside Counsel is not permissible.

By agreeing to represent Travelers or an insured or customer of Travelers, Outside Counsel agrees to conduct the representation consistent with these Retention Terms and all applicable laws, ethical obligations, regulatory requirements and Rules of Professional Conduct. A copy of these Retention Terms should be provided to all attorneys, paralegals and billing staff involved in the engagement before any work begins. It is Outside Counsel’s responsibility to ensure that its attorneys and staff are operating under the most recent version of these Retention Terms and its CounselLink® profile is current. Outside Counsel must also immediately notify Travelers by emailing [LRMCOMMS@travelers.com](mailto:LRMCOMMS@travelers.com) regarding any firm changes, including but not limited to firm name, TIN and physical location(s). Any waiver of these Retention Terms must be in writing and signed by a Travelers Representative authorized to grant such waivers.

In selecting and evaluating Outside Counsel, Travelers strives to obtain high quality legal representation that produces the best possible results and use legal resources in the most efficient and cost-effective manner. Managing costs is a high priority and Travelers expects Outside Counsel to use best efforts in assisting Travelers to appropriately achieve this objective.

Additionally, one of Outside Counsel’s highest priorities should be understanding Travelers’ strategic position and objectives in handling of matters. Therefore, Outside Counsel is expected to:

- Staff the matter with lawyers and paralegals who possess appropriate expertise based on the matter’s complexity, amount in dispute and/or coverage issue(s), and knowledge of the jurisdictional laws, judges and lawyers involved. See Section 8 below for related guidance.
- Unless the Travelers Representative instructs Outside Counsel that a budget is not needed, provide an appropriate initial budget forecast based on information available at the time and timely update the budget based on new or unforeseeable factual or legal developments. See Section 10 below for related guidance.
- Offer strategic, proactive and cost-effective ways to resolve legal and factual issues to achieve the intended outcome including, as appropriate, skilled handling and optimal

results through alternative dispute resolution. See Section 9 below for related guidance.

- For litigated matters, if requested, develop a case valuation and update it if a material change prompts re-evaluation.
- Identify key issues and provide accurate advice and recommendations focused on strategic goals.
- Produce quality written work product.
- If applicable, demonstrate quality oral advocacy skills.
- For litigated matters, use discovery strategically.
- If applicable, demonstrate quality trial skills.
- Achieve an outcome consistent with agreed strategic goals and resolution plan.
- Maintain a plaintiff's mindset on matters where Travelers is a plaintiff or claimant in litigated matters.

## **2. ELECTRONIC BILLING**

Unless otherwise directed, Outside Counsel must participate in Travelers' electronic billing (eBilling) program (including submitting invoices, invoice appeals, and/or accepting payments electronically or in such manner or format required by Travelers), at no additional cost to Travelers.

## **3. TRAVELERS' INSURED AND CUSTOMERS**

For all purposes hereof, the terms "insured" and/or "customer" refers to an entity or person for whom Travelers is providing a legal defense whether under a reservation of rights or not. These Retention Terms shall not apply to any retention of Outside Counsel to represent an insured or customer when the Retention Terms conflict with: i) the law of the controlling jurisdiction with respect to the retention by an insurance company of counsel to represent its insureds or customers; ii) any agreement (in the insurance policy or any other applicable agreement) between the insured or customer and Travelers; or iii) any agreement between Travelers and other insurers of the insured or customer. Moreover, nothing in these Retention Terms are intended to interfere with the exercise of Outside Counsel's independent professional judgment or to restrict Outside Counsel from properly representing Travelers or, where applicable, Travelers' insureds or customers.

If Outside Counsel is engaged to represent a Travelers' insured or customer, nothing contained herein shall diminish Outside Counsel's obligation to that Travelers' insured or customer. Although Travelers believes that the terms contained herein are consistent with that obligation, individual circumstances may arise in which a requirement of these Retention Terms arguably conflicts with Outside Counsel's obligation to a Travelers' insured or customer. Outside Counsel shall disregard any requirement that is in conflict with Outside Counsel's obligation to such insured or customer. Outside Counsel shall provide prompt written notice of any conflict believed to exist between these Retention Terms and its obligation to Travelers and/or a Travelers' insured or customer and such notice, where possible, shall occur prior to any deviation from the provision in question.

The quality of the service provided by Travelers is what sets us apart from our competitors and is what gives Travelers' existing and potential customers reason to want to do business with us. Representation of a Travelers' insured or customer is both a reflection on Outside Counsel and on Travelers itself, and thus Outside Counsel shall represent a Travelers insured or customer with the highest levels of integrity, professionalism, courtesy, and respect.

#### **4. DIVERSITY**

Travelers is dedicated to supporting and advancing its commitment to diversity. We believe that diversity represents a competitive advantage in today's business and legal environment. By appreciating differences and encouraging the active and full participation of people of every culture, ethnicity, national origin, race, color, religion, gender, age, disability and sexual orientation in our business processes, we will make better decisions, build more positive relationships and strengthen our opportunities for success by bringing together the best of the best, regardless of background. In connection with the foregoing, we encourage our Outside Counsel to provide maximum opportunities for qualified diverse personnel and third-party vendors to participate in work on behalf of Travelers. Travelers may also require Outside Counsel to provide and update diversity-related information regarding attorneys and other timekeepers working on Travelers matters through Travelers' eBilling program or other means.

#### **5. CONFLICTS OF INTEREST**

Outside Counsel shall undertake a thorough search for actual and/or potential conflicts of interest immediately after being contacted to represent Travelers or a Travelers' insured or customer and should not bill Travelers for the conflict check. For purposes of evaluating conflicts of interest, Outside Counsel should treat all companies falling within the definition of "Travelers" above as the client and as constituting one entity. The conflicts check should encompass all lawyers and offices of Outside Counsel.

Any and all conflicts must be disclosed in writing to the Travelers Representative handling the matter at the time of the engagement or as soon as each conflict becomes known. The firm shall not undertake or continue any representation of Travelers or a Travelers' insured or customer until the conflict has been addressed with the Travelers Representative and the insured or customer, if applicable, and either resolved or expressly waived, in writing, by an authorized Travelers Representative or the insured or customer. Having undertaken representation of Travelers, Outside Counsel should avoid any subsequent conflicts, except to the extent any such conflict has been addressed in accordance with these Retention Terms. Travelers does not grant prospective conflict of interest waivers.

#### **6. ATTORNEY CONDUCT STANDARDS, SEC AND SARBANES-OXLEY REPORTING**

During the course of Outside Counsel's representation of Travelers, Outside Counsel may have access to information regarding Travelers and its operations. If Outside Counsel should discover evidence of material violations of the law by Travelers or its officers, directors, employees or other individuals or entities acting on Travelers' behalf, Outside Counsel agrees to promptly notify Travelers' Chief Legal Officer and otherwise comply with Outside Counsel's

obligations under Section 307 of the Sarbanes-Oxley Act of 2002 and the related rules of the Securities and Exchange Commission.

Outside Counsel should also adhere to all applicable professional standards and immediately notify the handling Travelers Representative if disciplinary action is taken against any attorneys within their firm who have worked or are working on any active Travelers matter.

## **7. INSURANCE COVERAGE**

Throughout the term of each engagement and the applicable statute of limitations, Outside Counsel shall maintain, at its sole cost and expense, Professional Liability coverage. The required minimum per loss and aggregate limits are five million U.S. dollars (\$5,000,000 USD) covering Errors and Omissions of Outside Counsel and its subcontractors in providing or failing to provide the services, effective at all locations where Outside Counsel may perform any services for Travelers or its insureds or customers.

Outside Counsel must also obtain upon being retained to represent Travelers and/or its insured or customers, cyber risk coverage, including breach response, extortion, cybercrime, and business interruption, with a minimum per loss and aggregate limit of two million U.S. dollars (\$2,000,000 USD), and which includes both third-party liability and first-party coverage. Travelers reserves the right to require a higher coverage amount based on factors including a law firm's size and/or the volume of Travelers matters that it handles.

## **8. STAFFING**

At the outset of each engagement, Outside Counsel and the Travelers Representative will discuss how the matter will be staffed and agree on the applicable billing rates and/or fee structures.

The level of attorney and paralegal staffing must be both reasonable and necessary based on the complexity of the matter. The Travelers Representative will evaluate the degree to which internal Travelers resources, including in-house lawyers, support staff and/or other available resources, may be used to meet the project's requirements (e.g., legal research, organization of files, depositions, witness interviews and/or investigators).

Only one (1) partner, one (1) associate and one (1) paralegal should work on a matter, unless otherwise authorized in advance by the Travelers Representative.

The Travelers Representative and Outside Counsel should collaborate and agree on initial staffing of a matter to ensure that the staffing is optimal and reevaluate staffing and make appropriate changes as warranted. The Travelers Representative and Outside Counsel should work together to ensure continuity in staffing. Outside Counsel should also assign the appropriate level of legal talent to a matter. If it becomes necessary to replace an attorney or paralegal working on a matter, any time spent to bring the replacement "up to speed" should not be included in the billing.

Further, firms that choose not to employ paralegals must bill all paralegal activity at the approved paralegal rate; paralegal tasks should not be billed at partner or associate rates.

To avoid unnecessary travel expenses, Outside Counsel should use best efforts to staff matters with timekeepers from the nearest firm office when travel is anticipated and/or use remote, video or other technology wherever appropriate and available.

## **9. COMMUNICATION, STRATEGY AND REPORTING**

Outside Counsel's highest priorities include implementing legal strategies consistent with Travelers' objectives and appropriately communicating and reporting as part of the handling of a matter. Specifically, Outside Counsel is expected to:

- Treat the insured/client and Travelers Representative with respect and professionalism.
- Confer and schedule an initial conference with the Travelers Representative upon receipt of a matter assignment to discuss strategy, budget, appropriate law firm staffing, and, for litigated matters, oral and written discovery, expert retention, etc.
- Timely evaluate the matter and develop a resolution-based plan aligned with strategic goals.
- Timely communicate regarding important developments and scheduled events (e.g. motion deadlines, trials or settlement conferences), and
- Timely share appropriate communications, legal documents and other information. Timely communication is important to allow Travelers enough notice to arrange for a Travelers Representative to attend events and/or for planning, public disclosure or other purposes.

## **10. BUDGET**

Unless instructed otherwise by a Travelers representative, Outside Counsel must promptly submit a budget, estimating fees and costs and including any such additional information as Travelers may require and timely update it based on new or unforeseeable factual or legal developments. At a minimum, the budget will include principal assumptions, identify specific phases and their cost, and specify applicable billing rates. Budget preparation is non-compensable. Note that the business area that retains Outside Counsel may have additional requirements with respect to the budget form and how to submit a budget (e.g., through the eBilling program).

## **11. RETENTION OF OTHER PROFESSIONAL SERVICES**

Travelers must pre-approve retention of any third-party service providers, including associate or local counsel, contract counsel for discovery purposes, (e.g., any non-firm person/organization that participates in the discovery process), printers, accountants, consultants, experts and providers of forensic, e-discovery or other services, including document handling services. All local counsel retained by Outside Counsel should receive a copy of these Retention Terms and comply with them. Outside Counsel should consult with the Travelers Representative regarding the availability of preferred or contractual rates prior to retention of these lawyers or vendors.

Travelers reserves the right to directly retain any third-party providers and/or direct Outside

Counsel to retain such service providers as Travelers may designate from time to time. If consistent with an approved budget, Outside Counsel will pay all applicable third-party provider fees. In all other cases, Outside Counsel must bill Travelers for all third-party provider services, with no mark-up, by submitting invoices to Travelers for approval and payment consistent with these Retention Terms.

## **12. CONFIDENTIAL INFORMATION**

Outside Counsel acknowledges that, in performing services hereunder, it may have access to non-public, competitively sensitive, privileged or proprietary information disclosed by or on behalf of Travelers, its insureds, customers, agents, brokers and/or claimants, including, without limitation, any information that is or could be personally identifiable to an individual (collectively, “Confidential Information”).

Confidential Information includes both Personal Information and Special Personal Information. “Personal Information” means (i) information identifying or personally identifiable to Travelers’ or its affiliates’ former, present and prospective employees, insureds, agents, suppliers, and financial and insurance services customers and/or claimants, (ii) and information relating to individuals that is considered sensitive and may be subject to more stringent legal protections (“Special Personal Information”).

Special Personal Information is a type of Personal Information and shall include, without limitation: (a) Taxpayer Identification Number, social security number, social insurance number, military identification number, or tribal identification card number; (b) passport, visa, alien registration, or other identification number assigned for immigration purposes; (c) driver’s license number, national identification card number, state or provincial identification card number, or other government-issued identification number; (d) an individual’s name (including first initial and last name) in combination with an individual’s card number, routing number, passcode, or personal identification number (PIN) for a checking or savings account, investment account, personal or company-sponsored credit or debit card, or any other financial account; (e) a user name or email address, in combination with any password or security question and answer that would permit access to an online account; (f) an individual’s name (including first initial and last name) or a unique identification number in combination with race, religion, ethnicity, medical or health information, background check information or sexual orientation; or (g) information that is capable of being associated with a particular individual through one or more of the following identifiers: (i) access code or password for an information system, including without limitation information response(s) to any system security challenge; (ii) mother’s maiden name; (iii) date of birth; (iv) digital or electronic signature; (v) biometric data, including without limitation fingerprint, retina or iris image, or DNA profile; (vi) health insurance information (health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual’s application and claims history, including any appeals records); or (vii) medical information (any information regarding an individual’s medical history, mental, or physical condition, or medical treatment or medical treatment or diagnosis by a health care professional).

Outside Counsel will (i) hold all Confidential Information in confidence and not disclose Confidential Information to anyone (other than to its employees and third-party service providers, as necessary to perform services); (ii) protect Confidential Information against unauthorized access, use, disclosure, loss or alteration; (iii) comply with applicable privacy and confidentiality laws, rules and regulations; and (iv) maintain technological competence to ensure that Travelers' Confidential Information is protected. If Outside Counsel becomes aware of any unauthorized access, use, disclosure, loss or alteration of any Confidential Information, Outside Counsel will promptly notify Travelers as described in Section 23.C. below and take such actions as may be necessary or reasonably requested by Travelers to minimize the adverse effects and/or damages to Travelers and/or its insureds, customers and claimants. Outside Counsel will not use Confidential Information for any purpose other than as necessary for performance of the services. If Outside Counsel wishes to use Confidential Information for any purpose not expressly permitted hereunder, Outside Counsel must first seek Travelers' express prior written consent, which may be withheld in Travelers' sole discretion.

To the extent Outside Counsel receives, accesses, processes, uses, or discloses (collectively, "Process" or "Processes") Personal Information pertaining to California residents that is subject to the California Consumer Privacy Act on behalf of Travelers or on behalf of an insured or customer of Travelers, Outside Counsel agrees with respect to such Personal Information:

- Outside Counsel shall not sell or share the Personal Information (the terms "sell" and "share" have the meanings ascribed to them in the California Consumer Privacy Act);
- Outside Counsel is permitted to Process the Personal Information solely for the purpose of providing legal services to Travelers, its insureds, and its customers;
- Outside Counsel shall not retain, use or disclose the Personal Information: (1) for any purposes other than those specified in the Retention Terms; (2) for any commercial purposes other than those specified in Retention Terms, including in the servicing of a different business, unless expressly permitted by the California Consumer Privacy Act or these regulations; (3) for any purpose outside the direct business relationship between Outside Counsel and Travelers or an insured or customer of Travelers; or (4) except as otherwise permitted by the California Consumer Privacy Act and the regulations promulgated thereunder;
- Outside Counsel shall comply with all applicable sections of the California Consumer Privacy Act and the regulations promulgated thereunder;
- Travelers has the right to take reasonable and appropriate steps: (1) to ensure that Outside Counsel uses the Personal Information in a manner consistent with the California Consumer Privacy Act and the regulations promulgated thereunder; and (2) upon notice, to stop and remediate Outside Counsel's unauthorized use of the Personal Information; and
- Outside Counsel shall notify Travelers within five (5) business days after it makes a determination that Outside Counsel can no longer meet its obligations under the California Consumer Privacy Act and the regulations promulgated thereunder.

Travelers shall inform Outside Counsel of any consumer request made pursuant to the California Consumer Protection Act that Outside Counsel must comply with and shall provide Outside Counsel the information necessary for Outside Counsel to comply with the request.

### **13. MEDIA CONTACT**

Outside Counsel must refer all media inquiries to Travelers relating to matters involving Travelers and/or its insureds or customers, unless otherwise specifically approved in advance by an authorized Travelers Representative. Outside counsel may not use Travelers' name or describe Travelers' matters in any identifiable way in marketing materials, social media, websites, or public statements without Travelers' prior written consent.

### **14. WORK PRODUCT**

Where appropriate, Outside Counsel should forward all pleadings and any other substantive work product to Travelers early enough to enable consideration, comment and approval. Outside Counsel will provide all communications and documentation in connection with each engagement in electronic format unless the Travelers Representative requests a different format. Specifically, Outside Counsel will provide the Travelers Representative with an electronic copy of all final and complete memoranda, pleadings and other substantive work product. Outside Counsel is responsible for ensuring that its electronic communications with Travelers are transmitted in a secure manner at all times.

### **15. SETTLEMENTS AND ALTERNATIVE DISPUTE RESOLUTION**

Outside Counsel should identify settlement possibilities before extensive discovery or other costly activity and report all settlement offers and demands immediately to the Travelers Representative and the insured(s)/client(s), where applicable. Outside Counsel may not, however, enter into any settlement discussions or any final settlement agreement without Travelers' approval. Outside Counsel should consider and consult with the Travelers Representative regarding alternative dispute resolution options to resolve a matter.

### **16. JUDICIAL APPEALS**

Without the pre-approval of the Travelers Representative, Outside Counsel may not appeal an adverse judgment, file an interlocutory appeal or file a response to an appeal taken by another party. In all circumstances, however, Outside Counsel should protect Travelers' right of appeal pending a decision by Travelers.

### **17. WAIVER OF ATTORNEYS' LIEN**

Retention of Outside Counsel by Travelers will constitute a waiver by Outside Counsel of any lien on files and documents relating to the matter, whether any such document was provided by Travelers or a third party or provided by or created by Outside Counsel and on any amounts of money and property Outside Counsel may receive for Travelers in connection with the matter. Upon request, Outside Counsel will provide immediately to Travelers the file, documents, funds or property relating to the matter notwithstanding any unpaid invoices or other amounts owed to or claimed by Outside Counsel. Providing these items upon request will not constitute a waiver

of any claim Outside Counsel might have for amounts owed to Outside Counsel in accordance with these Retention Terms.

## **18. RATE STRUCTURE AND FEES**

Travelers must agree in advance and in writing to the rate or amount it will pay for services. The rates charged Travelers shall be no higher than those which Outside Counsel charges its most favored client in comparable circumstances. Outside Counsel must promptly make all adjustments to hourly rates and/or other rate agreements to comply with this requirement.

Travelers will not pay unreasonable fees for any work performed and will not pay any fees for:

eBilling system set up, invoice preparation, billing inquiries and/or review and migration of paper invoices to LEDES format
Preparing auditor responses
Preparing line adjustment appeals on an invoice or other billing adjustment-related activities
Preparing budgets
Unless necessary for effective case management, routine detailed summarizing of depositions and documents, including summarizing and digesting of depositions before trial is imminent
Any administrative or clerical work (e.g., scheduling, travel arrangements, opening/closing a file, copying, scanning, faxing of documents, filing, file indexing, document stamping, legal assistant or librarian work performed by any staff member of the firm, including clerical staff, legal assistants, librarians or paralegals)
Secretarial work performed by paralegals
Excessive review, proofing, editing of memoranda, motions, etc.
Review or organization of the file
Research (including computerized research and social media searches), unless approved in advance by the Travelers Representative, with the research results provided to Travelers
Reviewing/analyzing conflicts
Law firm staff onboarding, training time, review or monitoring of work by law firm staff
More than one (1) attendee at any deposition, meeting or hearing in all matters involving litigation, or more attendees than necessary at any meeting involving all other matters, unless discussed and agreed upon in advance in writing by a Travelers Representative

Late billing, which includes tasks performed or expenses incurred more than 60 days prior to the date the invoice was submitted to Travelers, unless otherwise pre-approved by the Travelers Representative (as explained in more detail in Section 20 below)
Block billing or pattern billing
Staff overtime, meals, local transportation, etc.
Duplication caused by staffing decisions
Staffing inefficiencies caused by the unavailability of personnel
Summer associate, intern, law clerk or legal assistant time
Brief routine assistance (including requests for information about judges, general local procedures and obtaining work previously prepared by the firm)
Research previously performed for other matters (only the initial matter may be billed for the research)
Travel Time (If, however, a timekeeper performs work on a Travelers matter while in transit, they should bill that time like any other activity.) Exceptions allowing timekeepers to charge for travel time will be rare and require documented pre-approval by the Travelers Representative.

## 19. EXPENSES

Unless otherwise agreed, Travelers will reimburse Outside Counsel for reasonable and necessary expenses and disbursements incurred on its behalf at actual cost (e.g., without markup over actual out-of-pocket cost). Outside Counsel will submit receipts for expenses as required by Travelers. All bills must contain a summary of charges for each expense totaled by category.

Travelers will reimburse Outside Counsel for reasonable and necessary travel expenses, including coach airfare, hotel, car rental and meals, as may be reasonable under the circumstances and approved in advance by the Travelers Representative handling the matter. Where pre-approval of travel-related expenses is granted by the Travelers Representative handling the matter, the travel-related expense receipts must be provided as part of Outside Counsel's invoice documentation.

Outside Counsel will be reimbursed for approved auto mileage related to a Travelers retention that is incurred beyond a 25-mile one-way or 50-mile round-trip radius of Outside Counsel's local office, at 2.5 cents below the IRS business mileage rate.

When calculating mileage owed, calculate the distance from the firm office to the destination. Once a trip has exceeded the threshold of 50-mile round-trip radius, mileage is paid for the entire trip. For example, if a round trip is 100 miles, Travelers would pay the full 100 miles versus deducting the first 50 miles.

Example:

Date	Timekeeper	Description	Rate	Paid Amount
10/1/2023	Jordan Doe	Mileage for travel to and from expert witness deposition in Miami, Florida - 100 miles round trip. 100 miles is reimbursable.	\$0.60 per mile for 2023	\$60.00

Travelers will not pay for:

- Unreasonable use of air freight/courier/messengers.
- Processing of third-party invoices.
- Overhead, including but not limited to: rent, equipment rental, utilities, computer equipment, software, reporters, books/periodicals, seminars, office supplies, postage, word processing or other computer charges (including computerized legal research vendor charges), faxes, non-attorney/non-paralegal staff (such as library staff), law clerks, summer associates, clerical services, routine photocopying or printing (except in unusual circumstances, such as a formal document production, patent file histories, large quantities of documents needed for litigation and if pre-approved in writing by the Travelers Representative), telephone calls (cellular, local and long distance), local meals, taxi, ride share or car service, continuing legal education or any disbursement associated with client development.

## 20. INVOICE SUBMISSION AND APPEALS

A statement for services rendered and disbursements incurred shall be electronically submitted monthly unless Outside Counsel is directed otherwise. All invoices are subject to review and approval by Travelers prior to final payment, which will be made either on a monthly or a quarterly basis or otherwise based on agreement with Travelers. Outside Counsel should apply all amounts received from Travelers to the referenced invoices only.

One of Travelers' priorities is to ensure that Outside Counsel invoices provide an accurate reflection of actual tasks performed on each particular matter, which are to be billed on a monthly basis. To achieve this objective, each invoice submitted must only include tasks and disbursements incurred in a specific month. If Outside Counsel does not timely submit monthly bills, it can distort Travelers' budgeting and accounting processes on both an individual and organizational level.

Therefore, barring unusual circumstances or pre-authorization, both of which must be documented by the Travelers Representative, Travelers will not accept any invoice that spans multiple months or any invoice (or individual charge line) for tasks performed more than 60 days prior to the date the invoice was submitted to Travelers. This includes Outside Counsel's final bill on a matter. Travelers reserves the right to reject any invoice that fails to conform to these instructions or these Retention Terms.

Moreover, Travelers will not pay under any circumstances any invoice (or individual charge line) with tasks performed more than 180 days prior to the date the invoice was submitted to Travelers.

Unless otherwise directed in connection with Travelers' eBilling program, every billing statement shall set forth the:

Travelers contact, case or matter name and (if applicable) claim or file number
Billing period involved
Firm's address and FEIN
Detailed description of each task performed in single-activity time entries, including the most precise UTBMS code, the date it was performed and who performed it, the rate, the time expended and charged for each task
Billing in 0.1 hour increments (activities taking less than 0.1 hours should not be billed)
Fees or expenses requiring pre-approval, the name of the authorizer, and for expenses, a detailed itemization of each expense and supporting documentation/receipt
Summary showing the name, rate, total hours/charges, timekeeper level (e.g., partner, associate) of each individual whose tasks are being billed and total savings from discounts during (a) that period and (b) the life of the matter
Budget for the matter and the amount remaining in the budget after payment of all bills

When submitting the final bill on a matter, Outside Counsel is required to label or otherwise mark the bill as the final bill to enable Travelers to timely close the matter.

Generic descriptions such as the following are not acceptable for billing purposes: attention to matter, motion work, review case and issues, work on project or case conference, pleadings review, correspondence, work on file arrangements, prepare for meeting, telephone call, work on discovery, discovery, receive/review documents, trial preparation, meeting, research analysis, update strategy.

If requested by the Travelers Representative, Outside Counsel is required to submit, by matter, an estimate of all services and disbursements to be billed for a given month, which will include the total amount of services and disbursements to be invoiced and such other additional information as the Travelers Representative may specify.

Duplicate payments or any overpayments are to be refunded immediately to Travelers and Travelers reserves the right to seek recovery from Outside Counsel for any overpayment it may have made regarding fees or expenses.

The submission of an invoice by Outside Counsel is considered an acknowledgement that it has been reviewed by appropriate supervisory personnel and that it fairly and accurately reflects the actual time worked and expenses incurred.

For all appeals of adjustments to invoices submitted through Travelers' eBilling program, Outside Counsel must also submit the appeal electronically via Travelers' eBilling application. All appeals of invoice adjustments, whether through the eBilling program or otherwise, must be submitted within 30 days of the date when Travelers approved the original invoice for payment, except appeals involving Bond & Specialty Insurance invoices, which must be submitted within 90 days of the invoice approval date. This includes Outside Counsel's final bill on a matter.

Appeals for expenses must be accompanied by supporting documentation.

Travelers will not accept any invoice appeal that spans multiple months or any invoice appeal that is submitted more than 60 days (90 days for Bond & Specialty Insurance) after the original invoice approval date. Further, in no event will Travelers consider more than two appeals of the same adjusted invoice or charge(s).

Travelers reserves the right to reject any invoice that fails to conform to these instructions or these Retention Terms.

## **21. AUDIT RIGHTS**

Travelers may review and audit back-up documentation for any matter for which Outside Counsel is retained, including audit of litigation files and/or bill-related documents, with the exception of any attorney-client privileged information or documents in a third-party matter where Travelers is not Outside Counsel's client. Travelers may share the results of any audit with Travelers' insureds and/or customers.

## **22. RECORD RETENTION**

Outside Counsel should retain all records pertaining to its engagements by Travelers for the time period required by law within the firm's practice jurisdiction(s) or three (3) years from date of Outside Counsel's final bill on a matter, whichever is longer. Travelers must also pre-approve any destruction of such records. If Travelers approves such destruction, Outside Counsel shall securely destroy or render unreadable all records pertaining to its engagements by Travelers.

## **23. SECURITY STANDARDS FOR OUTSIDE COUNSEL**

In connection with providing legal services to Travelers, Outside Counsel agrees to comply with the following Travelers Security Standards ("Security Standards") as part of these Retention Terms:

A. **Definitions.** As used in these Security Standards, the following definitions apply:

- (i) "Access and Use Rights" means the rights and limitations for accessing Outside Counsel Facilities, Outside Counsel Systems, or Confidential Information, including such rights and limitations with respect to Outside Counsel Personnel.
- (ii) "Data Protection Laws" means any federal, country, state, and local laws, regulations, directives, rules, governmental requirements and standards, which are now or may become effective for so long thereafter as Outside Counsel has access to or possession of Confidential Information, relating in any way to the privacy, confidentiality, or security of Confidential Information.
- (iii) "Outside Counsel Facilities" means the facilities owned, operated or controlled by Outside Counsel or a third party retained by Outside Counsel, including facilities at which: (a) Outside Counsel Systems are located; or (b) Confidential Information is stored, processed or transmitted by Outside Counsel.
- (iv) "Outside Counsel Personnel" means Outside Counsel's employees and subcontractors.
- (v) "Outside Counsel Systems" means the computer network and computing systems, equipment and devices owned, operated or controlled by Outside Counsel or a third

party retained by Outside Counsel used to access, process, maintain or store Confidential Information.

- (vi) “Security Incident” means any unauthorized acquisition, destruction, modification, use, disclosure of or access to Confidential Information.

## **B. Security Assessments and Audits.**

- (i) **Travelers Security Assessment.** Outside Counsel agrees that Travelers shall have the right to conduct a security assessment at least once every year upon reasonable notice. Outside Counsel will review vulnerabilities identified by each security assessment and will certify in writing its implementation of the appropriate corrective action to address the same.
- (ii) **Security Incident Investigations, Travelers Audit of Compliance with the Security Standards.** Upon becoming aware of any Security Incident, Outside Counsel shall provide Travelers with detailed information regarding the Security Incident and shall cooperate fully with Travelers in investigating and mitigating the adverse effects of such Security Incident. Outside Counsel shall permit Travelers, its auditors and regulators, to audit no more often than once per year (unless requested by Travelers in connection with any Security Incident or as otherwise required by Travelers’ regulators) Outside Counsel’s security practices, facilities, resources, plans, and procedures.

## **C. Information Security Controls.**

### **(i) General Security Responsibilities.**

- a. Outside Counsel shall maintain and monitor a written information security program that includes appropriate administrative, technical, physical, organizational and operational safeguards and other security measures to protect against reasonably anticipated threats to the confidentiality, integrity and/or security of Confidential Information and that satisfies Data Protection Laws at each location from which Outside Counsel provides services (“Program”).
- b. Outside Counsel shall review and, as appropriate, revise the Program (a) at least annually or whenever there is a material change in Outside Counsel’s business practices that may reasonably affect the security or integrity of Confidential Information and (b) in accordance with prevailing industry practices.
- c. If Outside Counsel (i) becomes aware of a breach of these Security Standards or any Outside Counsel Personnel exceeding their Access and Use Rights, (ii) is unable to comply with any part of the Security Standards, or (iii) reasonably believes that there has been a Security Incident, then Outside Counsel shall immediately notify Travelers within twenty-four hours by contacting Travelers’ Global Security Operations Center at US+866-385-0549. Travelers shall then be entitled (at its option) to suspend the transfer of Confidential Information and require Outside Counsel to cease using Confidential Information.

### **(ii) Authentication.**

- a. Outside Counsel shall ensure that its technology platforms that access Confidential Information authenticate (verify) the identity of users (or remote systems) prior to initiating a session or transaction. Outside Counsel shall require at a minimum

password authentication and shall enforce the use of strong passwords and password management practices that meet prevailing information security industry best practices. All Outside Counsel Personnel must be held accountable for all activity associated with the use of their User ID and password.

- b. All remote access to environment(s) containing Confidential Information must utilize a form of multi-factor authentication to authenticate users prior to initiating a session or otherwise providing access to the environment(s).

**(iii) Access Controls.**

- a. Outside Counsel shall use appropriate (based on the nature of the Confidential Information), fully documented and auditable access controls to access, store or otherwise process Confidential Information that comply with these Security Standards and Data Protection Laws, at a minimum:
  - 1) a formal user registration, identification and authentication process, including functionality that tracks users' access to Confidential Information and includes strong passwords;
  - 2) limiting access to Confidential Information to the minimum number of Outside Counsel Personnel who require such access to provide services to Travelers;
  - 3) requiring managerial authorization for changing Access and Use Rights and access or use policies, procedures and controls;
  - 4) requiring Outside Counsel Personnel who will be provided access to, or otherwise come into contact with, Confidential Information to protect such information in accordance with the requirements of these Security Standards;
  - 5) employing physical barriers and controls that prevent or mitigate against unauthorized physical access;
  - 6) prohibiting persons from sharing access authentications or establishing or using generic identifications; and
  - 7) employing automatic device locking mechanisms.
- b. All Outside Counsel Systems shall be located behind an information security industry standard backend firewall in a "secure zone" on a separate network from Outside Counsel's Internet-facing web servers, and the network(s) containing Confidential Information will be protected from unauthorized access at all entry points.
- c. Outside Counsel shall isolate all Confidential Information stored, maintained or processed in Outside Counsel Systems and/or Outside Counsel Facilities from data of any other parties stored, maintained or processed in Outside Counsel Systems and/or Outside Counsel Facilities, whether by use of separate and isolated database instances, separate secure folders or other equivalent technology.
- d. Outside Counsel must implement a documented process to verify access privileges at least semi-annually.
- e. Outside Counsel must document and implement a process to ensure its Access and Use Rights reflect changes in a user's access status within twenty-four hours of the

change. Outside Counsel will immediately terminate access rights for Outside Counsel Personnel: 1) who have left Outside Counsel's organization, changed jobs, are no longer under contract, or are suspected of fraud, theft or any other violation of law; or 2) who have violated or exceeded Access and Use Rights.

**(iv) Encryption of Confidential Information.**

- a. Outside Counsel shall encrypt Confidential Information held at rest (both in storage and, where approved by Travelers, portable and backup media).
- b. If Travelers approves Outside Counsel's use of any portable media to process, maintain, access, or store any Confidential Information, Outside Counsel shall encrypt all Confidential Information in such portable media.
- c. Outside Counsel must use information security industry standard encryption products and algorithms at all times, which must be updated by Outside Counsel as necessary to remain current. Outside Counsel shall safeguard the security and confidentiality of all encryption keys associated with encrypted Confidential Information.

**(v) Network Information Security.**

- a. All networks containing Confidential Information must be protected from unauthorized access at all entry points, including through network controls and safeguards necessary to monitor for, and prevent, leakage of Confidential Information from Outside Counsel Systems.
- b. Outside Counsel will prohibit the use of network data monitoring tools on Outside Counsel Systems, unless specifically approved by appropriate Outside Counsel management personnel. Any permitted use must be strictly monitored and controlled by Outside Counsel.
- c. Outside Counsel shall ensure that all external IP connections are protected by a physical or virtual firewall or public cloud provider access controls that provide similar stateful protections. Outside Counsel shall monitor firewall logs for suspicious activity.
- d. Outside Counsel Systems shall employ network intrusion prevention systems and/or network intrusion detection systems (as such terms are commonly understood in the information technology industry) to continually monitor and protect Outside Counsel Systems, and to detect, report, and ultimately terminate malicious network-based activity from both authorized and non-authorized sources. Outside Counsel shall implement applicable compensating controls if such system(s) fails for any reason.
- e. Outside Counsel shall install, update and maintain anti-virus products on all microcomputers/PCs, LAN servers, and mail servers that access, process, maintain or store Confidential Information. Outside Counsel shall regularly scan computer devices and LAN servers for viruses/malware, minimally at power on and specifically before every backup. Outside Counsel shall implement additional information security industry standard safeguards against contamination including, but not limited to, enforcing the use of only approved software, scanning with current software all email, CDs and other electronic media received from outside sources for malicious

code, and prohibiting the use of any unauthorized software on Outside Counsel Systems.

- f. Outside Counsel shall apply security patches to network devices, PCs and servers of all types that are relevant to any Outside Counsel Systems in a timeframe appropriate to their risk level.

(vi) **Outside Counsel Audit Trails.** Outside Counsel shall maintain a list of all Access and Use Rights and audit trails of their use, including logging and auditing of:

- a. Actions performed by information security administrators, systems operators, systems managers, system engineers and system administrators;
- b. Actions performed using highly privileged system and security functions;
- c. Emergency actions performed by support staff;
- d. The date and time of the last successful login; and
- e. The number of unsuccessful login attempts since the last successful login.

(vii) **Violation Logging Management.** Outside Counsel must ensure that all Outside Counsel Systems have the ability to log and report specific incidents and all attempted violations of system security and must have an active Security Incident response process in place.

**D. Additional Protections for Personal Information and Special Personal Information.**

- (i) **Additional Encryption of Special Personal Information.** In addition to the encryption requirements imposed by Section 23.C.(iv) above, Outside Counsel shall encrypt, using industry standard encryption tools, all records and files containing Special Personal Information that Outside Counsel: (a) transmits or sends wirelessly or across public networks; (b) stores on laptops or storage media; and (c) stores on any device that is transported outside of Outside Counsel's physical or logical controls. Outside Counsel will safeguard the security and confidentiality of encryption keys associated with Special Personal Information.
- (ii) **Safeguards for Personal Information.** Outside Counsel shall (a) implement and maintain, and cause Outside Counsel Personnel to implement and maintain, appropriate administrative, physical and technical safeguards and controls to protect the confidentiality, security and integrity of Personal Information in accordance with the requirements of this agreement and applicable Data Protection Laws, monitor the effectiveness of such safeguards and controls, and update such safeguards and controls as necessary to maintain and improve their effectiveness for limiting risk to Personal Information; and (b) prevent the disclosure or use of Personal Information to third parties except (i) as may be expressly authorized or required by the applicable Data Protection Laws or (ii) to Outside Counsel Personnel, solely to the extent necessary to perform the services for Travelers. Outside Counsel has the right to access, transmit, monitor, retrieve, store and use the Personal Information only to perform the services for Travelers.
- (iii) **Off-shore Resources.** Outside Counsel shall not allow Outside Counsel Personnel located outside of the United States ("Off-shore Resources") to access, directly or

indirectly, any Personal Information without the prior written consent of Travelers. If Travelers agrees to permit Off-shore Resources to access Personal Information, such access and use shall be solely to the extent necessary to facilitate Outside Counsel's performance of the applicable services, and Outside Counsel shall not permit such Off-shore Resources to have the capability to print, save, store or otherwise retain or transmit any Personal Information to which they have been granted access. Outside Counsel agrees that if Travelers consents to Outside Counsel's disclosure of Personal Information to a third party, Outside Counsel will enter into a written agreement with the third party that includes obligations that are at least as broad in scope and restrictive as those under this agreement and these Security Standards. Outside Counsel shall remain at all times accountable and responsible for all actions by such third parties with respect to the disclosed Personal Information.

- (iv) **Security Incidents Involving Special Personal Information.** In the event of any actual, suspected or attempted Security Incident involving Special Personal Information, Outside Counsel shall (a) fully cooperate with Travelers in investigating and mitigating the adverse effects of each such Security Incident (b) provide Travelers with detailed information regarding the Security Incident, such as how and when such Security Incident occurred and what actions Outside Counsel has taken or is taking to remedy such Security Incident; (c) permit Travelers to have control over the means and content of any written or verbal response or notice relating to the Security Incident to individuals and authorities, including without limitation communication(s) with the press or other media; (d) reimburse Travelers for remedial action associated with the Security Incident, including its costs of notifying any individuals and/or authorities of the Security Incident if Travelers, in its good faith judgment, considers notification necessary or, if requested by Travelers, provide such notice, at Outside Counsel's cost and expense; and (e) subject to sub-Section (c) above, comply promptly and fully with all notification requirements that apply to Outside Counsel. Unless required by law, Outside Counsel shall not notify any individual or any third party other than law enforcement of any potential Security Incident involving Special Personal Information without first consulting with, and obtaining the permission of, Travelers. Any unauthorized disclosure or use of Special Personal Information connected directly or indirectly with the performance of Outside Counsel's obligations under this agreement will constitute a material breach of this agreement by Outside Counsel, permitting Travelers to immediately terminate this agreement or the services without obligation, liability, or penalty of any kind.

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Matter-specific questions related to these Retention Terms should be directed to the Travelers Representative handling the matter. Any generic questions should be directed to [LRMCOMMS@travelers.com](mailto:LRMCOMMS@travelers.com). Technical questions related to Travelers Security Standards should be directed to [ContractSecurityAdvisors@travelers.com](mailto:ContractSecurityAdvisors@travelers.com).

Travelers reserves the right to amend these Retention Terms at any time.

Agreement: I have read and understand these Retention Terms and I, my firm and all staff who work on Travelers matters will adhere to these Retention Terms for Outside Counsel.

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Lead Outside Counsel Name, Title, Email and Phone Number

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Firm Name

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Signature

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Date

**The Travelers Companies, Inc.**



**ST. PAUL FIRE AND MARINE INSURANCE COMPANY, THE DOMINION OF  
CANADA GENERAL INSURANCE COMPANY AND TRAVELERS INSURANCE  
COMPANY OF CANADA RETENTION AND BILLING TERMS AND CONDITIONS  
FOR OUTSIDE COUNSEL**

**Effective: August 1, 2023**

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## **1. RETENTION**

These Retention and Billing Terms and Conditions for Outside Counsel, including all appendices and attachments (“Retention Terms”) are applicable to all engagements by authorized representatives (collectively, “Travelers Canada Representatives” or individually, the “Travelers Canada Representative”) of Travelers Canada of any lawyers and firms as outside counsel (“Outside Counsel”) representing Travelers Canada or an insured or customer of Travelers Canada. “Travelers Canada” means any or all of St. Paul Fire and Marine Insurance Company, The Dominion of Canada General Insurance Company, and Travelers Insurance Company of Canada (collectively, “Travelers Canada”). These Retention Terms are intended to promote optimal matter outcomes and strengthen Outside Counsel’s relationships with Travelers Canada and its insureds and customers.

Note that the business area that retains Outside Counsel may have additional requirements beyond those set forth herein.

Upon Travelers Canada’s request, Outside Counsel will execute an engagement letter with Travelers Canada, which may identify lead claim professionals within Travelers Canada and specific lawyers, paralegals, or law clerks authorized to work on the matter, applicable hourly rates or other fee structures and other information that may be required. At all times, these Retention Terms and the Travelers Canada engagement letter (if any) will supersede any engagement letters provided to Travelers Canada by Outside Counsel. Unilateral modification to these Retention Terms by Outside Counsel is not permissible.

By agreeing to represent Travelers Canada or an insured or customer of Travelers Canada, Outside Counsel agrees to conduct the representation consistent with these Retention Terms and all applicable laws, ethical obligations, regulatory requirements and Rules of Professional Conduct. A complete copy of these Retention Terms should be provided to all lawyers, paralegals, law clerks, and billing staff involved in the engagement before any work begins. It is Outside Counsel’s responsibility to ensure that its lawyers and staff are operating under the most recent version of these Retention Terms and that its CounselLink® profile is current. Outside Counsel must also immediately notify Canada Legal Enquiries at [CDNLEENQ@travelers.com](mailto:CDNLEENQ@travelers.com) regarding any firm changes, including but not limited to firm name, TIN and physical location(s). Any waiver of these Retention Terms must be in writing and signed by a Travelers Canada Representative authorized to grant such waivers.

In selecting and evaluating Outside Counsel, Travelers Canada strives to obtain high quality legal representation that produces the best possible results, and to use legal resources in the most efficient and cost-effective manner. Managing costs is a high priority and Travelers Canada expects Outside Counsel to use its best efforts in assisting Travelers Canada to appropriately achieve this objective.

Additionally, one of Outside Counsel’s highest priorities should be understanding Travelers Canada’s strategic position and objectives in handling of matters. Therefore, Outside Counsel is expected to:

- Staff the matter with lawyers, paralegals, and clerks who possess appropriate expertise based on the matter's complexity, amount in dispute and/or coverage issue(s), and knowledge of the jurisdictional laws, judges and lawyers involved. See Section 8 below for related guidance.
- Unless the Travelers Representative instructs Outside Counsel that a budget is not needed, provide an appropriate initial budget forecast based on information available at the time, and timely update the budget based on new or unforeseeable factual or legal developments. See Section 10 below for related guidance.
- Offer strategic, proactive and cost-effective ways to resolve legal and factual issues to achieve the intended outcome including, as appropriate, skilled handling and optimal results through alternative dispute resolution. See Section 9 below for related guidance.
- For litigated matters, if requested, develop a case valuation and update it if a material change prompts re-evaluation.
- Identify key issues and provide accurate advice and recommendations focused on strategic goals.
- Produce quality written work product.
- If applicable, demonstrate quality oral advocacy skills.
- For litigated matters, use of discovery strategically.
- If applicable, demonstrate quality trial skills.
- Achieve an outcome consistent with agreed strategic goals and resolution plan.
- Maintain a plaintiff's mindset on matters where Travelers Canada is a plaintiff or claimant in litigated matters.

## **2. ELECTRONIC BILLING**

Unless otherwise instructed, Outside Counsel must participate in Travelers Canada's electronic billing (eBilling) program (including submitting invoices, invoice appeals, and/or accepting payments electronically or in such manner or format required by Travelers Canada) at no additional cost to Travelers Canada.

## **3. TRAVELERS CANADA'S INSUREDS AND CUSTOMERS**

For all purposes hereof, the terms "insured" and/or "customer" refer to an entity or person for whom Travelers Canada is providing a legal defense whether under a reservation of rights or not. These Retention Terms shall not apply to any retention of Outside Counsel to represent an insured or customer when these Retention Terms conflict with: i) the law of the controlling jurisdiction with respect to the retention by an insurance company of counsel to represent its insureds or customers; ii) any agreement (in the insurance policy or any other applicable agreement) between the insured or customer and Travelers Canada; or iii) any agreement between Travelers Canada and other insurers of the insured or customer. Moreover, nothing in these Retention Terms is intended to interfere with the exercise of Outside Counsel's

independent professional judgment or to restrict Outside Counsel from properly representing Travelers Canada or, where applicable, Travelers Canada's insureds or customers.

If Outside Counsel is engaged to represent a Travelers Canada insured or customer, nothing contained herein shall diminish Outside Counsel's obligation to that Travelers Canada insured or customer. Although Travelers Canada believes that the terms contained herein are consistent with that obligation, individual circumstances may arise in which a requirement of these Retention Terms arguably conflicts with Outside Counsel's obligation to a Travelers Canada's insured or customer. Outside Counsel shall disregard any requirement that is in conflict with Outside Counsel's obligation to such insured or customer. Outside Counsel shall provide prompt written notice of any conflict it believes exists between these Retention Terms and its obligation to Travelers Canada and/or a Travelers Canada insured or customer and such notice, where possible, shall occur prior to any deviation from the provision in question.

The quality of the service provided by Travelers Canada is what sets us apart from our competitors and is what gives Travelers Canada's existing and potential customers reason to want to do business with us. Representation of a Travelers Canada's insured or customer is both a reflection on Outside Counsel and on Travelers Canada itself, and thus Outside Counsel shall represent a Travelers Canada insured or customer with the highest levels of integrity, professionalism, courtesy, and respect.

#### **4. DIVERSITY**

Travelers Canada is dedicated to supporting and advancing its commitment to diversity. We believe that diversity represents a competitive advantage in today's business and legal environment. By appreciating differences and encouraging the active and full participation of people of every culture, ethnicity, national origin, race, color, religion, gender, age, disability and sexual orientation in our business processes, we will make better decisions, build more positive relationships and strengthen our opportunities for success by bringing together the best of the best, regardless of background. In connection with the foregoing, we encourage our Outside Counsel to provide maximum opportunities for qualified diverse personnel and third-party vendors to participate in work on behalf of Travelers Canada. Travelers may also require Outside Counsel to provide and update diversity-related information regarding lawyers and other timekeepers working on Travelers matters through Travelers' eBilling program or other means.

#### **5. CONFLICTS OF INTEREST**

Outside Counsel shall undertake a thorough search for actual and/or potential conflicts of interest immediately after being contacted to represent Travelers Canada or a Travelers Canada insured or customer and should not bill Travelers for the conflict check. For purposes of evaluating conflicts of interest, Outside Counsel should treat all companies falling within the definition of "Travelers Canada" above as the client and as constituting one entity. Additionally, Outside Counsel should search for actual or potential conflicts of interest with any of Travelers Canada's parent and affiliate companies (see **Appendix A** attached hereto). The conflicts check should encompass all lawyers and offices of Outside Counsel.

Any and all conflicts must be disclosed in writing to the Travelers Canada Representative handling the matter at the time of the engagement or as soon as each conflict becomes known. The firm shall not undertake or continue any representation of Travelers Canada or an insured of Travelers Canada or customer in the matter until the conflict has been addressed with the Travelers Canada Representative and the insured or customer, if applicable, and either resolved or expressly waived, in writing, by an authorized Travelers Canada Representative or the insured or customer. Having undertaken representation of Travelers Canada, Outside Counsel should avoid any subsequent conflicts, except to the extent any such conflict has been addressed in accordance with these Retention Terms. Travelers Canada does not grant prospective conflict of interest waivers.

## **6. LAWYER CONDUCT STANDARDS, SEC AND SARBARNES-OXLEY REPORTING**

During the course of Outside Counsel's representation of Travelers Canada, Outside Counsel may have access to information regarding Travelers Canada and its operations. If Outside Counsel should discover evidence of material violations of the law by Travelers Canada or its officers, directors, employees or other individuals or entities acting on Travelers Canada's behalf, Outside Counsel agrees to promptly notify Travelers Canada Group General Counsel at the following address and to comply with any applicable obligations under Section 307 of the Sarbanes Oxley Act of 2002 and the related rules of the Securities and Exchange Commission:<sup>1</sup>

Travelers Canada Group General Counsel  
Travelers Canada  
165 University Avenue  
Toronto, ON M5H 3B9

Outside Counsel should also adhere to all applicable professional standards and immediately notify the Travelers Canada Representative if disciplinary action is taken against any lawyer within their firm who has worked or is working on any active Travelers Canada matter.

## **7. INSURANCE COVERAGE**

Throughout the term of each engagement and the applicable statute of limitations, Outside Counsel shall maintain, at its sole cost and expense, Professional Liability coverage. The required minimum per loss and aggregate limits are five million Canadian dollars (\$5,000,000 CAD) covering Errors and Omissions of Outside Counsel and its subcontractors in providing or failing to provide the services, effective at all locations where Outside Counsel may perform any services for Travelers Canada or its insureds or customers.

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<sup>1</sup> Section 307 does not apply to non-US lawyers who:

1. Are admitted to practice law in a jurisdiction outside the United States;
2. Do not hold themselves out as practicing, or giving legal advice regarding, United States law; and
3. Conduct activities that would constitute appearing and practicing before the Commission only (i) incidentally to a foreign law practice, or (ii) in consultation with United States counsel.

Outside Counsel must also obtain upon being retained to represent Travelers and/or its insured or customers, cyber risk coverage, including breach response, extortion, cybercrime, and business interruption, with a minimum per loss and aggregate limit of two million Canadian dollars (\$2,000,000 CAD), and which includes both third-party liability and first-party coverage. Travelers reserves the right to require a higher coverage amount based on factors including a law firm's size and/or the volume of Travelers matters that it handles.

## **8. STAFFING**

At the outset of each engagement, the Travelers Canada Representative will send a legal referral form, letter, or e-mail to Outside Counsel regarding the matter. The referral communication may request handling by a specific lawyer or may request handling by a junior lawyer, articling student, or paralegal. Only individuals previously authorized to work on Travelers Canada matters may work on a Travelers Canada matter. The billing rates applicable to the matter will be the rates previously agreed to by Travelers Canada.

The level of lawyer, paralegal, and clerk staffing must be both reasonable and necessary based on the complexity of the matter. The Travelers Canada Representative will evaluate the degree to which internal Travelers Canada resources, including in-house lawyers, support staff and/or other available resources, may be used to meet the project's requirements (e.g., legal research, organization of files, witness interviews or other investigation and assessment of the file).

Generally, only one (1) partner, one (1) associate and one (1) paralegal or law clerk may work on a matter unless otherwise authorized in advance by the Travelers Canada Representative. However, Travelers Canada recognizes there may be situations in which deviation from these Retention Terms is warranted due to unforeseen circumstances or the complexity or subject matter of the issues involved in the matter. In such cases, it is preferable that advance authorization be obtained from the Travelers Canada Representative, and, in any event, such authorization shall be obtained as soon as practicable.

The Travelers Canada Representative and Outside Counsel should collaborate and agree on staffing of a matter to ensure that the staffing is optimal and should evaluate staffing and make appropriate changes on an on-going basis. Outside Counsel is expected to make every effort to provide continuity in staffing and assign the appropriate level of legal talent to a matter. If it becomes necessary to replace a lawyer or clerk working on a matter, any time spent to bring the replacement "up to speed" should not be included in the billing.

Further, firms that choose not to employ paralegals or law clerks must bill all such paralegal or clerk activity at the approved paralegal or law clerk rate; paralegal or clerk tasks should not be billed at partner or associate rates.

To avoid unnecessary travel expenses, Outside Counsel firms should use best efforts to staff matters with timekeepers from the nearest firm office when travel is anticipated and/or use remote, video, or other technology wherever appropriate and available.

## **9. COMMUNICATION, STRATEGY AND REPORTING**

Outside Counsel's highest priorities include implementing legal strategies consistent with Travelers Canada's objectives and appropriately communicating and reporting as part of the handling of a matter. As well, the Travelers Canada Representative and Outside Counsel will work on formulating a strategy at the outset of each matter. With respect to actual or potential litigation or disputes, unless instructed otherwise, Outside Counsel will prepare an initial analytical report. The report should identify any alternative means of disposing of the matter. Please refer to the Travelers Canada Litigation Guidelines (attached hereto as **Appendix B**) for detailed information regarding the initial analytical report.

In general, however, Outside Counsel is expected to:

- Treat the insured/customer and Travelers Canada Representative with respect and professionalism.
- Confer and schedule an initial conference with the Travelers Canada Representative upon receipt of a matter assignment to discuss strategy, budget, appropriate law firm staffing, and, for litigated matters, oral and written discovery, expert retention, etc.
- Timely evaluate the matter and develop a resolution-based plan aligned with strategic goals.
- Timely communicate regarding important developments and scheduled events (e.g., motion deadlines, trials or settlement conferences), and
- Timely share appropriate communications, legal documents and other information. Timely communication is important partly to allow Travelers Canada enough notice to arrange for a Travelers Canada Representative to attend events and/or for planning, public disclosure or other purposes.

## **10. BUDGET**

Unless instructed otherwise by a Travelers Canada Representative, as part of the initial analytical report and as provided in the Travelers Canada Litigation Guidelines, Outside Counsel must promptly submit a budget, estimating fees and costs and including any such additional information as Travelers Canada may require. At a minimum, the budget should include principal assumptions, identify specific phases of the matter and their cost and specify applicable billing rates. Any changes to the rate or fee structure agreed to at the start of the matter requires express, written approval by a Travelers Canada Representative authorized to agree to such changes. Please refer to the Travelers Canada Litigation Guidelines for additional information regarding budgets.

**NOTE: This section 10 does not apply to Surety and Warranty claims.**

## **11. RETENTION OF OTHER PROFESSIONAL SERVICES**

Travelers Canada must pre-approve retention of any third-party service providers, including associate or local counsel, contract counsel for discovery purposes (e.g., any non-firm person/organization that participates in the discovery process), printers, accountants, consultants, experts, and providers of forensic, e-discovery or other services, including document handling services. All local counsel retained by Outside Counsel should receive a copy of these Retention Terms and must comply with them. Outside Counsel should consult with the Travelers Canada Representative regarding the availability of preferred or contractual rates prior to retention of these lawyers or vendors.

Travelers Canada reserves the right to retain directly any such third-party providers and/or direct Outside Counsel to retain such service providers as Travelers Canada may designate from time to time. If consistent with an approved budget or as directed by the Travelers Canada Representative, Outside Counsel may pay third-party provider fees and may then bill Travelers Canada for such third-party provider services, with no mark-up, by submitting invoices to Travelers Canada for approval and payment consistent with these Retention Terms.

**NOTE: This section 11 is modified as to Surety and Warranty claims as follows: With respect to Surety and Warranty claims, payment of third-party provider fees shall only be paid by Outside Counsel upon prior consent of Travelers Canada.**

## **12. CONFIDENTIAL INFORMATION**

Outside Counsel acknowledges that in performing services hereunder it may have access to non-public, competitively sensitive, privileged, or proprietary information disclosed by or on behalf of Travelers Canada, its insureds, customers, agents, brokers, and/or claimants, including, without limitation, any information that is or could be personally identifiable to an individual (collectively, “Confidential Information”).

Confidential Information includes both Personal Information and Sensitive Personal Information. “Personal Information” means (i) information identifying or personally identifiable to Travelers’ or its affiliates’ former, present and prospective employees, insureds, agents, suppliers, and financial and insurance services customers and/or claimants, (ii) and information relating to individuals that is considered sensitive and may be subject to more stringent legal protections (“Sensitive Personal Information”).

Sensitive Personal Information is a type of Personal Information and shall include, without limitation: (a) Taxpayer Identification Numbers, social insurance number; (b) passport, visa, alien registration, or other identification number assigned for immigration purposes; (c) driver’s license number, national identification card number, state or provincial identification card number, or other government-issued identification number; (d) an individual’s name (including first initial and last name) in combination with an individual’s card number, routing number, passcode, or personal identification number (PIN) for a checking or savings account, investment account, personal or company-sponsored credit or debit card, or any other financial account; (e) a user name or email address, in combination with any password or security question and answer

that would permit access to an online account; (f) an individual's name (including first initial and last name) or a unique identification number in combination with race, religion, ethnicity, medical or health information, background check information or sexual orientation; or (g) information that is capable of being associated with a particular individual through one or more of the following identifiers: (i) access code or password for an information system, including without limitation information response(s) to any system security challenge; (ii) mother's maiden name; (iii) date of birth; (iv) digital or electronic signature; (v) biometric data, including without limitation fingerprint, retina or iris image, or DNA profile; (vi) health insurance information (health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual's application and claims history, including any appeals records); or (vii) medical information (any information regarding an individual's medical history, mental, or physical condition, or medical treatment or medical treatment or diagnosis by a health care professional).

Outside Counsel will (i) hold all Confidential Information in confidence and not disclose Confidential Information to anyone (other than to its employees and third-party service providers, as necessary to perform services); (ii) protect Confidential Information against unauthorized access, use, disclosure, loss or alteration; (iii) comply with applicable privacy and confidentiality laws, rules and regulations, including but not limited to the Personal Information Protection and Electronic Documents Act ("PIPEDA"); and (iv) maintain technological competence to ensure that Travelers' Confidential Information is protected. If Outside Counsel becomes aware of any unauthorized access, use, disclosure, loss or alteration of any Confidential Information, Outside Counsel will promptly notify Travelers as described in Section 23.C. below and take such actions as may be necessary or reasonably requested by Travelers to minimize the adverse effects and/or damages to Travelers and/or its insureds, customers and claimants. Outside Counsel will not use Confidential Information for any purpose other than as necessary for performance of the services. If Outside Counsel wishes to use Confidential Information for any purpose not expressly permitted hereunder, Outside Counsel must first seek Travelers' express prior written consent, which may be withheld in Travelers' sole discretion.

### **13. MEDIA CONTACT**

Outside Counsel must refer all media inquiries to Travelers Canada relating to matters involving Travelers Canada and/or its insureds or customers, unless otherwise specifically approved in advance by an authorized Travelers Canada Representative. Outside Counsel may not use Travelers Canada's name or describe Travelers Canada matters in any identifiable way in marketing materials, social media, websites or public statements without Travelers Canada's prior written consent.

### **14. WORK PRODUCT**

Where appropriate, Outside Counsel should forward all pleadings and any other substantive work product to Travelers Canada early enough to enable consideration, comment and approval by the Travelers Canada Representative and other Travelers Canada personnel as warranted.

Generally, Outside Counsel should provide all communications and documentation in connection with each engagement in electronic format unless the Travelers Canada Representative requests materials in hard copy format. Specifically, Outside Counsel will provide the Travelers Canada

Representative with electronic copies of all final and complete memoranda, pleadings, and other substantive work product. Outside Counsel is responsible for ensuring that its electronic communications with Travelers Canada are transmitted in a secure manner at all times.

## **15. SETTLEMENTS AND ALTERNATIVE DISPUTE RESOLUTION**

Outside Counsel should identify settlement possibilities before extensive discovery or other costly activity and report all settlement offers and demands to the Travelers Canada Representative and the insured(s)/client(s), where applicable, immediately. Outside Counsel may not, however, enter into any settlement discussions or any final settlement agreement without approval of the Travelers Canada Representative. Outside Counsel should consider and consult with the Travelers Canada Representative regarding alternative dispute resolution options to resolve a matter.

## **16. JUDICIAL APPEALS**

Without the pre-approval of the Travelers Canada Representative, Outside Counsel may not appeal an adverse judgment, file an interlocutory appeal, or file a response to an appeal taken by another party. In all circumstances, however, Outside Counsel should protect Travelers Canada's right of appeal pending a decision by Travelers Canada.

## **17. WAIVER OF LAWYER'S LIEN**

Retention of Outside Counsel by Travelers Canada will constitute a waiver by Outside Counsel of any lien on files and documents relating to the matter, whether any such document was provided by Travelers Canada or a third party or provided by or created by Outside Counsel and on any amounts of money and property Outside Counsel may receive for Travelers Canada in connection with the matter. Upon request, Outside Counsel will provide immediately to Travelers Canada the file, documents, funds, or property relating to the matter notwithstanding any unpaid invoices or other amounts owed to or claimed by Outside Counsel. Providing these items upon request will not constitute a waiver of any claim Outside Counsel might have for amounts owed to Outside Counsel in accordance with these Retention Terms.

## **18. RATE STRUCTURES AND FEES**

Travelers Canada must agree in advance and in writing to the rate or amount it will pay for services. To the extent that Travelers Canada is charged for services at hourly rates, Travelers Canada must agree to such rates in advance. Any changes to the rate or fee structure agreed to at the start of the matter requires express, written approval by a Travelers Canada Representative authorized to agree to such changes.

Travelers Canada will not pay unreasonable fees for any work performed and will not pay any fees for:

- eBilling system set up, invoice preparation, billing inquiries, accrual report preparation, and/or review and migration of paper invoices to LEDES format

<ul style="list-style-type: none"> <li>• Preparing auditor responses</li> </ul>
<ul style="list-style-type: none"> <li>• Preparing line item adjustment appeals on an invoice or other billing adjustment-related activities</li> </ul>
<ul style="list-style-type: none"> <li>• Preparing budgets</li> </ul>
<ul style="list-style-type: none"> <li>• Unless necessary for effective case management, routine detailed summarizing of discoveries and documents, including summarizing and digesting of discoveries before trial is imminent; however, it is expected that counsel will provide a detailed narrative report of all discoveries within 30 days of completion of such discoveries</li> </ul>
<ul style="list-style-type: none"> <li>• Any administrative or clerical work (e.g., filing, file indexing, document stamping, secretarial or librarian work performed by any staff member of the firm, including legal assistants, librarians or clerks, scheduling, travel arrangements, opening/closing a file, copying, scanning, faxing of documents)</li> </ul>
<ul style="list-style-type: none"> <li>• Clerical work performed by paralegals or clerks, or paralegal/clerk work performed by lawyers</li> </ul>
<ul style="list-style-type: none"> <li>• Excessive review, proofing, editing of memoranda, motions, etc.</li> </ul>
<ul style="list-style-type: none"> <li>• Review or organization of the file</li> </ul>
<ul style="list-style-type: none"> <li>• Research (including computerized research and social media searches) over two hours, unless approved in advance by the Travelers Canada Representative, with the research results provided to Travelers Canada</li> </ul>
<ul style="list-style-type: none"> <li>• Research previously performed for other matters (only the initial matter may be billed for the research)</li> </ul>
<ul style="list-style-type: none"> <li>• Reviewing/analyzing conflicts</li> </ul>
<ul style="list-style-type: none"> <li>• Law firm staff onboarding, training time, review or monitoring of work by law firm staff</li> </ul>
<ul style="list-style-type: none"> <li>• More than one (1) attendee at any examination for discovery, meeting, or hearing in all matters involving litigation or more attendees than necessary at any meeting involving all other matters, unless discussed and agreed upon in advance in writing by the Travelers Canada Representative</li> </ul>
<ul style="list-style-type: none"> <li>• Internal law firm meetings, unless approved in advance by the Travelers Canada Representative, except that the most senior lawyer involved in any internal law firm meeting may bill for his/her time</li> </ul>
<ul style="list-style-type: none"> <li>• Brief routine assistance (including requests for information about judges, general local procedures and obtaining work previously prepared by the firm)</li> </ul>
<ul style="list-style-type: none"> <li>• Late billing, which includes tasks performed or expenses incurred more than 270 days prior to the date the invoice was submitted to Travelers Canada, unless otherwise preapproved by the Travelers Canada Representative (as explained in more detail in Section 20 below)</li> </ul>
<ul style="list-style-type: none"> <li>• Block billing or pattern billing</li> </ul>
<ul style="list-style-type: none"> <li>• Staff overtime, meals, local transportation, etc.</li> </ul>
<ul style="list-style-type: none"> <li>• Duplication caused by staffing decisions</li> </ul>
<ul style="list-style-type: none"> <li>• Staffing inefficiencies caused by the unavailability of personnel</li> </ul>
<ul style="list-style-type: none"> <li>• Intern, legal assistant, or student time, other than time billed by articling students</li> </ul>

- Local travel time. However, Travelers Canada will pay for necessary non-local travel time (more than 25 kilometers one-way) at half the hourly rate. For example, if a lawyer travels an hour to a court appearance, they may bill 0.5 hours for travel time.

## 19. EXPENSES

Unless otherwise agreed, Travelers Canada will reimburse Outside Counsel for reasonable and necessary expenses and disbursements incurred on its behalf at actual cost (e.g., without markup over actual out-of-pocket cost). Outside Counsel will be required to submit receipts for expenses as required by Travelers Canada. All bills must contain a summary of charges for each expense totaled by category.

Travelers Canada will reimburse Outside Counsel for reasonable and necessary travel expenses, including coach airfare, hotel, car rental and meals, as may be determined reasonable under the circumstances and approved in advance by the Travelers Canada Representative handling the matter. Where pre-approval of travel related expenses is granted by the Travelers Canada Representative handling the matter, the travel-related expense receipts must be provided as part of the invoice documentation.

Outside Counsel will be reimbursed for approved auto mileage related to a Travelers retention that is incurred beyond a 25-kilometer one-way or 50-kilometer round trip radius of Outside Counsel's local office, at 2.5 cents below the CRA business mileage rate.

When calculating mileage owed, calculate the distance from the firm office to the destination. Once a trip has exceeded the threshold of 50-kilometer round-trip radius, mileage is paid for the entire trip. For example, if a round trip is 100 kilometers, Travelers Canada would pay the full 100 kilometers versus deducting the first 50 kilometers.

Example:

Date	Timekeeper	Description	Rate	Paid Amount
10/1/2023	Jordan Doe	Mileage for travel to and from expert witness deposition in Montreal - 100 kilometers round trip. 100 kilometers is reimbursable.	\$0.60 per kilometer for 2023	\$60.00

Travelers Canada will not pay for:

- Unreasonable use of air freight/courier/messengers/postage.
- Processing of third-party invoices.
- Overhead, including but not limited to: rent, equipment rental, utilities, computer equipment, software, reporters, books/periodicals, seminars, office supplies, word processing or other computer charges (including computerized legal research vendor charges), faxes, non-lawyer/non-clerk staff (such as library staff), law clerks, summer associates, clerical services, routine photocopying or printing (except in circumstances such as formal document production, patent file histories, or large quantities of

documents needed for litigation and if preapproved in writing by the Travelers Representative), telephone calls (cellular, local, and long distance), local meals, taxi, ride

share or car service, continuing legal education or any disbursement associated with client development.

- “Per diem” charges.

## **20. INVOICE SUBMISSION & APPEALS**

A statement for services rendered and disbursements incurred shall be electronically submitted every 90 days unless Outside Counsel is directed otherwise. All invoices are subject to review and approval by Travelers Canada prior to final payment. Outside Counsel shall apply all amounts received from Travelers Canada to the referenced invoices only.

One of Travelers Canada’s priorities is to ensure that Outside Counsel’s invoices provide an accurate reflection of actual tasks performed on each particular matter, which are to be billed every 90 days unless instructed otherwise. To achieve this objective, each invoice submitted must only include tasks and disbursements incurred in that specific 90-day period. In addition, Outside Counsel must submit all invoices no later than 30 days after rendering final services for each matter.

Therefore, barring unusual circumstances or pre-authorization, both of which must be documented by the Travelers Canada Representative, Travelers Canada reserves the right to reject invoices or time entries that do not comply with these instructions or Retention Terms.

Moreover, Travelers Canada will not pay under any circumstances any invoice (or individual line item) with tasks performed more than 270 days prior to the date the invoices was submitted to Travelers Canada.

Unless otherwise directed in connection with Travelers Canada’s eBilling program, every billing statement shall set forth the following information:

• The Travelers Canada contact, case or matter name and (if applicable) claim or file number
• The billing period involved
• The firm’s address
• A detailed description of each task performed in single-activity time entries, including the Uniform Task-Based Management System (“UTBMS”) code, the date it was performed and who performed it, the rate, the time expended and charged for each task
• Billing in 0.1 hour increments (activities taking less than 0.1 hour should not be billed)
• Fees or expense requiring pre-approval, the name of the authorizer, and for expenses, a detailed itemization of each expense and supporting documentation/receipt
• Summary showing the name, rate, total hours/charges, and year of call of each staff member billing

- Budget for the matter and the amount remaining in the budget after payment of all bills

When submitting the final bill on a matter, Outside Counsel is required to label or otherwise mark the bill as the final bill to enable Travelers to timely close the matter.

Generic descriptions such as the following, without more description or detail, are not acceptable for billing purposes: attention to matter, motion work, review case and issues, work on project or case conference, pleadings review, correspondence work on file arrangements, prepare for meeting, telephone call, work on discovery, discovery, receive/review documents, trial preparation, meeting, research analysis, update strategy.

If requested by the Travelers Canada Representative, Outside Counsel is required to submit, by matter, an estimate of all services and disbursements to be billed for a given time period, which will include the total amount of services and disbursements to be invoiced and such other additional information as the Travelers Canada Representative may specify.

Duplicate payments or any overpayments are to be refunded immediately to Travelers Canada and Travelers Canada reserves the right to seek recovery from Outside Counsel for any overpayment it may have made regarding fees or expenses.

The submission of an invoice by Outside Counsel is considered an acknowledgement that it has been reviewed by appropriate supervisory personnel and that it fairly and accurately reflects the actual time worked and expenses incurred.

For all appeals of adjustments to invoices submitted through Travelers Canada's eBilling program, Outside Counsel must submit the appeal electronically via the eBilling application. All appeals of invoice adjustments, whether through the eBilling program or otherwise, must be submitted within 30 days of the date when Travelers Canada approved the original invoice for payment, except appeals involving Bond & Specialty Insurance invoices, which must be submitted within 90 days of the invoice approval date. This includes Outside Counsel's final bill on a matter. Appeals for expenses must be accompanied by supporting documentation.

Travelers Canada will not accept any invoice appeal that is submitted more than 60 days (90 days for Bond & Specialty Insurance) after the original invoice approval date. Further, in no event will Travelers Canada consider more than two appeals of the same adjusted invoice or charge(s).

Travelers Canada reserves the right to reject any invoice that fails to conform to these instructions or these Retention Terms.

**NOTE: This section 20 is modified as to Surety and Warranty claims as follows: With respect to Surety and Warranty claims, invoices shall be submitted every 30 days.**

## **21. AUDIT RIGHTS**

Travelers Canada may review and audit back-up documentation for any matter for which Outside Counsel is retained, including audit of litigation files and/or billing-related documents, with the exception of solicitor-client privileged information or documents in a third-party matter where Travelers Canada is not Outside Counsel's client. Travelers Canada may share the results of any audit with Travelers Canada's insureds and/or customers.

## **22. RECORD RETENTION**

Outside Counsel should retain all records pertaining to its engagements by Travelers Canada for the time period required by law within the firm's practice jurisdiction(s) or current year plus seven years from the date of Outside Counsel's final billing on a matter, whichever is longer. Travelers Canada must also pre-approve any destruction of such records. If Travelers approves such destruction, Outside Counsel shall securely destroy or render unreadable all records pertaining to its engagements by Travelers.

## **23. SECURITY STANDARDS FOR OUTSIDE COUNSEL**

In connection with providing legal services to Travelers Canada, Outside Counsel agrees to comply with the following Travelers Canada Security Standards ("Security Standards") as part of the Retention Terms:

**A. Definitions.** As used in these Security Standards, the following definitions apply:

- (i) "Access and Use Rights" means the rights and limitations for accessing Outside Counsel Facilities, Outside Counsel Systems, or Confidential Information, including such rights and limitations with respect to Outside Counsel Personnel.
- (ii) "Data Protection Laws" means any federal, provincial, and local laws, regulations, directives, rules, governmental requirements and standards, which are now or may become effective for so long thereafter as Outside Counsel has access to or possession of Confidential Information, relating in any way to the privacy, confidentiality, or security of Confidential Information.
- (iii) "Outside Counsel Facilities" means the facilities owned, operated or controlled by Outside Counsel or a third party retained by Outside Counsel, including facilities at which: (a) Outside Counsel Systems are located; or (b) Confidential Information is stored, processed or transmitted by Outside Counsel.
- (iv) "Outside Counsel Personnel" means Outside Counsel's employees and subcontractors.
- (v) "Outside Counsel Systems" means the computer network and computing systems, equipment and devices owned, operated or controlled by Outside Counsel or a third party retained by Outside Counsel used to access, process, maintain or store Confidential Information.
- (vi) "Security Incident" means any unauthorized acquisition, destruction, modification, use, disclosure of or access to Confidential Information.

**B. Security Assessments and Audits.**

- (i) **Travelers Canada Security Assessment.** Outside Counsel agrees that Travelers Canada shall have the right to conduct a security assessment at least once every year upon reasonable notice. Outside Counsel will review vulnerabilities identified by each security assessment and will certify in writing its implementation of the appropriate corrective action to address the same.

- (ii) **Security Incident Investigations, Travelers Canada Audit of Compliance with the Security Standards.** Upon becoming aware of any Security Incident, Outside Counsel shall provide Travelers Canada with detailed information regarding the Security Incident and shall cooperate fully with Travelers Canada in investigating and mitigating the adverse effects of such Security Incident. Outside Counsel shall permit Travelers Canada, its auditors and regulators, to audit no more often than once per year (unless requested by Travelers Canada in connection with any Security Incident or as otherwise required by Travelers Canada's regulators) Outside Counsel's security practices, facilities, resources, plans, and procedures.

**C. Information Security Controls.**

**(i) General Security Responsibilities.**

- a. Outside Counsel shall maintain and monitor a written information security program that includes appropriate administrative, technical, physical, organizational and operational safeguards and other security measures to protect against reasonably anticipated threats to the confidentiality, integrity and/or security of Confidential Information and that satisfies Data Protection Laws at each location from which Outside Counsel provides services ("Program").
- b. Outside Counsel shall review and, as appropriate, revise the Program (a) at least annually or whenever there is a material change in Outside Counsel's business practices that may reasonably affect the security or integrity of Confidential Information and (b) in accordance with prevailing industry practices.
- c. If Outside Counsel (i) becomes aware of a breach of these Security Standards or any Outside Counsel Personnel exceeding their Access and Use Rights, (ii) is unable to comply with any part of the Security Standards, or (iii) reasonably believes that there has been a Security Incident, then Outside Counsel shall notify Travelers Canada within twenty-four hours by contacting Travelers' Global Security Operations Center at US+866-385-0549. Travelers Canada shall then be entitled (at its option) to suspend the transfer of Confidential Information and require Outside Counsel to cease using Confidential Information.

**(ii) Authentication.**

- a. Outside Counsel shall ensure that its technology platforms that access Confidential Information authenticate (verify) the identity of users (or remote systems) prior to initiating a session or transaction. Outside Counsel shall require at a minimum password authentication and shall enforce the use of strong passwords and password management practices that meet prevailing information security industry best practices. All Outside Counsel Personnel must be held accountable for all activity associated with the use of their User ID and password.
- b. All remote access to environment(s) containing Confidential Information must utilize a form of multi-factor authentication to authenticate users prior to initiating a session or otherwise providing access to the environment(s).

**(iii) Access Controls.**

- a. Outside Counsel shall use appropriate (based on the nature of the Confidential Information), fully documented and auditable access controls to access, store or otherwise process Confidential Information that comply with these Security Standards and Data Protection Laws, at a minimum:
  - 1) a formal user registration, identification and authentication process, including functionality that tracks users' access to Confidential Information and includes strong passwords;
  - 2) limiting access to Confidential Information to the minimum number of Outside Counsel Personnel who require such access to provide services to Travelers Canada;
  - 3) requiring managerial authorization for changing Access and Use Rights and access or use policies, procedures and controls;
  - 4) requiring Outside Counsel Personnel who will be provided access to, or otherwise come into contact with, Confidential Information to protect such information in accordance with the requirements of these Security Standards;
  - 5) employing physical barriers and controls that prevent or mitigate against unauthorized physical access;
  - 6) prohibiting persons from sharing access authentications or establishing or using generic identifications; and
  - 7) employing automatic device locking mechanisms.
- b. All Outside Counsel Systems shall be located behind an information security industry standard backend firewall in a "secure zone" on a separate network from Outside Counsel's Internet-facing web servers, and the network(s) containing Confidential Information will be protected from unauthorized access at all entry points.
- c. Outside Counsel shall isolate all Confidential Information stored, maintained or processed in Outside Counsel Systems and/or Outside Counsel Facilities from data of any other parties stored, maintained or processed in Outside Counsel Systems and/or Outside Counsel Facilities, whether by use of separate and isolated database instances, separate secure folders or other equivalent technology.
- d. Outside Counsel must implement a documented process to verify access privileges at least semi-annually.
- e. Outside Counsel must document and implement a process to ensure its Access and Use Rights reflect changes in a user's access status within twenty-four hours of the change. Outside Counsel will immediately terminate access rights for Outside Counsel Personnel: 1) who have left Outside Counsel's organization, changed jobs, are no longer under contract, or are suspected of fraud, theft or any other violation of law; or 2) who have violated or exceeded Access and Use Rights.

**(iv) Encryption of Confidential Information.**

- a. Outside Counsel shall encrypt Confidential Information held at rest (both in storage and, where approved by Travelers Canada, portable and backup media).
- b. If Travelers Canada approves Outside Counsel's use of any portable media to process, maintain, access, or store any Confidential Information, Outside Counsel shall encrypt all Confidential Information in such portable media.
- c. Outside Counsel must use information security industry standard encryption products and algorithms at all times, which must be updated by Outside Counsel as necessary to remain current. Outside Counsel shall safeguard the security and confidentiality of all encryption keys associated with encrypted Confidential Information.

**(v) Network Information Security.**

- a. All networks containing Confidential Information must be protected from unauthorized access at all entry points, including through network controls and safeguards necessary to monitor for, and prevent, leakage of Confidential Information from Outside Counsel Systems.
- b. Outside Counsel will prohibit the use of network data monitoring tools on Outside Counsel Systems, unless specifically approved by appropriate Outside Counsel management personnel. Any permitted use must be strictly monitored and controlled by Outside Counsel.
- c. Outside Counsel shall ensure that all external IP connections are protected by a physical or virtual firewall or public cloud provider access controls that provide similar stateful protections. Outside Counsel shall monitor firewall logs for suspicious activity.
- d. Outside Counsel Systems shall employ network intrusion prevention systems and/or network intrusion detection systems (as such terms are commonly understood in the information technology industry) to continually monitor and protect Outside Counsel Systems, and to detect, report, and ultimately terminate malicious network-based activity from both authorized and non-authorized sources. Outside Counsel shall implement applicable compensating controls if such system(s) fails for any reason.
- e. Outside Counsel shall install, update and maintain anti-virus products on all microcomputers / PCs, LAN servers, and mail servers that access, process, maintain or store Confidential Information. Outside Counsel shall regularly scan computer devices and LAN servers for viruses/malware, minimally at power on and specifically before every backup. Outside Counsel shall implement additional information security industry standard safeguards against contamination, including but not limited to enforcing the use of only approved software, scanning with current software all email, CDs and other electronic media received from outside sources for malicious code, and prohibiting the use of any unauthorized software on Outside Counsel Systems.
- f. Outside Counsel shall apply security patches to network devices, PCs and servers of all types that are relevant to any Outside Counsel Systems in a timeframe appropriate to their risk level.

- (vi) **Outside Counsel Audit Trails.** Outside Counsel shall maintain a list of all Access and Use Rights and audit trails of their use, including logging and auditing of:
  - a. Actions performed by information security administrators, systems operators, systems managers, system engineers and system administrators;
  - b. Actions performed using highly privileged system and security functions;
  - c. Emergency actions performed by support staff;
  - d. The date and time of the last successful login; and
  - e. The number of unsuccessful login attempts since the last successful login.
- (vii) **Violation Logging Management.** Outside Counsel must ensure that all Outside Counsel Systems have the ability to log and report specific incidents and all attempted violations of system security and must have an active Security Incident response process in place.

**D. Additional Protections for Personal Information and Sensitive Personal Information.**

- (i) **Additional Encryption of Sensitive Personal Information.** In addition to the encryption requirements imposed by Section 23.C.(iv).4. above, Outside Counsel shall encrypt, using industry standard encryption tools, all records and files containing Sensitive Personal Information that Outside Counsel: (a) transmits or sends wirelessly or across public networks; (b) stores on laptops or storage media; and (c) stores on any device that is transported outside of Outside Counsel's physical or logical controls. Outside Counsel will safeguard the security and confidentiality of encryption keys associated with Sensitive Personal Information.
- (ii) **Safeguards for Personal Information.** Outside Counsel shall (a) implement and maintain, and cause Outside Counsel Personnel to implement and maintain, appropriate administrative, physical and technical safeguards and controls to protect the confidentiality, security and integrity of Personal Information in accordance with the requirements of this agreement and applicable Data Protection Laws, monitor the effectiveness of such safeguards and controls, and update such safeguards and controls as necessary to maintain and improve their effectiveness for limiting risk to Personal Information; and (b) prevent the disclosure or use of Personal Information to third parties except (i) as may be expressly authorized or required by the applicable Data Protection Laws or (ii) to Outside Counsel Personnel, solely to the extent necessary to perform the services for Travelers Canada. Outside Counsel has the right to access, transmit, monitor, retrieve, store and use the Personal Information only to perform the services for Travelers Canada.
- (iii) **Off-shore Resources.** Outside Counsel shall not allow Outside Counsel Personnel located outside of Canada or the United States ("Off-shore Resources") to access, directly or indirectly, any Personal Information without the prior written consent of Travelers Canada. If Travelers Canada agrees to permit Off-shore Resources to access Personal Information, such access and use shall be solely to the extent necessary to facilitate Outside Counsel's performance of the applicable services, and Outside Counsel shall not permit such Off-shore Resources to have the capability to print, save, store or otherwise retain or transmit any Personal Information to which they have been

granted access. Outside Counsel agrees that if Travelers Canada consents to Outside Counsel's disclosure of Personal Information to a third party, Outside Counsel will enter into a written agreement with the third party that includes obligations that are at least as broad in scope and restrictive as those under this agreement and these Security Standards. Outside Counsel shall remain at all times accountable and responsible for all actions by such third parties with respect to the disclosed Personal Information.

- (iv) **Security Incidents Involving Sensitive Personal Information.** In the event of any actual, suspected or attempted Security Incident involving Sensitive Personal Information, Outside Counsel shall (a) fully cooperate with Travelers Canada in investigating and mitigating the adverse effects of each such Security Incident (b) provide Travelers Canada with detailed information regarding the Security Incident, such as how and when such Security Incident occurred and what actions Outside Counsel has taken or is taking to remedy such Security Incident; (c) permit Travelers Canada to have control over the means and content of any written or verbal response or notice relating to the Security Incident to individuals and authorities, including without limitation communication(s) with the press or other media; (d) reimburse Travelers Canada for remedial action associated with the Security Incident, including its costs of notifying any individuals and/or authorities of the Security Incident if Travelers Canada, in its good faith judgment, considers notification necessary or, if requested by Travelers Canada, provide such notice, at Outside Counsel's cost and expense; and (e) subject to sub-Section (c) above, comply promptly and fully with all notification requirements that apply to Outside Counsel. Unless required by law, Outside Counsel shall not notify any individual or any third party other than law enforcement of any potential Security Incident involving Sensitive Personal Information without first consulting with, and obtaining the permission of, Travelers Canada. Any unauthorized disclosure or use of Sensitive Personal Information connected directly or indirectly with the performance of Outside Counsel's obligations under this agreement will constitute a material breach of this agreement by Outside Counsel, permitting Travelers Canada to immediately terminate this agreement or the services without obligation, liability, or penalty of any kind.

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Matter specific questions related to these Retention Terms should be directed to the Travelers Canada Representative handling the matter. Any generic questions should be directed to [LRMCOMMS@travelers.com](mailto:LRMCOMMS@travelers.com). Technical questions related to Travelers Security Standards should be directed to [ContractSecurityAdvisors@travelers.com](mailto:ContractSecurityAdvisors@travelers.com).

Travelers Canada reserves the right to amend these Retention Terms at any time.

Agreement: I have read and understand these Retention Terms and I, my firm and all staff who work on Travelers Canada matters will adhere to these Retention Terms.

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Lead Outside Counsel Name, Title, Email and Phone Number

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Firm Name

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Signature

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Date

## **APPENDIX A**

### **Parent and Affiliated Companies of Travelers Canada**

8527512 Canada Inc.  
American Equity Insurance Company  
American Equity Specialty Insurance Company  
Automobile Insurance Company of Hartford, Connecticut (The)  
Charter Oak Fire Insurance Company (The)  
Commercial Guaranty Insurance Company  
Discover Property & Casualty Insurance Company  
Discover Specialty Insurance Company  
Dominion of Canada General Insurance Company (The)  
Farmington Casualty Company  
Fidelity and Guaranty Insurance Company  
Fidelity and Guaranty Insurance Underwriters, Inc.  
First Floridian Auto and Home Insurance Company  
Gulf Underwriters Insurance Company  
Nipponkoa Insurance Company Ltd (US Branch)  
Northfield Insurance Company  
Northland Casualty Company  
Northland Insurance Company  
Phoenix Insurance Company (The)  
Premier Insurance Company of Massachusetts (The)  
Select Insurance Company  
St. Paul Fire and Casualty Insurance Company  
St. Paul Fire and Marine Insurance Company  
St. Paul Guardian Insurance Company  
St. Paul Mercury Insurance Company  
St. Paul Protective Insurance Company  
St. Paul Surplus Lines Insurance Company  
Standard Fire Insurance Company (The)  
TravCo Insurance Company  
Travelers (Bermuda) Limited  
Travelers Casualty and Surety Company  
Travelers Casualty and Surety Company of America  
Travelers Casualty and Surety Company of Europe Limited 2706447  
Travelers Casualty Company (The)  
Travelers Casualty Company of Connecticut  
Travelers Casualty Insurance Company of America  
Travelers Commercial Casualty Company  
Travelers Commercial Insurance Company  
Travelers Companies, Inc. (The)  
Travelers Constitution State Insurance Company  
Travelers Excess and Surplus Lines Company  
Travelers Guarantee Company of Canada  
Travelers Home and Marine Insurance Company (The)

Travelers Indemnity Company (The)  
Travelers Indemnity Company of America (The)  
Travelers Indemnity Company of Connecticut (The)  
Travelers Insurance Company Limited  
Travelers Insurance Company of Canada  
Travelers Insurance Group Holdings Inc.  
Travelers Lloyds Insurance Company (The)  
Travelers Lloyds of Texas Insurance Company Travelers Personal Insurance Company  
Travelers Personal Security Insurance Company Travelers Professional Risks Limited  
Travelers Property Casualty Corp.  
Travelers Property Casualty Company of America  
Travelers Property Casualty Insurance Company  
United States Fidelity and Guaranty Company

## **APPENDIX B**

### **Litigation Guidelines**

#### **I. INTRODUCTION**

We are committed to working with our defence counsel in a cooperative and open environment. We strongly believe that we have chosen appropriate litigation counsel, who exhibit professional and innovative litigation strategies.

The following guidelines are intended to establish a framework for how our relationship should develop over the future and not unnecessarily restrict your actions or impose burdens on you.

These Guidelines contemplate a cooperative relationship among the insured, litigation counsel and the Travelers Canada claims professional (the “Travelers Canada Representative”). The philosophy underlying the Guidelines is to take a common sense approach to managing litigation.

The key points of the Guidelines are the following:

1. Proactive handling and resolution focus by counsel;
2. Open and effective communication between litigation counsel and our claims professional;
3. Active involvement by the claims professional in the litigation strategy;
4. Elimination of unnecessary, unproductive and duplicative efforts;
5. Development of an appropriate litigation plan and budget for every case;
6. Regular reporting and assessment and, where necessary, modification of strategy on each case.

To meet our objectives, we ask that all of our litigation counsel follow these Guidelines when representing Travelers Canada and/or its insureds.

#### **II. FILE ACKNOWLEDGEMENT**

Please acknowledge receipt of a file within two (2) business days and provide confirmation that there is no conflict. In the event of a conflict it will be necessary to reassign the file as quickly as possible in order to provide our insured with the best possible representation.

All written communication must include the name of the insured, file number, claim number, date of loss, name of the Travelers Canada Representative, and your reference.

#### **III. INITIAL ANALYTICAL REPORT**

Unless instructed otherwise, it is Travelers Canada’s expectation that you will provide an initial analytical report within 30 days of your acknowledgement of the file, tailored to the complexity and issues of the case. The initial analytical report should include the following information, identified by headings:

**1. Pleadings:**

We ask that you identify the main allegations and parties to the litigation, including claims for punitive and related damages.

**2. Factual Background:**

Please provide the factual background relevant to the claim and issues in litigation. We appreciate that within 30 days of assignment, some of the factual background may be limited. However, please provide as much relevant detail as possible and also identify what additional information is needed so we may work together to obtain it.

**3. Liability Assessment:**

Based on the information and documents available to you, please provide us with your opinion of each party's potential liability exposure. As noted below, if your assessment of liability exposure changes, we must be advised as soon as possible. Accordingly, it will be important for you to be aware of your initial assessment of liability and amend it accordingly in the event you become aware of additional information or facts which may affect your assessment.

**4. Damages Exposure:**

The initial analytical report, as well as all subsequent reports, should contain your assessment of the damages. This assessment must include your evaluation of the insured's anticipated exposure, including interest and Plaintiff's costs. We do not ask or expect that you provide reserve recommendations; however, we do expect a total exposure assessment set out and explained in each and every report.

**5. Budgets:**

Your report should also include a budget of anticipated defence fees and expenses, taking into account the complexity of the file and work reasonably anticipated at each stage of the proceedings. The initial report need only provide a budget through mediation. See Section VII below regarding budgets.

**6. Recommended Strategy:**

The initial activity report should include your recommended strategy for the matter. The strategy should reflect your assessment of the client(s)' potential exposure and what you anticipate is the likely optimal point for disposition of the matter (e.g., trial, mediation, settlement conference). Should you consider it potentially beneficial to the case, this section of the report should also include any recommendation concerning use of surveillance, experts, and early mediation or settlement discussions.

Each report thereafter should include an updated strategy section to the extent you recommend a revision to the strategy and the rationale for that revision.

#### **IV. REGULAR REPORTING**

Unless instructed otherwise, Travelers Canada expects that you will provide it with an updated report a minimum of **every 90 days**. This should be done even when there is nothing new to report so that we are aware that you are continuing to look after the best interest of the insured and address whether we may be in a position to advance the matter more expeditiously.

We also expect updates **within 10 days of mediations or pretrials and within 30 days of other significant events**. The following are some of our expectations with respect to when you should be reporting:

**1. Pleading and Legal Documents:**

Copies of all statements of defence, crossclaims, third party claims and affidavits of documents (without attachments, unless otherwise requested), should be provided to us. In addition, we ask that you provide a brief summary of the contents of the documents, together with your assessment of the impact that a particular document may have on the insured's liability and damage exposure.

**2. Discovery:**

Within 30 days following examinations for discovery, a summary of the evidence obtained should be provided. With this report, please also advise whether the evidence adduced at the examination for discovery has caused you to revise your exposure assessment and recommended strategy for the matter. It may be appropriate at that time to recommend further surveillance, expert reports, or medical consultations.

**3. Mediation**

Copies of all mediation briefs are to be provided in advance of the mediation to permit the Travelers Canada Representative an opportunity to properly prepare for the mediation. In addition, within 10 days following the mediation, please provide a report on the outcome. If it was unsuccessful, kindly provide a summary of the parties' positions at the mediation and your assessment of why the mediation failed, together with a recommendation for future handling.

**4. Pretrials**

Copies of all pretrial memoranda are to be provided in advance of the pretrial to permit the Travelers Canada Representative an opportunity to properly prepare for the pretrial. In addition, within 10 days following the pretrial, please provide a

report on the outcome, including a summary of the parties' positions and the judge's recommendation and assessment. Please also advise of any update to your assessment and recommendation for future handling, including settlement prospects and/or trial strategy. Please ensure that the budget of anticipated trial costs and the insured's exposure is updated at this time.

**5. Orders, Endorsements, Case Management**

Copies of all orders, endorsements and case management timelines and related materials are to be provided. These provide excellent summaries of events and status reports.

**6. Expert Reports and Investigation**

Upon receipt of expert reports or other investigative materials, please provide a summary of the materials and any update to your liability and damage assessment.

**7. Trial Dates, Settlement Conferences, Pretrials, etc.**

The Travelers Canada Representative should be notified as soon as any significant dates (e.g., trial date, settlement conference, pretrials) are set.

**V. REPORT FORMAT**

All reports must contain the following information:

**1. The Re Line:**

**Name of File:**  
**Your File No.:**  
**Date of Loss:**  
**Our Claim No.:**  
**Fees Billed to Date:**  
**Unbilled Fees:**  
**Insured's Total Exposure:**

**2. Recommendation, Assessment**

**3. Revised Budget (if applicable)**

**VI. INVESTIGATION AND EXPERT REPORTS**

All investigators and experts must be approved by us in advance.

Copies of all written investigation reports and videotape should be forwarded to us. However, we also expect that you provide us with a brief summary of the findings of the investigation or expert report together with your assessment of the impact on liability or damages.

We also ask that you make recommendations if you believe further investigation or expert advice is required, together with the anticipated cost.

## **VII. BUDGETS**

A budget should be included in your initial analytical report, unless instructed otherwise by the Travelers Canada Representative. We ask that you provide us with a budget breakdown taking into consideration the complexity of the file and the various stages of litigation, up to and including examinations for discovery, mediation, possible dispositive motions, pretrial(s), and expert's reports.

The initial report need only include a budget through mediation. Thereafter, you need only provide a revised budget if developments on the case warrant a revision to the initial budget or if it becomes apparent that the file will progress beyond the stages contemplated by the previously provided budget. Should events cause you to expect that the initial costs will be, or are, greater than initially estimated, kindly provide us with a detailed explanation and revised budget.

When preparing a budget, we ask that you take into consideration when the action may likely resolve; e.g., prior to discoveries, by dispositive motion, at mediation, etc.

Please see attached Appendix B-1 for a budget template.

## **VIII. TRIAL PREPARATION**

It is expected that Outside Counsel and the Travelers Canada Representative will work collaboratively as trial dates approach to ensure both that the matter is trial ready and that all possible pre-trial opportunities for resolution are appropriately considered. Trial preparation may require preparation of a Case Assessment Report (CAR) by Outside Counsel. If so, the Travelers Canada Representative will provide a sample form and instructions in this regard.

## **IX. EXCEPTIONS**

In the event that special circumstances arise and you feel exceptions to the guidelines are warranted, please contact us. Our relationship is intended to be a partnership for the ultimate benefit of our insureds and nothing in these guidelines is intended to interfere with the exercise of Outside Counsel's independent professional judgment or to restrict Outside Counsel from properly representing Travelers Canada's insureds.

***Any questions concerning these Guidelines should be addressed to the Travelers Canada Representative. Travelers Canada reserves the right to amend these Guidelines at any time.***

## **Appendix B-1**

### **Budget Template**

Please note that these categories track the Uniform Task-Based Management System (UTBMS) codes that we ask outside counsel to include in all billing entries. For convenience, the full list UTBMS litigation codes is set forth on the following page. Additional information on the codes can be found at The American Bar Association website ([www.americanbar.org](http://www.americanbar.org)). Please note that the template should be customized as needed for case complexity or procedural status.

<b>Category</b>	<b>Estimated Hours</b>	<b>Estimated Fees and Expenses</b>
Case Assessment, Initial File Review, Fact Development, Reporting & Administration		
Pretrial Pleadings and Motions		
Attendance at court mandated conferences and any applications/motions		
Completion of written and oral discoveries		
Expert fees		
Preparation for and attendance at mediation		
Trial Preparation and Trial		
Appeal		
Expenses	n/a	
<b>TOTAL ESTIMATED BUDGET</b>		

### Uniform Task-Based Management System Codes

<b>L100 Case Assessment, Development &amp; Administration</b> L110 Fact Investigation/Development L120 Analysis/Strategy L130 Experts/Consultants L140 Document/File Management L150 <del>Budgeting</del> L160 Settlement/Non-Binding ADR L190 Other Case Assessment, Development and Administration	<b>A100 Activities</b> A101 Plan and prepare for A102 Research A103 Draft/revise A104 Review/analyze A105 Communicate (in firm) A106 Communicate (with client) A107 Communicate (other outside counsel) A108 Communicate (other external) A109 Appear for/attend A110 Manage data/files A111 Other
<b>L200 Pre-Trial Pleadings and Motions</b> L210 Pleadings L220 Preliminary Injunctions / Provisional Remedies L230 Court Mandated Conferences L240 Dispositive Motions L250 Other Written Motions and Submissions L260 Class Action Certification and Notice	<b><u>E100 Expenses</u></b> E101 Copying E102 Outside printing E103 Word processing E104 Facsimile E105 Telephone E106 Online research E107 Delivery services/messengers E108 <del>Postage</del> E109 <del>Local travel</del> 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
<b>L300 Discovery</b> L310 Written Discovery L320 Document Production L330 Depositions L340 Expert Discovery L350 Discovery Motions L390 Other Discovery	
<b>L400 Trial Preparation and Trial</b> L410 Fact Witnesses L420 Expert Witnesses L430 Written Motions and Submissions L440 Other Trial Preparation and Support L450 Trial and Hearing Attendance L460 Post-Trial Motions and Submissions L470 Enforcement	
<b>L500 Appeal</b> L510 Appellate Motions and Submissions L520 Appellate Briefs L530 Oral Argument	

**TRAVELERS CLAIM – UNITED KINGDOM AND EUROPE RETENTION AND BILLING TERMS AND CONDITIONS FOR BARRISTERS**

**Effective 1 August 2023**

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**1. RETENTION**

These Retention and Billing Terms and Conditions for Outside Counsel ("Retention Terms") are applicable to all engagements by authorised representatives (collectively, "Travelers Representatives" or individually, the "Travelers Representative") of The Travelers Companies, Inc. and its subsidiaries ("Travelers") of any Barrister or Chambers as Outside Counsel representing Travelers or an insured or customer of Travelers ("Barrister(s)" or "Outside Counsel"). These Retention Terms will also apply to Outside Counsel retained on an hourly rate by our Ireland operation (Travelers Insurance Company Limited - Ireland). These Retention Terms are intended to promote optimal matter outcomes and strengthen Outside Counsel relationships with Travelers and its insureds and customers.

Note that the business area that retains Outside Counsel may have additional requirements beyond those set forth herein.

Upon Travelers' request, Outside Counsel will execute an engagement letter with Travelers, which may identify the lead Barrister(s) within Travelers and Outside Counsel's Chambers, specific Counsel authorised to work on the matter, applicable hourly rates or other fee structures and other information that may be required. At all times, these Retention Terms and Travelers' engagement letter (if any) will supersede any engagement letters provided to Travelers by Outside Counsel.

Unilateral modification to these Retention Terms by Outside Counsel is not permissible. In addition, such will take precedence over any terms contained in a Chambers' Client Care letter, as applicable.

By agreeing to represent Travelers or an insured or customer of Travelers, Outside Counsel agrees to conduct the representation consistent with these Retention Terms and all applicable laws, ethical obligations and Rules of Professional Conduct. A copy of these Retention Terms should be provided to all Barristers and billing staff involved in the engagement before any work begins. It is Outside Counsel's responsibility to ensure that its Barristers and staff are operating under the most recent version of these Retention Terms and its CounselLink® profile is current. Outside Counsel must also immediately notify Travelers by emailing [LRMCOMMS@travelers.com](mailto:LRMCOMMS@travelers.com) regarding any Chambers changes, including but not limited to Chambers name, unique taxpayer reference (UTR) and/or company registration number (CRN) and physical location(s). Any waiver from these Retention Terms must be in writing and signed by a Travelers Representative authorised to grant such waivers.

In selecting and evaluating Outside Counsel, Travelers strives to obtain high quality legal representation that produces the best possible results and use legal resources in the most efficient and cost-effective manner. Managing costs is a high priority and Travelers expects Outside Counsel to use best efforts in assisting Travelers to appropriately achieve this objective.

Nothing in these Retention Terms will preclude Travelers from exercising its rights to review the terms and conditions of these Retention Terms, either wholly or in part, at any time in the future.

Additionally, one of Outside Counsel's highest priorities should be understanding Travelers' strategic position and objectives in handling of matters. Therefore, Outside Counsel is expected to:

- Staff the matter with junior barristers or pupil barristers who possess appropriate expertise based on the matter's complexity, amount in dispute and/or coverage issue(s), and knowledge of the jurisdictional laws, judges and lawyers involved. See Section 8 below for related guidance.
- Unless the Travelers Representative instructs Outside Counsel that a budget is not needed, provide an appropriate initial budget forecast based on information available and

timely updates based on new or unforeseeable factual or legal developments. See Section 10 below for related guidance.

- Offer strategic, proactive and cost-effective ways to resolve legal and factual issues to achieve the intended outcome including, as appropriate, skilled handling and optimal results through alternative dispute resolution. See Section 9 below for related guidance.
- For litigated matters, if requested, develop a case valuation and update it if a material change prompts re-evaluation.
- Identify key issues and provide accurate advice and recommendations focused on strategic goals.
- Produce quality written work product.
- If applicable, demonstrate quality oral advocacy skills.
- For litigated matters, strategic use of disclosure (document production and depositions).
- If applicable, demonstrate quality trial skills.
- Achieve an outcome consistent with agreed strategic goals and resolution plan.
- Maintain a claimant's mindset on matters where Travelers is a claimant in litigated matters.

## **2. ELECTRONIC BILLING**

Where directed to do so, Outside Counsel must participate in the Travelers' electronic billing (eBilling) programme (including submitting invoices, invoice appeals and/or accepting payments electronically or in such manner or format required by Travelers), at no additional cost to Travelers.

## **3. TRAVELERS' INSURED AND CUSTOMERS**

For all purposes hereof, the terms "insured" and/or "customer" refer to an entity or person for whom Travelers is providing a legal defence whether under a reservation of rights or not. These Retention Terms shall not apply to any retention of Outside Counsel to represent an insured or customer when these Retention Terms conflict with: i) the law of the controlling jurisdiction with respect to the retention by an insurance company of counsel to represent its insureds or customers; ii) any agreement (in the insurance policy or any other applicable agreement) between the insured or customer and Travelers; or iii) any agreement between Travelers and other insurers of the insured or customer. Moreover, nothing in these Retention Terms are intended to interfere with the exercise of Outside Counsel's independent professional judgment or to restrict Outside Counsel from properly representing Travelers or, where applicable, Travelers' insureds or customers.

If Outside Counsel is engaged to represent a Travelers' insured or customer, nothing contained herein shall diminish Outside Counsel's obligation to that Travelers' insured or customer. Although Travelers believes that the terms contained herein are consistent with that obligation, individual circumstances may arise in which a requirement of these Retention Terms arguably

conflicts with Outside Counsel's obligation to a Travelers' insured or customer. Outside Counsel shall disregard any Retention Terms requirement that is in conflict with Outside Counsel's obligation to such insured or customer. Outside Counsel shall provide prompt written notice of any conflict believed to exist between these Retention Terms and its obligation to Travelers and/or a Travelers' insured or customer and such notice, where possible, shall occur prior to any deviation from the Retention Terms provision in question.

The quality of the service provided by Travelers is what sets us apart from our competitors and is what gives Travelers' existing and potential customers reason to want to do business with us. Representation of a Travelers' insured or customer is both a reflection on Outside Counsel, and on Travelers itself, and thus Outside Counsel shall represent a Travelers insured or customer with the highest levels of integrity, professionalism, courtesy, and respect.

#### **4. DIVERSITY**

Travelers is dedicated to supporting and advancing its commitment to diversity. We believe that diversity represents a competitive advantage in today's business and legal environment. By appreciating differences and encouraging the active and full participation of people of every culture, ethnicity, national origin, race, colour, religion, gender, age, disability and sexual orientation in our business processes, we will make better decisions, build more positive relationships and strengthen our opportunities for success by bringing together the best of the best, regardless of background. In connection with the foregoing, we encourage Outside Counsel to provide maximum opportunities for qualified diverse personnel and third-party vendors to participate in work on behalf of Travelers. Travelers may also require Outside Counsel to provide and update diversity-related information, including but not limited to, Barristers and other timekeepers working on Travelers matters through Travelers' eBilling programme or other means.

#### **5. CONFLICTS OF INTEREST**

Outside Counsel shall undertake a thorough search for actual and/or potential conflicts of interest immediately after being contacted to represent Travelers or a Travelers' insured or customer and should not bill Travelers for the conflict check. For purposes of evaluating conflicts of interest, Outside Counsel should treat all companies falling within the definition of "Travelers" above as the client and as constituting one entity. The conflicts check should encompass all lawyers and offices of Outside Counsel.

Any and all conflicts must be disclosed in writing to the Travelers Representative handling the matter at the time of the engagement or as soon as each conflict becomes known. The Chambers shall not undertake or continue any representation of Travelers or a Travelers' insured or customer until the conflict has been addressed with the Travelers Representative and the insured or customer, if applicable, and either resolved or expressly waived, in writing, by an authorised Travelers Representative or the insured or customer. Having undertaken representation of Travelers, Outside Counsel should avoid any subsequent conflicts, except to the extent any such conflict has been addressed in accordance with these Retention Terms. Travelers does not grant prospective conflict of interest waivers.

## **6. BARRISTER CONDUCT STANDARDS, SEC AND SARBANES-OXLEY REPORTING**

During the course of Outside Counsel's representation of Travelers, Outside Counsel may have access to information regarding Travelers and its operations. If Outside Counsel should discover evidence of material violations of the law by Travelers or its officers, directors, employees or other individuals or entities acting on Travelers' behalf, Outside Counsel agrees to promptly notify a Travelers' Representative and otherwise comply with Outside Counsel's regulatory reporting obligations including, where applicable, under Section 307 of the Sarbanes-Oxley Act of 2002 and the related rules of the Securities and Exchange Commission.

Outside Counsel should also adhere to all applicable professional standards and immediately notify the Travelers Representative if disciplinary action is taken against any Barristers within their Chambers who has worked or is working on any active Travelers matter.

## **7. INSURANCE COVERAGE**

Throughout the term of each engagement and the applicable statute of limitations, Outside Counsel shall maintain, at its sole cost and expense, Professional Liability coverage. The required minimum per loss and aggregate limits are five million pounds sterling (£5,000,000.00) or the currency equivalent or higher, depending on the line of business, or the minimum limits of indemnity required by applicable law or regulation covering Errors and Omissions of Outside Counsel and its subcontractors in providing or failing to provide the services, effective at all locations where Outside Counsel may perform any services for Travelers or its insureds or customers.

Outside Counsel must also obtain upon being retained to represent Travelers and/or its insured or customers, cyber risk coverage, including breach response, extortion, cybercrime, and business interruption, with a minimum per loss and aggregate limit of two million pounds sterling (£2,000,000.00), and which includes both third-party liability and first-party coverage. Travelers reserves the right to require a higher coverage amount based on factors including a Chambers' size and/or the volume of Travelers matters that it handles.

## **8. STAFFING**

At the outset of each engagement, Outside Counsel and the Travelers Representative will discuss how the matter will be staffed and agree on the applicable billing rates and/or fee structures

The seniority of Barrister must be appropriate, reasonable, necessary and based on the complexity of the matter. The Travelers Representative will evaluate the degree to which internal Travelers resources, including in-house lawyers, support staff, fraud resources and/or the Compensation Recovery Unit ("CRU"), may be used to meet the project's requirements (e.g., legal research, organization of files, depositions and witness interviews.)

Only one (1) Barrister and one (1) pupil barrister should work on a matter, unless otherwise authorised in advance by the Travelers Representative.

The Travelers Representative and Outside Counsel should collaborate and agree on initial staffing of a matter to ensure that the staffing is optimal and may reevaluate staffing and make appropriate changes as warranted. The Travelers Representative and Outside Counsel should work together to ensure continuity in staffing. Outside Counsel should also assign the appropriate level of legal talent to a matter. If it becomes necessary to replace a Barrister or pupil working on a matter, any time spent to bring the replacement “up to speed” should not be included in the billing.

Further, Chambers that choose not to employ pupil barristers must bill all pupil barristers activity at the approved pupil barristers rate; pupil barristers tasks should not be billed at Barrister rates.

## **9. COMMUNICATION, STRATEGY AND REPORTING**

Outside Counsel’s highest priorities include implementing legal strategies consistent with Travelers’ objectives and appropriately communicating and reporting as part of handling of a matter. Specifically, Outside Counsel is expected to:

Treat the insured/client and Travelers Representative with respect and professionalism.

- Confer and schedule an initial conference with the Travelers Representative upon receipt of a matter assignment to discuss strategy, budget, appropriate staffing, and, for litigated matters, oral and written disclosures, expert retention, etc.
- Timely evaluate the matter and develop a resolution-based plan aligned with strategic goals.
- Timely communicate regarding important developments and scheduled events (e.g. motion deadlines, trials or settlement conferences), and
- Timely share appropriate communications, legal documents and other information. Timely communication is important partly to allow Travelers enough notice to arrange for a Travelers Representative to attend events and/or for planning, public disclosure or other purposes.

## **10. BUDGET**

Unless instructed otherwise by a Travelers representative, Outside Counsel must promptly submit a budget, estimating fees and costs and including any such additional information as Travelers may require and timely update it based on new or unforeseeable factual or legal developments. At a minimum, the budget will include principal assumptions, identify specific phases and their cost, and specify applicable billing rates. Budget preparation is non-compensable. Note that the business area that retains Outside Counsel may have additional requirements with respect to the budget form and how to submit a budget (e.g., through the eBilling program).

## 11. CONFIDENTIAL INFORMATION

Outside Counsel acknowledges that, in performing services hereunder, it may have access to non-public, competitively sensitive, privileged or proprietary information disclosed by or on behalf of Travelers, its insureds, customers, agents, brokers and/or claimants, including, without limitation, any information that is or could be personally identifiable to an individual (collectively, “Confidential Information”).

Confidential Information includes both Personal Information and Special Personal Information. “Personal Information” means (i) information identifying or personally identifiable to Travelers’ or its affiliates’ former, present and prospective employees, insureds, agents, suppliers, and financial and insurance services customers and/or claimants, (ii) and information relating to individuals that is considered sensitive and may be subject to more stringent legal protections (“Special Personal Information”).

Special Personal Information is a type of Personal Information and shall include, without limitation: (a) passport, visa, alien registration, or other identification number assigned for immigration purposes; (b) driver’s license number, European Union or national identification card number, or other government-issued identification number; (c) an individual’s name (including first initial and last name) in combination with an individual’s card number, routing number, passcode, or personal identification number (PIN) for a checking or savings account, investment account, personal or company-sponsored credit or debit card, or any other financial account; (d) a user name or email address, in combination with any password or security question and answer that would permit access to an online account; (e) an individual’s name (including first initial and last name) or a unique identification number in combination with race, religion, ethnicity, medical or health information, background check information or sexual orientation; or (f) information that is capable of being associated with a particular individual through one or more of the following identifiers: (i) access code or password for an information system, including without limitation information response(s) to any system security challenge; (ii) mother’s maiden name; (iii) date of birth; (iv) digital or electronic signature; (v) biometric data, including without limitation fingerprint, retina or iris image, or DNA profile; (vi) health insurance information (health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual’s application and claims history, including any appeals records); or (vii) medical information (any information regarding an individual’s medical history, mental, or physical condition, or medical treatment or medical treatment or diagnosis by a health care professional).

Outside Counsel will (i) hold all Confidential Information in confidence and not disclose Confidential Information to anyone (other than to its employees and third-party service providers, as necessary to perform services); (ii) protect Confidential Information against unauthorized access, use, disclosure, loss or alteration; (iii) comply with applicable privacy and confidentiality laws, rules and regulations, and (iv) maintain technological competence to ensure that Travelers’ Confidential Information is protected. If Outside Counsel becomes aware of any unauthorized access, use, disclosure, loss or alteration of any Confidential Information, Outside Counsel will promptly notify Travelers as described in Section 22.C. below and take such actions

as may be necessary or reasonably requested by Travelers to minimize the adverse effects and/or damages to Travelers and/or its insureds, customers and claimants. Outside Counsel will not use Confidential Information for any purpose other than as necessary for performance of the services. If Outside Counsel wishes to use Confidential Information for any purpose not expressly permitted hereunder, Outside Counsel must first seek Travelers' express prior written consent, which may be withheld in Travelers' sole discretion.

## **12. MEDIA CONTACT**

Outside Counsel must refer all media inquiries to Travelers relating to matters involving Travelers and/or its insureds or customers, unless otherwise specifically approved in advance by an authorised Travelers Representative. Outside counsel may not use Travelers' name or describe Travelers' matters in any identifiable way in marketing materials or public statements without Travelers' prior written consent.

## **13. WORK PRODUCT**

Where appropriate, Outside Counsel should forward all pleadings and any other substantive work product to Travelers early enough to enable consideration, comment and approval. Outside Counsel will provide all communications and documentation in connection with each engagement in electronic format unless the Travelers Representative requests a different format. Specifically, Outside Counsel will provide the Travelers Representative with an electronic copy of all final and complete memoranda, pleadings and other substantive work product. Outside Counsel is responsible for ensuring that its electronic communications with Travelers are transmitted in a secure manner at all times.

## **14. SETTLEMENTS AND ALTERNATIVE DISPUTE RESOLUTION**

Outside Counsel should identify settlement possibilities before extensive disclosure or other costly activity and report all settlement offers and demands immediately to the Travelers Representative and the insured(s)/clients(s), where applicable. Outside Counsel may not, however, enter into any settlement discussions or any final settlement agreement without Travelers' approval. Outside Counsel should consider and consult with the Travelers Representative regarding alternative dispute resolution options to resolve a matter.

## **15. JUDICIAL APPEALS**

Without the pre-approval of the Travelers Representative, Outside Counsel may not appeal an adverse judgment, file an interlocutory appeal or file a response to an appeal taken by another party. In all circumstances, however, Outside Counsel should protect Travelers' right of appeal pending a decision by Travelers.

## **16. WAIVER OF BARRISTER'S LIEN**

Retention of Outside Counsel by Travelers will constitute a waiver by Outside Counsel of any lien on files and documents relating to the matter, whether any such document was provided by

Travelers or a third party or provided by or created by Outside Counsel and on any amounts of money and property Outside Counsel may receive for Travelers in connection with the matter. Upon request, Outside Counsel will provide immediately to Travelers the file, documents, funds or property relating to the matter notwithstanding any unpaid invoices or other amounts owed to or claimed by Outside Counsel. Providing these items upon request will not constitute a waiver of any claim Outside Counsel might have for amounts owed to Outside Counsel in accordance with these Retention Terms.

## **17. RATE STRUCTURE AND FEES**

Travelers must agree in advance and in writing to the rate or amount it will pay for services. The rates charged Travelers shall be no higher than those which Outside Counsel charges its most favoured client in comparable circumstances. Outside Counsel must promptly make all adjustments to hourly rates and/or other rate agreements to comply with this requirement.

Travelers will not pay unreasonable fees for any work performed and will not pay any fees for:

eBilling system set up, invoice preparation, billing inquiries and/or review
Preparing auditor responses
Preparing line adjustment appeals on an invoice or other billing adjustment-related activities
Preparing budgets, unless necessary for effective case management, routine detailed summarizing of depositions and documents, including summarizing and digesting of depositions before trial is imminent
Any administrative or clerical work (e.g., scheduling, travel arrangements, opening/closing a file, copying, scanning, faxing of documents, filing, file indexing, document stamping, legal assistant or librarian work performed by any staff member of the Chambers, including secretarial staff, legal assistants, librarians, or pupil barristers)
Administrative work performed by pupil barristers or pupil barrister work performed by Barristers
Excessive review, proofing, editing of memoranda, motions, etc.
Review or organization of the file
Social media searches, unless approved in advance by the Travelers Representative, with the research results provided to Travelers
Research previously performed for other matters (only the initial matter may be billed for the research)
Reviewing/analysing conflicts
Chambers staff onboarding, training time, review or monitoring of work by Chambers staff

More than one (1) attendee at any deposition, meeting or hearing in all matters involving litigation, or more attendees than necessary at any meeting involving all other matters, unless discussed and agreed upon in advance in writing by a Travelers Representative
Late billing, which includes tasks performed or expenses incurred more than 60 days prior to the date the invoice was submitted to Travelers, unless otherwise preapproved by the Travelers Representative (as explained in more detail in Section 19 below)
Block billing or pattern billing
Staff overtime, meals, local transportation, etc.
Duplication caused by the staffing decisions
Staffing inefficiencies caused by the unavailability of personnel
Mini-pupil, intern, law clerk or legal assistant time
Brief routine assistance (including requests for information about judges, general local procedures and obtaining work previously prepared by the Chambers)
Research previously performed for other matters (only the initial matter may be billed for the research)
Travel Time (If, however, a timekeeper performs work on a Travelers matter while in transit, they should bill that time like any other activity.) Exceptions allowing timekeepers to charge for travel time will be rare and require documented pre-approval by the Travelers Representative.

## 18. EXPENSES

Unless otherwise agreed, Travelers will reimburse Outside Counsel for reasonable and necessary expenses and disbursements incurred on its behalf at actual cost (e.g., without mark-up over actual out-of-pocket cost). Outside Counsel will be required to submit receipts for expenses as required by Travelers. All bills must contain a summary of charges for each expense totaled by category.

Travelers will reimburse Outside Counsel for reasonable and necessary travel expenses, including coach airfare, hotel, car rental and meals, as may be reasonable under the circumstances and approved in advance by the Travelers Representative handling the matter. Where pre-approval of travel related expenses is granted by the Travelers Representative handling the matter, the travel-related expense receipts must be provided as part of the counsel's invoice documentation.

Outside Counsel will be reimbursed for approved auto mileage related to a Travelers retention that is incurred beyond a 25-mile one-way or 50-mile round-trip radius of Outside Counsel's local office, at 2.5 pence below the HMRC business mileage rate.

When calculating mileage owed, calculate the distance from the Chambers office to the destination. Once a trip has exceeded the threshold of 50-mile round-trip radius, mileage is

paid for the entire trip. For example, if a round trip is 100 miles, Travelers would pay the full 100 miles versus deducting the first 50 miles.

Date	Timekeeper	Description	Rate	Paid Amount
10/1/2023	Joe Bloggs	Mileage for travel to and from expert witness deposition in Manchester - 100 miles round trip. 100 miles is reimbursable.	£0.60 per mile for 2023	£60.00

Travelers will not pay for:

- Unreasonable use of air freight/courier/messengers.
- Processing of third party invoices.
- Overhead, including but not limited to: rent, equipment rental, utilities, computer equipment, software, reporters, books/periodicals, seminars, office supplies, postage, word processing or other computer charges (including computerized legal research vendor charges), faxes, non-barrister/non-pupil barrister staff (such as library staff), law clerks, summer associates, clerical services, routine photocopying or printing (except in unusual circumstances, such as a formal document production, patent file histories, large quantities of documents needed for litigation and if preapproved in writing by the Travelers Representative), telephone calls (mobile, local and long distance), local meals, taxi, ride share or car service, continuing legal education or any disbursement associated with client development.

If requested by the Travelers Representative, Outside Counsel is required to submit, by matter, an estimate of all services and disbursements to be billed for a given month, which will include the total amount of services and disbursements to be invoiced and such other additional information as the Travelers Representative may specify.

## **19. INVOICE SUBMISSION & APPEALS**

A statement for services rendered and disbursements incurred shall be electronically submitted monthly unless Outside Counsel is directed otherwise. All invoices are subject to review and approval by Travelers prior to final payment, which will be made either on a monthly or a quarterly basis, or otherwise based on agreement with Travelers. Outside Counsel should apply all amounts received from Travelers to the referenced invoices only.

One of Travelers' priorities is to ensure that Outside Counsel's invoices provide an accurate reflection of actual tasks performed on each particular matter, which are to be billed on a monthly basis. To achieve this objective, each invoice submitted must only include those tasks and disbursements incurred in a specific month. If Outside Counsel does not timely submit monthly bills, it can distort Travelers' budgeting and accounting process on both an individual and organizational level.

Therefore, barring unusual circumstances or pre-authorisation, both of which must be documented by the Travelers Representative, Travelers will not accept any invoice (or individual

charge line) for tasks or disbursements performed more than 60 days prior to the date the invoice was submitted to Travelers. This includes Outside Counsel's final bill on a matter.

Travelers reserves the right to reject any invoice that fails to conform to these instructions or these Retention Terms.

Moreover, Travelers will not pay under any circumstances any invoice (or individual charge line) or any disbursements with tasks performed more than 90 days prior to the date the invoice was submitted to Travelers.

Unless otherwise directed in connection with Travelers' electronic billing programme, every billing statement shall set forth:

Travelers contact, case or matter name and (if applicable) claim or file number
Billing period involved
The chambers' address and Company Registration Number
Detailed description of each task performed in single-activity time entries, including the most precise Uniform Task-Based Management System (UTBMS) code, the date it was performed and who performed it, the rate, the time expended and charged for each task
Billing in 0.1 hour increments (activities taking less than 0.1 hours should not be billed)
Fees or expenses requiring pre-approval, the name of the authorizer, and for expenses, a detailed itemization of each expense and supporting documentation/receipt
Summary showing the name, rate, total hours/charges, timekeeper level (e.g., barrister) of each individual whose tasks are being billed and total savings from discounts during (a) that period and (b) the life of the matter
Budget for the matter and the amount remaining in the budget after payment of all bills
Mini-pupillage, intern or law clerk time

When submitting the final bill on a matter, Outside Counsel is required to label or otherwise mark the bill as the final bill to enable Travelers to timely close the matter.

Generic descriptions such as the following are not acceptable for billing purposes: Generic descriptions such as the following are not acceptable for billing purposes: attention to matter, motion work, review case and issues, work on project or case conference, pleadings review, correspondence work on file arrangements, prepare for meeting, telephone call, work on discovery, discovery, receive/review documents, trial preparation, meeting, research analysis, update strategy.

If requested by the Travelers Representative, Outside Counsel is required to submit, by matter, an estimate of all services and disbursements to be billed for a given month, which will include the total amount of services and disbursements to be invoiced and such other additional information as the Travelers Representative may specify. Duplicate payments or any

overpayments are to be refunded immediately to Travelers and Travelers reserves the right to seek recovery from Outside Counsel for any overpayment it may have made regarding fees or expenses.

The submission of an invoice by Outside Counsel is considered an acknowledgement that it has been reviewed by appropriate supervisory personnel and that it fairly and accurately reflects the actual time worked and expenses incurred.

For all appeals of adjustments to invoices submitted through Travelers' eBilling programme. Outside Counsel must also submit the appeal electronically via Travelers' eBilling application. All appeals of invoice adjustments, whether through the eBilling programme or otherwise, must be submitted within 30 days of the date when Travelers approved the original invoice for payment. This includes Outside Counsel's final bill on a matter. Appeals for expenses must be accompanied by supporting documentation.

Travelers will not accept any invoice appeal that spans multiple months or any invoice appeal that is submitted more than 60 days from the original invoice approval date. Further, in no event will Travelers consider more than two appeals of the same adjusted invoice or charge(s).

Travelers reserves the right to reject any invoice that fails to conform to these instructions or these Retention Terms.

## **20. AUDIT RIGHTS**

Travelers may review and audit back-up documentation for any matter for which Outside Counsel is retained, including audit of litigation files and/or bill-related documents with the exception of any Outside Counsel privileged information or documents in a third-party matter where Travelers is not Outside Counsel's client. Travelers may share the results of any audit with Travelers' insureds and/or customers.

## **21. RECORD RETENTION**

Outside Counsel should retain all records pertaining to its engagements by Travelers for the time period required by law within the Chamber's practice jurisdiction(s) or three (3) years from date of Outside Counsel's final bill on a matter, whichever is longer. Travelers must also pre-approve any destruction of such records. If Travelers approves such destruction, Outside Counsel shall securely destroy or render unreadable all records pertaining to its engagements by Travelers.

## **22. SECURITY STANDARDS FOR BARRISTERS**

In connection with providing legal services to Travelers, Outside Counsel agrees to comply with the following Travelers Security Standards ("Security Standards") as part of these Retention Terms:

A. **Definitions.** As used in these Security Standards, the following definitions apply:

- (i) “Access and Use Rights” means the rights and limitations for accessing Outside Counsel Facilities, Outside Counsel Systems, or Confidential Information, including such rights and limitations with respect to Outside Counsel Personnel.
- (ii) “Data Protection Laws” means (a) the General Data Protection Regulation (EU 2016/679) (“GDPR”) and any implementing, derivative or related legislation, rule or regulation of the European Union; (b) the GDPR as transposed into United Kingdom national law by operation of section 3 of the European Union (Withdrawal) Act 2018 and as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 (“UK GDPR”); (c) the Privacy and Electronic Communications (EC Directive) Regulations 2003, together with any legislation which replaces it; and (d) at all times, any other data protection laws and regulations applicable in the United Kingdom or the European Union (as applicable).
- (iii) “Outside Counsel Facilities” means the facilities owned, operated or controlled by Outside Counsel or a third party retained by Outside Counsel, including facilities at which: (a) Outside Counsel Systems are located; or (b) Confidential Information is stored, processed or transmitted by Outside Counsel.
- (iv) “Outside Counsel Personnel” means Outside Counsel’s employees and subcontractors.
- (v) “Outside Counsel Systems” means the computer network and computing systems, equipment and devices owned, operated or controlled by Outside Counsel or a third party retained by Outside Counsel used to access, process, maintain or store Confidential Information.
- (vi) “Security Incident” means any unauthorized acquisition, destruction, modification, use, disclosure of or access to Confidential Information.

B. **Security Assessments and Audits.**

- (i) **Travelers Security Assessment.** Outside Counsel agrees that Travelers shall have the right to conduct a security assessment at least once every year upon reasonable notice. Outside Counsel will review vulnerabilities identified by each security assessment and will certify in writing its implementation of the appropriate corrective action to address the same.
- (ii) **Security Incident Investigations, Travelers Audit of Compliance with the Security Standards.** Upon becoming aware of any Security Incident, Outside Counsel shall provide Travelers with detailed information regarding the Security Incident and shall cooperate fully with Travelers in investigating and mitigating the adverse effects of such Security Incident. Outside Counsel shall permit Travelers, its auditors and regulators, to audit no more often than once per year (unless requested by Travelers in connection with any Security Incident or as otherwise required by Travelers’ regulators) Outside Counsel’s security practices, facilities, resources, plans, and procedures.

C. **Information Security Controls.**

- (i) **General Security Responsibilities.**

- a. Outside Counsel shall maintain and monitor a written information security programme that includes appropriate administrative, technical, physical, organizational and operational safeguards and other security measures to protect against reasonably anticipated threats to the confidentiality, integrity and/or security of Confidential Information and that satisfies Data Protection Laws at each location from which Outside Counsel provides services (“Programme”).
- b. Outside Counsel shall review and, as appropriate, revise the Programme (a) at least annually or whenever there is a material change in Outside Counsel’s business practices that may reasonably affect the security or integrity of Confidential Information and (b) in accordance with prevailing industry practices.
- c. If Outside Counsel (i) becomes aware of a breach of these Security Standards or any Outside Counsel Personnel exceeding their Access and Use Rights, (ii) is unable to comply with any part of the Security Standards, or (iii) reasonably believes that there has been a Security Incident, then Outside Counsel shall immediately notify Travelers within twenty-four hours by contacting Travelers’ Global Security Operations Center at US+866-385-0549. Travelers shall then be entitled (at its option) to suspend the transfer of Confidential Information and require Outside Counsel to cease using Confidential Information.

**(ii) Authentication.**

- a. Outside Counsel shall ensure that its technology platforms that access Confidential Information authenticate (verify) the identity of users (or remote systems) prior to initiating a session or transaction. Outside Counsel shall require at a minimum password authentication and shall enforce the use of strong passwords and password management practices that meet prevailing information security industry best practices. All Outside Counsel Personnel must be held accountable for all activity associated with the use of their User ID and password.
- b. All remote access to environment(s) containing Confidential Information must utilize a form of multi-factor authentication to authenticate users prior to initiating a session or otherwise providing access to the environment(s).

**(iii) Access Controls.**

- a. Outside Counsel shall use appropriate (based on the nature of the Confidential Information), fully documented and auditable access controls to access, store or otherwise process Confidential Information that comply with these Security Standards and Data Protection Laws, at a minimum:
  - 1) a formal user registration, identification and authentication process, including functionality that tracks users’ access to Confidential Information and includes strong passwords;
  - 2) limiting access to Confidential Information to the minimum number of Outside Counsel Personnel who require such access to provide services to Travelers;
  - 3) requiring managerial authorization for changing Access and Use Rights and access or use policies, procedures and controls;

- 4) requiring Outside Counsel Personnel who will be provided access to, or otherwise come into contact with, Confidential Information to protect such information in accordance with the requirements of these Security Standards;
  - 5) employing physical barriers and controls that prevent or mitigate against unauthorized physical access;
  - 6) prohibiting persons from sharing access authentications or establishing or using generic identifications; and
  - 7) employing automatic device locking mechanisms.
- b. All Outside Counsel Systems shall be located behind an information security industry standard backend firewall in a “secure zone” on a separate network from Outside Counsel’s Internet-facing web servers, and the network(s) containing Confidential Information will be protected from unauthorized access at all entry points.
  - c. Outside Counsel shall isolate all Confidential Information stored, maintained or processed in Outside Counsel Systems and/or Outside Counsel Facilities from data of any other parties stored, maintained or processed in Outside Counsel Systems and/or Outside Counsel Facilities, whether by use of separate and isolated database instances, separate secure folders or other equivalent technology.
  - d. Outside Counsel must implement a documented process to verify access privileges at least semi-annually.
  - e. Outside Counsel must document and implement a process to ensure its Access and Use Rights reflect changes in a user’s access status within twenty-four hours of the change. Outside Counsel will immediately terminate access rights for Outside Counsel Personnel: 1) who have left Outside Counsel’s organization, changed jobs, are no longer under contract, or are suspected of fraud, theft or any other violation of law; or 2) who have violated or exceeded Access and Use Rights.

**(iv) Encryption of Confidential Information.**

- a. Outside Counsel shall encrypt Confidential Information held at rest (both in storage and, where approved by Travelers, portable and backup media).
- b. If Travelers approves Outside Counsel’s use of any portable media to process, maintain, access, or store any Confidential Information, Outside Counsel shall encrypt all Confidential Information in such portable media.
- c. Outside Counsel must use information security industry standard encryption products and algorithms at all times, which must be updated by Outside Counsel as necessary to remain current. Outside Counsel shall safeguard the security and confidentiality of all encryption keys associated with encrypted Confidential Information.

**(v) Network Information Security.**

- a. All networks containing Confidential Information must be protected from unauthorized access at all entry points, including through network controls and safeguards necessary to monitor for, and prevent, leakage of Confidential Information from Outside Counsel Systems.

- b. Outside Counsel will prohibit the use of network data monitoring tools on Outside Counsel Systems, unless specifically approved by appropriate Outside Counsel management personnel. Any permitted use must be strictly monitored and controlled by Outside Counsel.
  - c. Outside Counsel shall ensure that all external IP connections are protected by a physical or virtual firewall or public cloud provider access controls that provide similar stateful protections. Outside Counsel shall monitor firewall logs for suspicious activity.
  - d. Outside Counsel Systems shall employ network intrusion prevention systems and/or network intrusion detection systems (as such terms are commonly understood in the information technology industry) to continually monitor and protect Outside Counsel Systems, and to detect, report, and ultimately terminate malicious network-based activity from both authorized and non-authorized sources. Outside Counsel shall implement applicable compensating controls if such system(s) fails for any reason.
  - e. Outside Counsel shall install, update and maintain anti-virus products on all microcomputers/PCs, LAN servers, and mail servers that access, process, maintain or store Confidential Information. Outside Counsel shall regularly scan computer devices and LAN servers for viruses/malware, minimally at power on and specifically before every backup. Outside Counsel shall implement additional information security industry standard safeguards against contamination including, but not limited to, enforcing the use of only approved software, scanning with current software all email, CDs and other electronic media received from outside sources for malicious code, and prohibiting the use of any unauthorized software on Outside Counsel Systems.
  - f. Outside Counsel shall apply security patches to network devices, PCs and servers of all types that are relevant to any Outside Counsel Systems in a timeframe appropriate to their risk level.
- (vi) **Outside Counsel Audit Trails.** Outside Counsel shall maintain a list of all Access and Use Rights and audit trails of their use, including logging and auditing of:
- a. Actions performed by information security administrators, systems operators, systems managers, system engineers and system administrators;
  - b. Actions performed using highly privileged system and security functions;
  - c. Emergency actions performed by support staff;
  - d. The date and time of the last successful login; and
  - e. The number of unsuccessful login attempts since the last successful login.
- (vii) **Violation Logging Management.** Outside Counsel must ensure that all Outside Counsel Systems have the ability to log and report specific incidents and all attempted violations of system security and must have an active Security Incident response process in place.

**D. Additional Protections for Personal Information and Special Personal Information.**

- (i) **Additional Encryption of Special Personal Information.** In addition to the encryption requirements imposed by Section 22.C.(iv) above, Outside Counsel shall encrypt, using industry standard encryption tools, all records and files containing Special Personal Information that Outside Counsel: (a) transmits or sends wirelessly or across public networks; (b) stores on laptops or storage media; and (c) stores on any device that is transported outside of Outside Counsel's physical or logical controls. Outside Counsel will safeguard the security and confidentiality of encryption keys associated with Special Personal Information.
- (ii) **Safeguards for Personal Information.** Outside Counsel shall (a) implement and maintain, and cause Outside Counsel Personnel to implement and maintain, appropriate administrative, physical and technical safeguards and controls to protect the confidentiality, security and integrity of Personal Information in accordance with the requirements of this agreement and applicable Data Protection Laws, monitor the effectiveness of such safeguards and controls, and update such safeguards and controls as necessary to maintain and improve their effectiveness for limiting risk to Personal Information; and (b) prevent the disclosure or use of Personal Information to third parties except (i) as may be expressly authorized or required by the applicable Data Protection Laws or (ii) to Outside Counsel Personnel, solely to the extent necessary to perform the services for Travelers. Outside Counsel has the right to access, transmit, monitor, retrieve, store and use the Personal Information only to perform the services for Travelers.
- (iii) **Off-shore Resources.** Outside Counsel shall not allow Outside Counsel Personnel located outside of the United Kingdom or the European Union ("Off-shore Resources") to access, directly or indirectly, any Personal Information without the prior written consent of Travelers. If Travelers agrees to permit Off-shore Resources to access Personal Information, such access and use shall be solely to the extent necessary to facilitate Outside Counsel's performance of the applicable services, and Outside Counsel shall not permit such Off-shore Resources to have the capability to print, save, store or otherwise retain or transmit any Personal Information to which they have been granted access. Outside Counsel agrees that if Travelers consents to Outside Counsel's disclosure of Personal Information to a third party, Outside Counsel will enter into a written agreement with the third party that includes obligations that are at least as broad in scope and restrictive as those under this agreement and these Security Standards. Outside Counsel shall remain at all times accountable and responsible for all actions by such third parties with respect to the disclosed Personal Information.
- (iv) **Security Incidents Involving Special Personal Information.** In the event of any actual, suspected or attempted Security Incident involving Special Personal Information, Outside Counsel shall (a) fully cooperate with Travelers in investigating and mitigating the adverse effects of each such Security Incident (b) provide Travelers with detailed information regarding the Security Incident, such as how and when such Security Incident occurred and what actions Outside Counsel has taken or is taking to remedy such Security Incident; (c) permit Travelers to have control over the means and content of any written or verbal response or notice relating to the Security Incident to individuals and authorities, including without limitation communication(s) with the press or other

media; (d) reimburse Travelers for remedial action associated with the Security Incident, including its costs of notifying any individuals and/or authorities of the Security Incident if Travelers, in its good faith judgment, considers notification necessary or, if requested by Travelers, provide such notice, at Outside Counsel's cost and expense; and (e) subject to sub-Section (c) above, comply promptly and fully with all notification requirements that apply to Outside Counsel. Unless required by law, Outside Counsel shall not notify any individual or any third party other than law enforcement of any potential Security Incident involving Special Personal Information without first consulting with, and obtaining the permission of, Travelers. Any unauthorized disclosure or use of Special Personal Information connected directly or indirectly with the performance of Outside Counsel's obligations under this agreement will constitute a material breach of this agreement by Outside Counsel, permitting Travelers to immediately terminate this agreement or the services without obligation, liability, or penalty of any kind.

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Matter-specific questions related to these Retention Terms should be directed to the Travelers Representative handling the matter. Any generic questions should be directed to [LRMCOMMS@travelers.com](mailto:LRMCOMMS@travelers.com). Technical questions related to Travelers Security Standards should be directed to [ContractSecurityAdvisors@travelers.com](mailto:ContractSecurityAdvisors@travelers.com).

Travelers reserves the right to amend these Retention Terms at any time.

Agreement: I have read and understand these Retention Terms and I, my Chambers and all staff who work on Travelers matters will adhere to these Retention Terms for Barristers.

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Lead Barrister Name, Title, Email and Phone Number

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Chambers Name

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Signature

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Date

**TRAVELERS CLAIM – UNITED KINGDOM & EUROPE RETENTION AND BILLING  
TERMS AND CONDITIONS FOR EXTERNAL SOLICITORS**

**Effective 1 August 2023**

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**1. RETENTION**

These Retention and Billing Terms and Conditions for External Solicitors (“Retention Terms”) are applicable to all engagements by authorised representatives (collectively, “Travelers Representatives” or individually, the “Travelers Representative”) of The Travelers Companies, Inc. and its subsidiaries (“Travelers”) of any Solicitor and firms as External Solicitors representing Travelers or an insured or customer of Travelers (“External Solicitor(s)”). These Retention Terms will also apply to External Solicitors retained on an hourly rate by our Ireland operation (Travelers Insurance Company Limited - Ireland). These Retention Terms are intended

to promote optimal matter outcomes and strengthen External Solicitors' relationships with Travelers and its insureds and customers.

Note that the business area that retains External Solicitors may have additional requirements beyond those set forth herein.

Upon Travelers' request, an External Solicitor will execute an engagement letter with Travelers, which may identify the lead Solicitor(s) within Travelers and External Solicitor's firm, specific Solicitors authorised to work on the matter, applicable hourly rates or other fee structures and other information that may be required. At all times, these Retention Terms and Travelers' engagement letter (if any) will supersede any engagement letters provided to Travelers by an External Solicitor. Unilateral modification to these Retention Terms by an External Solicitor is not permissible. In addition, such will take precedence over any terms contained in a Law Firm's Client Care letter, as applicable.

By agreeing to represent Travelers or an insured or customer of Travelers, External Solicitors agree to conduct the representation consistent with these Retention Terms and all applicable laws, ethical obligations and Rules of Professional Conduct. A copy of these Retention Terms should be provided to all Solicitors and billing staff involved in the engagement before any work begins. It is External Solicitor's responsibility to ensure that its Solicitors and staff are operating under the most recent version of these Retention Terms and its CounselLink® profile is current. External Solicitors must also immediately notify Travelers by emailing [LRMCOMMS@travelers.com](mailto:LRMCOMMS@travelers.com) regarding any firm changes, including but not limited to firm name, unique taxpayer reference (UTR) and/or company registration number (CRN) and physical location(s). Any waiver from these Retention Terms must be in writing and signed by a Travelers Representative authorised to grant such waivers.

In selecting and evaluating External Solicitors, Travelers strives to obtain high quality legal representation that produces the best possible results and use legal resources in the most efficient and cost-effective manner. Managing costs is a high priority and Travelers expects External Solicitors to use best efforts in assisting Travelers to appropriately achieve this objective.

Nothing in these Retention Terms will preclude Travelers from exercising its rights to review the terms and conditions of these Retention Terms, either wholly or in part, at any time in the future.

Additionally, one of External Solicitors' highest priorities should be understanding Travelers' strategic position and objectives in handling of matters. Therefore, an External Solicitor is expected to:

- Staff the matter with lawyers and paralegals who possess appropriate expertise based on the matter's complexity, amount in dispute and/or coverage issue(s), and knowledge of the jurisdictional laws, judges and lawyers involved. See Section 8 below for related guidance.
- Unless the Travelers Representative instructs an External Solicitor that a budget is not needed, provide an appropriate initial budget forecast based on information available and

timely update it based on new or unforeseeable factual or legal developments. See Section 10 below for related guidance.

- Offer strategic, proactive and cost-effective ways to resolve legal and factual issues to achieve the intended outcome including, as appropriate, skilled handling and optimal results through alternative dispute resolution. See Section 9 below for related guidance.
- For litigated matters, if requested, develop a case valuation and update it if a material change prompts re-evaluation.
- Identify key issues and provide accurate advice and recommendations focused on strategic goals.
- Produce quality written work product.
- If applicable, demonstrate quality oral advocacy skills.
- For litigated matters, strategic use of disclosure (document production and depositions).
- If applicable, demonstrate quality trial skills.
- Achieve an outcome consistent with agreed strategic goals and resolution plan.
- Maintain a claimant's mindset on matters where Travelers is claimant in litigated matters.

## **2. ELECTRONIC BILLING**

Where directed to do so, External Solicitors must participate in the Travelers' electronic billing (eBilling) programme (including submitting invoices, invoice appeals and/or accepting payments electronically or in such manner or format required by Travelers), at no additional cost to Travelers.

## **3. TRAVELERS' INSUREDS AND CUSTOMERS**

For all purposes hereof, the terms "insured" and/or "customer" refer to an entity or person for whom Travelers is providing a legal defence whether under a reservation of rights or not. These Retention Terms shall not apply to any retention of External Solicitors to represent an insured or customer when these Retention Terms conflict with: i) the law of the controlling jurisdiction with respect to the retention by an insurance company of counsel to represent its insureds or customers; ii) any agreement (in the insurance policy or any other applicable agreement) between the insured or customer and Travelers; or iii) any agreement between Travelers and other insurers of the insured or customer. Moreover, nothing in these Retention Terms are intended to interfere with the exercise of External Solicitors' independent professional judgment or to restrict External Solicitors from properly representing Travelers or, where applicable, Travelers' insureds or customers.

If an External Solicitor is engaged to represent a Travelers' insured or customer, nothing contained herein shall diminish their obligation to that Travelers' insured or customer. Although Travelers believes that the terms contained herein are consistent with that obligation, individual circumstances may arise in which a requirement of these Retention Terms arguably conflicts with an External Solicitor's obligation to a Travelers' insured or customer. External Solicitors

shall disregard any Retention Terms requirement that is in conflict with an External Solicitor's obligation to such insured or customer. External Solicitor shall provide prompt written notice of any conflict believed to exist between these Retention Terms and its obligation to Travelers and/or a Travelers' insured or customer and such notice, where possible, shall occur prior to any deviation from the Retention Terms provision in question.

The quality of the service provided by Travelers is what sets us apart from our competitors and is what gives Travelers' existing and potential customers reason to want to do business with us. Representation of a Travelers' insured or customer is both a reflection on an External Solicitor, and on Travelers itself, and thus External Solicitors shall represent a Travelers insured or customer with the highest levels of integrity, professionalism, courtesy, and respect.

#### **4. DIVERSITY**

Travelers is dedicated to supporting and advancing its commitment to diversity. We believe that diversity represents a competitive advantage in today's business and legal environment. By appreciating differences and encouraging the active and full participation of people of every culture, ethnicity, national origin, race, colour, religion, gender, age, disability and sexual orientation in our business processes, we will make better decisions, build more positive relationships and strengthen our opportunities for success by bringing together the best of the best, regardless of background. In connection with the foregoing, we encourage External Solicitors to provide maximum opportunities for qualified diverse personnel and third-party vendors to participate in work on behalf of Travelers. Travelers may also require External Solicitors to provide and update diversity-related information, including but not limited to, timekeepers working on Travelers matters through Travelers' eBilling programme or other means.

#### **5. CONFLICTS OF INTEREST**

External Solicitors shall undertake a thorough search for actual and/or potential conflicts of interest immediately after being contacted to represent Travelers or a Travelers' insured or customer and should not bill Travelers for the conflict check. For purposes of evaluating conflicts of interest, External Solicitors should treat all companies falling within the definition of "Travelers" above as the client and as constituting one entity. The conflicts check should encompass all External Solicitor's lawyers and offices.

Any and all conflicts must be disclosed in writing to the Travelers Representative handling the matter at the time of the engagement or as soon as each conflict becomes known. The firm shall not undertake or continue any representation of Travelers or a Travelers' insured or customer until the conflict has been addressed with the Travelers Representative and the insured or customer, if applicable, and either resolved or expressly waived, in writing, by an authorized authorised Travelers Representative or the insured or customer. Having undertaken representation of Travelers, External Solicitors should avoid any subsequent conflicts, except to the extent any such conflict has been addressed in accordance with these Retention Terms. Travelers does not grant prospective conflict of interest waivers.

## **6. EXTERNAL SOLICITOR CONDUCT STANDARDS, SEC AND SARBANES-OXLEY REPORTING**

During the course of External Solicitors' representation of Travelers, External Solicitors may have access to information regarding Travelers and its operations. If External Solicitors should discover evidence of material violations of the law by Travelers or its officers, directors, employees or other individuals or entities acting on Travelers' behalf, External Solicitors agree to promptly notify a Travelers' Representative and otherwise comply with External Solicitors' regulatory reporting obligations including, where applicable, under Section 307 of the Sarbanes-Oxley Act of 2002 and the related rules of the Securities and Exchange Commission.

External Solicitors should also adhere to all applicable professional standards and immediately notify the Travelers Representative if disciplinary action is taken against any External Solicitor within their firm who has worked or is working on any active Travelers matter.

## **7. INSURANCE COVERAGE**

Throughout the term of each engagement and the applicable statute of limitations, External Solicitors shall maintain, at its sole cost and expense, Professional Liability coverage. The required minimum per loss and aggregate limits are five million pounds sterling (£5,000,000.00) or the currency equivalent or higher, depending on the line of business, or the minimum limits of indemnity required by applicable law or regulation covering Errors and Omissions of External Solicitors and their subcontractors in providing or failing to provide the services, effective at all locations where External Solicitors may perform any services for Travelers or its insureds or customers.

External Solicitors must also obtain upon being retained to represent Travelers and/or its insured or customers, cyber risk coverage, including breach response, extortion, cybercrime, and business interruption, with a minimum per loss and aggregate limit of two million pounds sterling (£2,000,000.00), and which includes both third-party liability and first-party coverage. Travelers reserves the right to require a higher coverage amount based on factors including a law firm's size and/or the volume of Travelers matters that it handles.

## **8. STAFFING**

At the outset of each engagement, an External Solicitor and the Travelers Representative will discuss how the matter will be staffed and agree on the applicable billing rates and/or fee structures.

The seniority of External Solicitors must be appropriate, reasonable, necessary and based on the complexity of the matter. The Travelers Representative will evaluate the degree to which internal Travelers resources, including in-house lawyers, support staff, fraud resources and/or the Compensation Recovery Unit ("CRU"), may be used to meet the project's requirements (e.g., legal research, organization of files, depositions and witness interviews.) No research may be carried out without express prior authorisation.

Only one (1) partner, one (1) associate and one (1) paralegal, should work on a matter, unless otherwise authorised in advance by the Travelers Representative.

The Travelers Representative and External Solicitors should collaborate and agree on initial staffing of a matter to ensure that the staffing is optimal and may reevaluate staffing and make appropriate changes as warranted. The Travelers Representative and External Solicitors should work together to ensure continuity in staffing. External Solicitors should also assign the appropriate level of legal talent to a matter. If it becomes necessary to replace a Solicitor or paralegal working on a matter, any time spent to bring the replacement “up to speed” should not be included in the billing.

Further, firms that choose not to employ paralegals must bill all paralegal activity at the approved paralegal rate; paralegal tasks should not be billed at partner or associate rates.

To avoid unnecessary travel expenses, External Solicitors should use best efforts to staff matters with timekeepers from the nearest firm office when travel is anticipated and/or use remote, video or other technology wherever appropriate and available.

## **9. COMMUNICATION, STRATEGY AND REPORTING**

External Solicitors’ highest priorities include implementing legal strategies consistent with Travelers’ objectives and appropriately communicating and reporting as part of handling of a matter. Specifically, External Solicitors are expected to:

- Treat the insured/client and Travelers Representative with respect and professionalism.
- Confer and schedule an initial conference with the Travelers Representative upon receipt of a matter assignment to discuss strategy, budget, appropriate staffing, and, for litigated matters, oral and written disclosures, expert retention, etc.
- Timely evaluate the matter and develop a resolution-based plan aligned with strategic goals.
- Timely communicate regarding important developments and scheduled events (e.g. motion deadlines, trials or settlement conferences), and
- Timely share appropriate communications, legal documents and other information. Timely communication is important partly to allow Travelers enough notice to arrange for a Travelers Representative to attend events and/or for planning, public disclosure or other purposes.

## **10. BUDGET**

Unless instructed otherwise by a Travelers representative, External Solicitors must promptly submit a budget, estimating fees and costs and including any such additional information that Travelers may require and timely update it based on new or unforeseen factual or legal developments. At a minimum, the budget will include principal assumptions, identify specific phases and their cost, and specify applicable billing rates. Any changes to the rate or fee

structure agreed to at the start of a matter requires Travelers' express, written approval. Budget preparation is non-compensable. Note that the business area that retains External Solicitors may have additional requirements with respect to the budget form and how to submit a budget (e.g., through the eBilling program).

## **11. RETENTION OF OTHER PROFESSIONAL SERVICES**

Travelers must pre-approve retention of any third-party service providers, including associate or local counsel, printers, accountants, consultants, experts and providers of forensic, e-discovery or other services, including document handling services. All local counsel retained by External Solicitors should receive a copy of these Terms and Conditions and comply with them. External Solicitors should consult with the Travelers Representative regarding the availability of preferred or contractual rates prior to retention of these lawyers or vendors. Travelers reserves the right to directly retain any third-party providers or direct External Solicitors to retain such service providers as Travelers may designate from time to time. If consistent with an approved budget, External Solicitors will pay all applicable third-party provider fees. In all other cases, External Solicitors must bill Travelers for all third-party provider services, with no mark-up, by submitting invoices to Travelers for approval and payment consistent with these Retention Terms. In regard to all instructions ensuing from Travelers Insurance Company Limited - Ireland, Travelers request that our preferred panel of barristers be retained. Any deviation from our preferred panel of barristers requires prior approval by the Travelers Representative.

## **12. CONFIDENTIAL INFORMATION**

External Solicitor acknowledges that, in performing services hereunder, it may have access to non-public, competitively sensitive, privileged or proprietary information disclosed by or on behalf of Travelers, its insureds, customers, agents, brokers and/or claimants, including, without limitation, any information that is or could be personally identifiable to an individual (collectively, "Confidential Information").

Confidential Information includes both Personal Information and Special Personal Information. "Personal Information" means (i) information identifying or personally identifiable to Travelers' or its affiliates' former, present and prospective employees, insureds, agents, suppliers, and financial and insurance services customers and/or claimants, (ii) and information relating to individuals that is considered sensitive and may be subject to more stringent legal protections ("Special Personal Information").

Special Personal Information is a type of Personal Information and shall include, without limitation: (a) passport, visa, alien registration, or other identification number assigned for immigration purposes; (b) driver's license number, national identification card number, state or provincial identification card number, or other government-issued identification number; (c) an individual's name (including first initial and last name) in combination with an individual's card number, routing number, passcode, or personal identification number (PIN) for a checking or savings account, investment account, personal or company-sponsored credit or debit card, or any other financial account; (d) a user name or email address, in combination with any password or

security question and answer that would permit access to an online account; (e) an individual's name (including first initial and last name) or a unique identification number in combination with race, religion, ethnicity, medical or health information, background check information or sexual orientation; or (f) information that is capable of being associated with a particular individual through one or more of the following identifiers: (i) access code or password for an information system, including without limitation information response(s) to any system security challenge; (ii) mother's maiden name; (iii) date of birth; (iv) digital or electronic signature; (v) biometric data, including without limitation fingerprint, retina or iris image, or DNA profile; (vi) health insurance information (health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual's application and claims history, including any appeals records); or (vii) medical information (any information regarding an individual's medical history, mental, or physical condition, or medical treatment or medical treatment or diagnosis by a health care professional).

External Solicitor will (i) hold all Confidential Information in confidence and not disclose Confidential Information to anyone (other than to its employees and third-party service providers, as necessary to perform services); (ii) protect Confidential Information against unauthorized access, use, disclosure, loss or alteration; (iii) comply with applicable privacy and confidentiality laws, rules and regulations, and (iv) maintain technological competence to ensure that Travelers' Confidential Information is protected. If External Solicitor becomes aware of any unauthorized access, use, disclosure, loss or alteration of any Confidential Information, External Solicitor will promptly notify Travelers as described in Section 23.C. below and take such actions as may be necessary or reasonably requested by Travelers to minimize the adverse effects and/or damages to Travelers and/or its insureds, customers and claimants. External Solicitor will not use Confidential Information for any purpose other than as necessary for performance of the services. If External Solicitor wishes to use Confidential Information for any purpose not expressly permitted hereunder, External Solicitor must first seek Travelers' express prior written consent, which may be withheld in Travelers' sole discretion.

### **13. MEDIA CONTACT**

External Solicitors must refer all media inquiries to Travelers relating to matters involving Travelers and/or its insureds or customers, unless otherwise specifically approved in advance by an authorized Travelers Representative. External Solicitors may not use Travelers' name or describe Travelers' matters in any identifiable way in marketing materials, social media, websites, or public statements without Travelers' prior written consent.

### **14. WORK PRODUCT**

Where appropriate, External Solicitors should forward all pleadings and any other substantive work product to Travelers early enough to enable consideration, comment and approval. External Solicitors will provide all communications and documentation in connection with each engagement in electronic format unless the Travelers Representative requests a different format. Specifically, External Solicitors will provide the Travelers Representative with an electronic copy of all final and complete memoranda, pleadings and other substantive work product.

External Solicitors are responsible for ensuring that its electronic communications with Travelers are transmitted in a secure manner at all times.

## **15. SETTLEMENTS AND ALTERNATIVE DISPUTE RESOLUTION**

External Solicitors should identify settlement possibilities before extensive disclosure or other costly activity and report all settlement offers and demands immediately to the Travelers Representative and the insured(s)/clients(s), where applicable. External Solicitors may not, however, enter into any settlement discussions or any final settlement agreement without Travelers' approval. External Solicitors should consider and consult with the Travelers Representative regarding alternative dispute resolution options to resolve a matter.

## **16. JUDICIAL APPEALS**

Without the pre-approval of the Travelers Representative, External Solicitors may not appeal an adverse judgment, file an interlocutory appeal or file a response to an appeal taken by another party. In all circumstances, however, External Solicitors should protect Travelers' right of appeal pending a decision by Travelers.

## **17. WAIVER OF SOLICITOR'S LIEN**

Retention of an External Solicitor by Travelers will constitute a waiver by the External Solicitor of any lien on files and documents relating to the matter, whether any such document was provided by Travelers or a third party or provided by or created by the External Solicitor and on any amounts of money and property the External Solicitor may receive for Travelers in connection with the matter. Upon request, an External Solicitor will provide immediately to Travelers the file, documents, funds or property relating to the matter notwithstanding any unpaid invoices or other amounts owed to or claimed by the External Solicitor. Providing these items upon request will not constitute a waiver of any claim the External Solicitor might have for amounts owed to them in accordance with these Retention Terms.

## **18. RATE STRUCTURE AND FEES**

Travelers must agree in advance and in writing to the rate or amount it will pay for services. The rates charged Travelers shall be no higher than those which an External Solicitor charges its most favoured client in comparable circumstances. External Solicitors must promptly make all adjustments to hourly rates and/or other rate agreements to comply with this requirement.

Travelers will not pay unreasonable fees for any work performed and will not pay any fees for:

eBilling system set up, invoice preparation, billing inquiries and/or review
Preparing auditor responses
Preparing line adjustment appeals on an invoice or other billing adjustment-related activities

Preparing budgets, unless necessary for effective case management, routine detailed summarizing of depositions and documents, including summarizing and digesting of depositions before trial is imminent
Any administrative or clerical work (e.g., scheduling, travel arrangements, opening/closing a file, copying, scanning, faxing of documents, filing, file indexing, document stamping, legal assistant or librarian work performed by any staff member of the firm, including secretarial staff, legal assistants, librarians, or paralegals)
Administrative work performed by associates or paralegal or External Solicitors
Excessive review, proofing, editing of memoranda, motions, etc.
Review or organization of the file
Research (including computerized research and social media searches), unless approved in advance by the Travelers Representative, with the research results provided to Travelers
Research previously performed for other matters (only the initial matter may be billed for the research)
Reviewing/analysing conflicts
Law firm staff onboarding, training time, review or monitoring of work by law firm staff
More than one (1) attendee at any deposition, meeting or hearing in all matters involving litigation, or more attendees than necessary at any meeting involving all other matters, unless discussed and agreed upon in advance in writing by a Travelers Representative
Late billing, which includes tasks performed or expenses incurred more than 60 days prior to the date the invoice was submitted to Travelers, unless otherwise preapproved by the Travelers Representative (as explained in more detail in Section 19 below).
Block billing or pattern billing
Staff overtime, meals, local transportation, etc.
Duplication caused by the staffing decisions
Staffing inefficiencies caused by the unavailability of personnel
Summer associate, intern, law clerk or legal assistant time
Brief routine assistance (including requests for information about judges, general local procedures and obtaining work previously prepared by the firm)
Research previously performed for other matters (only the initial matter may be billed for the research)

Travel Time (If, however, a timekeeper performs work on a Travelers matter while in transit, they should bill that time like any other activity.) Exceptions allowing timekeepers to charge for travel time will be rare and require documented pre-approval by the Travelers Representative.

## 19. EXPENSES

Unless otherwise agreed, Travelers will reimburse External Solicitors for reasonable and necessary expenses and disbursements incurred on its behalf at actual cost (e.g., without mark-up over actual out-of-pocket cost). External Solicitors will be required to submit receipts for expenses as required by Travelers. All bills must contain a summary of charges for each expense totaled by category.

Travelers will reimburse External Solicitors for reasonable and necessary travel expenses, including coach airfare, hotel, car rental and meals, as may be reasonable under the circumstances and approved in advance by the Travelers Representative handling the matter. Where pre-approval of travel related expenses is granted by the Travelers Representative handling the matter, the travel-related expense receipts must be provided as part of the counsel's invoice documentation.

External Solicitors will be reimbursed for approved auto mileage related to a Travelers retention that is incurred beyond a 25-mile one-way or 50-mile round-trip radius of External Solicitor's local office, at 2.5 pence below the HMRC business mileage rate.

When calculating mileage owed, calculate the distance from the firm office to the destination. Once a trip has exceeded the threshold of 50-mile round-trip radius, mileage is paid for the entire trip. For example, if a round trip is 100 miles, Travelers would pay the full 100 miles versus deducting the first 50 miles.

Example:

Date	Timekeeper	Description	Rate	Paid Amount
10/1/2023	Joe Bloggs	Mileage for travel to and from expert witness deposition in Manchester - 100 miles round trip. 100 miles is reimbursable.	£0.60 per mile for 2023	£60.00

Travelers will not pay for:

- Unreasonable use of air freight/courier/messengers.
- Processing of third party invoices.
- Overhead, including but not limited to: rent, equipment rental, utilities, computer equipment, software, reporters, books/periodicals, seminars, office supplies, postage, word processing or other computer charges (including computerized legal research vendor charges), faxes, non-Solicitor/non-pupil solicitor staff (such as library staff), law clerks, summer associates, clerical services, routine photocopying or printing (except in unusual circumstances, such as

a formal document production, patent file histories, large quantities of documents needed for litigation and if preapproved in writing by the Travelers Representative), telephone calls (cellular, local and long distance), local meals, taxi, ride share or car service, continuing legal education or any disbursement associated with client development.

If requested by the Travelers Representative, External Solicitors are required to submit, by matter, an estimate of all services and disbursements to be billed for a given month, which will include the total amount of services and disbursements to be invoiced and such other additional information as the Travelers Representative may specify.

## **20. INVOICE SUBMISSION & APPEALS**

A statement for services rendered and disbursements incurred shall be electronically submitted monthly unless External Solicitors are directed otherwise. All invoices are subject to review and approval by Travelers prior to final payment, which will be made either on a monthly or a quarterly basis, or otherwise based on agreement with Travelers. External Solicitors should apply all amounts received from Travelers to the referenced invoices only.

One of Travelers' priorities is to ensure that External Solicitors' invoices provide an accurate reflection of actual tasks performed on each particular matter, which are to be billed on a monthly basis. To achieve this objective, each invoice submitted must only include those tasks and disbursements incurred in a specific month. If External Solicitors do not timely submit monthly bills, it can distort Travelers' budgeting and accounting process on both an individual and organizational level.

Therefore, barring unusual circumstances or pre-authorisation, both of which must be documented by the Travelers Representative, Travelers will not accept any invoice (or individual charge line) for tasks or disbursements performed more than 60 days prior to the date the invoice was submitted to Travelers. This includes External Solicitors' final bill on a matter. Travelers reserves the right to reject any invoice that fails to conform to these instructions or these Retention Terms.

Moreover, Travelers will not pay under any circumstances any invoice (or individual charge line) or any disbursements with tasks performed more than 90 days prior to the date the invoice was submitted to Travelers.

Unless otherwise directed in connection with Travelers' electronic billing programme, every billing statement shall set forth:

Travelers contact, case or matter name and (if applicable) claim or file number
Billing period involved
External Solicitor's address and company registration number
Detailed description of each task performed in single-activity time entries, including the most precise UTBMS code, the date it was performed and who performed it, the rate, the time expended and charged for each task

Billing in 0.1 hour increments (activities taking less than 0.1 hours should not be billed)
Fees or expenses requiring pre-approval, the name of the authorizer, and for expenses, a detailed itemization of each expense and supporting documentation/receipt
Summary showing the name, rate, total hours/charges, timekeeper level (e.g., solicitor) of each individual whose tasks are being billed and total savings from discounts during (a) that period and (b) the life of the matter
Budget for the matter and the amount remaining in the budget after payment of all bills
Para-legal, intern or law clerk time

When submitting the final bill on a matter, External Solicitors are required to label or otherwise mark the bill as the final bill to enable Travelers to timely close the matter.

Generic descriptions such as the following are not acceptable for billing purposes: Generic descriptions such as the following are not acceptable for billing purposes: attention to matter, motion work, review case and issues, work on project or case conference, pleadings review, correspondence work on file arrangements, prepare for meeting, telephone call, work on discovery, discovery, receive/review documents, trial preparation, meeting, research analysis, update strategy.

If requested by the Travelers Representative, External Solicitors are required to submit, by matter, an estimate of all services and disbursements to be billed for a given month, which will include the total amount of services and disbursements to be invoiced and such other additional information as the Travelers Representative may specify.

Duplicate payments or any overpayments are to be refunded immediately to Travelers and Travelers reserves the right to seek recovery from an External Solicitor for any overpayment it may have made regarding fees or expenses.

The submission of an invoice by External Solicitors is considered an acknowledgement that it has been reviewed by appropriate supervisory personnel and that it fairly and accurately reflects the actual time worked and expenses incurred.

For all appeals of adjustments to invoices submitted through Travelers' eBilling programme. External Solicitors must also submit the appeal electronically via Travelers' eBilling application. All appeals of invoice adjustments, whether through the eBilling programme or otherwise, must be submitted within 30 days of the date when Travelers approved the original invoice for payment. This includes External Solicitors' final bill on a matter. Appeals for expenses must be accompanied by supporting documentation.

Travelers will not accept any invoice appeal that spans multiple months or any invoice appeal that is submitted more than 60 days from the original invoice approval date. Further, in no event will Travelers consider more than two appeals of the same adjusted invoice or charge(s).

Travelers reserves the right to reject any invoice that fails to conform to these instructions or these Retention Terms.

## **21. AUDIT RIGHTS**

Travelers may review and audit back-up documentation for any matter for which an External Solicitor is retained, including audit of litigation files and/or bill-related documents with the exception of any External Solicitor privileged information or documents in a third-party matter where Travelers is not External Solicitor's client. Travelers may share the results of any audit with Travelers' insureds and/or customers.

## **22. RECORD RETENTION**

External Solicitors should retain all records pertaining to their engagements by Travelers for the time period required by law within the firm's practice jurisdiction(s) or three (3) years from date of External Solicitors' final bill on a matter, whichever is longer. Travelers must also pre-approve any destruction of such records. If Travelers approves such destruction, External Solicitors shall securely destroy or render unreadable all records pertaining to their engagements by Travelers.

## **23. SECURITY STANDARDS FOR EXTERNAL SOLICITORS**

In connection with providing legal services to Travelers External Solicitors agree to comply with the following Security Standards ("Security Standards") as part of these Retention Terms:

**A. Definitions.** As used in these Security Standards, the following definitions apply:

- (i) "Access and Use Rights" means the rights and limitations for accessing External Solicitor Facilities, External Solicitor Systems, or Confidential Information, including such rights and limitations with respect to External Solicitor Personnel.
- (ii) "Data Protection Laws" means (a) the General Data Protection Regulation (EU 2016/679) ("GDPR") and any implementing, derivative or related legislation, rule or regulation of the European Union; (b) the GDPR as transposed into United Kingdom national law by operation of section 3 of the European Union (Withdrawal) Act 2018 and as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 ("UK GDPR"); (c) the Privacy and Electronic Communications (EC Directive) Regulations 2003, together with any legislation which replaces it; and (d) at all times, any other data protection laws and regulations applicable in the United Kingdom or the European Union (as applicable).
- (iii) "External Solicitor Facilities" means the facilities owned, operated or controlled by External Solicitor or a third party retained by External Solicitor, including facilities at which: (a) External Solicitor Systems are located; or (b) Confidential Information is stored, processed or transmitted by External Solicitor.
- (iv) "External Solicitor Personnel" means External Solicitor's employees and subcontractors.

- (v) “External Solicitor Systems” means the computer network and computing systems, equipment and devices owned, operated or controlled by External Solicitor or a third party retained by External Solicitor used to access, process, maintain or store Confidential Information.
- (vi) “Security Incident” means any unauthorized acquisition, destruction, modification, use, disclosure of or access to Confidential Information.

#### **B. Security Assessments and Audits.**

- (i) **Travelers Security Assessment.** External Solicitor agrees that Travelers shall have the right to conduct a security assessment at least once every year upon reasonable notice. External Solicitor will review vulnerabilities identified by each security assessment and will certify in writing its implementation of the appropriate corrective action to address the same.
- (ii) **Security Incident Investigations, Travelers Audit of Compliance with the Security Standards.** Upon becoming aware of any Security Incident, External Solicitor shall provide Travelers with detailed information regarding the Security Incident and shall cooperate fully with Travelers in investigating and mitigating the adverse effects of such Security Incident. External Solicitor shall permit Travelers, its auditors and regulators, to audit no more often than once per year (unless requested by Travelers in connection with any Security Incident or as otherwise required by Travelers’ regulators) External Solicitor’s security practices, facilities, resources, plans, and procedures.

#### **C. Information Security Controls.**

##### **(i) General Security Responsibilities.**

- a. External Solicitor shall maintain and monitor a written information security programme that includes appropriate administrative, technical, physical, organizational and operational safeguards and other security measures to protect against reasonably anticipated threats to the confidentiality, integrity and/or security of Confidential Information and that satisfies Data Protection Laws at each location from which External Solicitor provides services (“Programme”).
- b. External Solicitor shall review and, as appropriate, revise the Programme (a) at least annually or whenever there is a material change in External Solicitor’s business practices that may reasonably affect the security or integrity of Confidential Information and (b) in accordance with prevailing industry practices.
- c. If External Solicitor (i) becomes aware of a breach of these Security Standards or any External Solicitor Personnel exceeding their Access and Use Rights, (ii) is unable to comply with any part of the Security Standards, or (iii) reasonably believes that there has been a Security Incident, then External Solicitor shall immediately notify Travelers within twenty-four hours by contacting Travelers’ Global Security Operations Center at US+866-385-0549. Travelers shall then be entitled (at its option) to suspend the transfer of Confidential Information and require External Solicitor to cease using Confidential Information.

##### **(ii) Authentication.**

- a. External Solicitor shall ensure that its technology platforms that access Confidential Information authenticate (verify) the identity of users (or remote systems) prior to initiating a session or transaction. External Solicitor shall require at a minimum password authentication and shall enforce the use of strong passwords and password management practices that meet prevailing information security industry best practices. All External Solicitor Personnel must be held accountable for all activity associated with the use of their User ID and password.
- b. All remote access to environment(s) containing Confidential Information must utilize a form of multi-factor authentication to authenticate users prior to initiating a session or otherwise providing access to the environment(s).

**(iii) Access Controls.**

- a. External Solicitor shall use appropriate (based on the nature of the Confidential Information), fully documented and auditable access controls to access, store or otherwise process Confidential Information that comply with these Security Standards and Data Protection Laws, at a minimum:
  - 1) a formal user registration, identification and authentication process, including functionality that tracks users' access to Confidential Information and includes strong passwords;
  - 2) limiting access to Confidential Information to the minimum number of External Solicitor Personnel who require such access to provide services to Travelers;
  - 3) requiring managerial authorization for changing Access and Use Rights and access or use policies, procedures and controls;
  - 4) requiring External Solicitor Personnel who will be provided access to, or otherwise come into contact with, Confidential Information to protect such information in accordance with the requirements of these Security Standards;
  - 5) employing physical barriers and controls that prevent or mitigate against unauthorized physical access;
  - 6) prohibiting persons from sharing access authentications or establishing or using generic identifications; and
  - 7) employing automatic device locking mechanisms.
- b. All External Solicitor Systems shall be located behind an information security industry standard backend firewall in a "secure zone" on a separate network from External Solicitor's Internet-facing web servers, and the network(s) containing Confidential Information will be protected from unauthorized access at all entry points.
- c. External Solicitor shall isolate all Confidential Information stored, maintained or processed in External Solicitor Systems and/or External Solicitor Facilities from data of any other parties stored, maintained or processed in External Solicitor Systems and/or External Solicitor Facilities, whether by use of separate and isolated database instances, separate secure folders or other equivalent technology.

- d. External Solicitor must implement a documented process to verify access privileges at least semi-annually.
- e. External Solicitor must document and implement a process to ensure its Access and Use Rights reflect changes in a user's access status within twenty-four hours of the change. External Solicitor will immediately terminate access rights for External Solicitor Personnel: 1) who have left External Solicitor's organization, changed jobs, are no longer under contract, or are suspected of fraud, theft or any other violation of law; or 2) who have violated or exceeded Access and Use Rights.

**(iv) Encryption of Confidential Information.**

- a. External Solicitor shall encrypt Confidential Information held at rest (both in storage and, where approved by Travelers, portable and backup media).
- b. If Travelers approves External Solicitor's use of any portable media to process, maintain, access, or store any Confidential Information, External Solicitor shall encrypt all Confidential Information in such portable media.
- c. External Solicitor must use information security industry standard encryption products and algorithms at all times, which must be updated by External Solicitor as necessary to remain current. External Solicitor shall safeguard the security and confidentiality of all encryption keys associated with encrypted Confidential Information.

**(v) Network Information Security.**

- a. All networks containing Confidential Information must be protected from unauthorized access at all entry points, including through network controls and safeguards necessary to monitor for, and prevent, leakage of Confidential Information from External Solicitor Systems.
- b. External Solicitor will prohibit the use of network data monitoring tools on External Solicitor Systems, unless specifically approved by appropriate External Solicitor management personnel. Any permitted use must be strictly monitored and controlled by External Solicitor.
- c. External Solicitor shall ensure that all external IP connections are protected by a physical or virtual firewall or public cloud provider access controls that provide similar stateful protections. External Solicitor shall monitor firewall logs for suspicious activity.
- d. External Solicitor Systems shall employ network intrusion prevention systems and/or network intrusion detection systems (as such terms are commonly understood in the information technology industry) to continually monitor and protect External Solicitor Systems, and to detect, report, and ultimately terminate malicious network-based activity from both authorized and non-authorized sources. External Solicitor shall implement applicable compensating controls if such system(s) fails for any reason.
- e. External Solicitor shall install, update and maintain anti-virus products on all microcomputers/PCs, LAN servers, and mail servers that access, process, maintain or store Confidential Information. External Solicitor shall regularly scan computer

devices and LAN servers for viruses/malware, minimally at power on and specifically before every backup. External Solicitor shall implement additional information security industry standard safeguards against contamination including, but not limited to, enforcing the use of only approved software, scanning with current software all email, CDs and other electronic media received from outside sources for malicious code, and prohibiting the use of any unauthorized software on External Solicitor Systems.

- f. External Solicitor shall apply security patches to network devices, PCs and servers of all types that are relevant to any External Solicitor Systems in a timeframe appropriate to their risk level.

(vi) **External Solicitor Audit Trails.** External Solicitor shall maintain a list of all Access and Use Rights and audit trails of their use, including logging and auditing of:

- a. Actions performed by information security administrators, systems operators, systems managers, system engineers and system administrators;
- b. Actions performed using highly privileged system and security functions;
- c. Emergency actions performed by support staff;
- d. The date and time of the last successful login; and
- e. The number of unsuccessful login attempts since the last successful login.

(vii) **Violation Logging Management.** External Solicitor must ensure that all External Solicitor Systems have the ability to log and report specific incidents and all attempted violations of system security and must have an active Security Incident response process in place.

#### **D. Additional Protections for Personal Information and Special Personal Information.**

(i) **Additional Encryption of Special Personal Information.** In addition to the encryption requirements imposed by Section 23.C.(iv) above, External Solicitor shall encrypt, using industry standard encryption tools, all records and files containing Special Personal Information that External Solicitor: (a) transmits or sends wirelessly or across public networks; (b) stores on laptops or storage media; and (c) stores on any device that is transported outside of External Solicitor's physical or logical controls. External Solicitor will safeguard the security and confidentiality of encryption keys associated with Special Personal Information.

(ii) **Safeguards for Personal Information.** External Solicitor shall (a) implement and maintain, and cause External Solicitor Personnel to implement and maintain, appropriate administrative, physical and technical safeguards and controls to protect the confidentiality, security and integrity of Personal Information in accordance with the requirements of this agreement and applicable Data Protection Laws, monitor the effectiveness of such safeguards and controls, and update such safeguards and controls as necessary to maintain and improve their effectiveness for limiting risk to Personal Information; and (b) prevent the disclosure or use of Personal Information to third parties except (i) as may be expressly authorized or required by the applicable Data Protection Laws or (ii) to External Solicitor Personnel, solely to the extent necessary to perform the services for Travelers. External Solicitor has the right to access, transmit,

monitor, retrieve, store and use the Personal Information only to perform the services for Travelers.

- (iii) **Off-shore Resources.** External Solicitor shall not allow External Solicitor Personnel located outside of the United Kingdom or the European Union (“Off-shore Resources”) to access, directly or indirectly, any Personal Information without the prior written consent of Travelers. If Travelers agrees to permit Off-shore Resources to access Personal Information, such access and use shall be solely to the extent necessary to facilitate External Solicitor’s performance of the applicable services, and External Solicitor shall not permit such Off-shore Resources to have the capability to print, save, store or otherwise retain or transmit any Personal Information to which they have been granted access. External Solicitor agrees that if Travelers consents to External Solicitor’s disclosure of Personal Information to a third party, External Solicitor will enter into a written agreement with the third party that includes obligations that are at least as broad in scope and restrictive as those under this agreement and these Security Standards. External Solicitor shall remain at all times accountable and responsible for all actions by such third parties with respect to the disclosed Personal Information.
- (iv) **Security Incidents Involving Special Personal Information.** In the event of any actual, suspected or attempted Security Incident involving Special Personal Information, External Solicitor shall (a) fully cooperate with Travelers in investigating and mitigating the adverse effects of each such Security Incident (b) provide Travelers with detailed information regarding the Security Incident, such as how and when such Security Incident occurred and what actions External Solicitor has taken or is taking to remedy such Security Incident; (c) permit Travelers to have control over the means and content of any written or verbal response or notice relating to the Security Incident to individuals and authorities, including without limitation communication(s) with the press or other media; (d) reimburse Travelers for remedial action associated with the Security Incident, including its costs of notifying any individuals and/or authorities of the Security Incident if Travelers, in its good faith judgment, considers notification necessary or, if requested by Travelers, provide such notice, at External Solicitor’s cost and expense; and (e) subject to sub-Section (c) above, comply promptly and fully with all notification requirements that apply to External Solicitor. Unless required by law, External Solicitor shall not notify any individual or any third party other than law enforcement of any potential Security Incident involving Special Personal Information without first consulting with, and obtaining the permission of, Travelers. Any unauthorized disclosure or use of Special Personal Information connected directly or indirectly with the performance of External Solicitor’s obligations under this agreement will constitute a material breach of this agreement by External Solicitor, permitting Travelers to immediately terminate this agreement or the services without obligation, liability, or penalty of any kind.

Matter-specific questions related to these Retention Terms should be directed to the Travelers Representative handling the matter. Any generic questions should be directed to [LRMCOMMS@travelers.com](mailto:LRMCOMMS@travelers.com). Technical questions related to Travelers Security Standards should be directed to [ContractSecurityAdvisors@travelers.com](mailto:ContractSecurityAdvisors@travelers.com).

Travelers reserves the right to amend these Retention

Agreement: I have read and understand these Retention Terms and I, my firm and all staff who work on Travelers matters will adhere to these Retention Terms for External Solicitors.

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Lead External Solicitor Name, Title, Email and Phone Number

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Firm Name

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Signature

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Date