

Minutes

KUALA LUMPUR MEETING OF THE BOARD OF DIRECTORS

Tuesday, October 19, 2010

2:00 pm – 4:00 pm

I. Call to Order/Representatives Present

PRAC Chairman, Ray Batla (Hogan & Hartson) called the meeting of the Board of Directors to order.

The following representatives were present during the Board Meeting or participated in the various activities during the conference including the Practice Group and Committee meetings, and other programme events:

Ali Budiardjo Nugroho Reksodiputro
Zacky Husein
Woody Pananto

Allende & Brea, Argentina
Pablo Louge

Baker Botts – Houston
David Powers

Brigard Urrutia - Colombia
Carlos Urrutia

Carey y Cia – Chile
Rafael Vergara

Clayton Utz, Australia
Ross Perrett, John Shirbin, Zel El Hassan

Davis Wright Tremaine LLP – Seattle, Los Angeles U.S.A.
Not represented

Fraser Milner Casgrain - Toronto, Canada
Peter Murphy; John Lorne McDougall

Gide Loyrette Nouel – Paris, France
Not represented

Goodsill Anderson Quinn and Stifel – Honolulu, USA
John Lacy

Hoet Pelaez Castillo & Duque - Venezuela
Not represented

Hogan Lovells DC
Ray Batla,

Hogan Lovells Hong Kong
Gabriela Kennedy, Mark Lin, Patrick Sherrington (London)

Kim, Chang & Lee, Seoul
KJ Choi

King & Wood – Beijing
Xu Ping, Shi Yusheng

Kochhar & Co., India
Rohit Kochhar, Anjuli Sivaramkrishnan*

Lee and Li, Taipei
Grace Mao

Luce, Forward, Hamilton & Scripps LLP – San Diego, Los Angeles, USA
Peter Hahn; Elizabeth Foster

Mulla Mulla & Craigie Blunt & Caroe, Mumbai
Shardul Thacker, Hormazdiyaar Vakil; Yazdi Dandiwal

Muniz Ramirez Perez-Taiman & Luna Victoria, Peru
Jorge Perez-Taiman

NautaDutilh, The Netherlands, Belgium, Luxembourg
Jaap Stoop, Jaap Jan Trommel

Nishimura & Asahi – Tokyo
Takemi Hiramatsu, Katsayuki Yamaguchi

Pacific Rim Advisory Council, Toronto
Susan Iannetta

Richards Buell Sutton, Vancouver, Canada
Jeff Lowe

Rodyk & Davidson, Singapore
S. Sivanesan, Adelind Tay, |Pat Lynn Leong, Doreen Sim

Santamarina y Steta, Mexico
Heriberto Garza

Simpson Grierson, New Zealand
Michael Weatherall

Skrine, Malaysia (HOST FIRM)
Kah Leng Chen; Yoong Chong Chin; Theresa Chong; Janet Looi; Pao Yii Phua; Siva Kumar
Kanagasabai; Faizah Jamaludin; Mohamed Ismail Sharif; Claudia Cheah; Pei Yee Kuek
Hong Koon The; Ommen Koshy; Vianayaga Raj; Tatt Boon Lee; Philip Chan; Ezane Chong
Kee Check Cheng; Chee Lin Wong; Wai Hong Leong; Chee Wee Lim; Harold Tan; Peh Fern Loo
Pillai Preetha; Peter Mooney; Audrey Choo

Sycip Salazar Hernandez & Gatmaitan, Philippines
Jose Jolefina

Tilleke & Gibbins International Ltd, Thailand
John King, Chusert Supasitthumrong, Kobkit Thienpreecha

Tozzini Freire Teixeira e Silva, Brazil
Marcio Baptista

Wilson Sonsini Goodrich & Rosati (initial conference)
Steve Bochner, Steve Bernard

II. Approval of Agenda. The Chairman sought approval of the agenda. Upon motion duly made, seconded, and unanimously carried, the agenda set forth in the conference materials was approved.

III. Approval of Minutes of Mexico City Conference

Upon motion duly made, seconded and unanimously carried, the Minutes of Mexico City 2010 meeting of the Board of Directors as set forth in the conference materials were approved.

IV. Chairman's Report

The Chairman commented generally on the strengths of PRAC, its attractive membership size and thus relative intimacy and the high level of participation by delegates in the conference proceedings.

The Chairman also commented on continued pro-active measures PRAC had taken given the economic climate to help lessen the financial impact on its members including a reduction to the 2010 budget in an effort to avoid an increase in member dues.

1. New Member Firm WILSON SONSINI GOODRICH & ROSATI PRAC Chairman welcomed its newest member, **WILSON SONSINI GOODRICH & ROSATI** and upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

WHEREAS the law firm **WILSON SONSINI GOODRICH & ROSATI** joined the Pacific Rim Advisory Council as of May 01, 2010; and

WHEREAS, WILSON SONSINI GOODRICH & ROSATI headquartered in Palo Alto, California, is a leading national law firm, recognized as a premier provider of legal services to technology, life sciences, and growth enterprises worldwide, as well as the public and private capital markets that financed them.

WHEREAS, WILSON SONSINI GOODRICH & ROSATI, with long-standing roots in Silicon Valley and offices in eight technology and business hubs throughout the United States and in Shanghai, China, has a national presence with a global reach.

RESOLVED that the Pacific Rim Advisory Council and the twenty-nine law firms that are members of the Council extend **WILSON SONSINI GOODRICH & ROSATI** their warmest welcome and their expectation that the firm's membership will result in a long and mutually beneficial association;

FURTHER RESOLVED that the original of this resolution be presented to **WILSON SONSINI GOODRICH & ROSATI** and that a copy of this resolution be maintained in the archives of the Pacific Rim Advisory Council.

2. SKRINE PRAC Chairman reported on the comments he had received with respect to the Kuala Lumpur Conference and the personal and professional contributions by the Host Firm to every aspect of the Conference.

Following discussion and upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

WHEREAS the law firm **SKRINE** is a member of the Pacific Rim Advisory Council; and

WHEREAS, the success of the 48th International Conference of the Pacific Rim Advisory Council has been specifically due to the efforts and enthusiasm of the entire **SKRINE** firm who have dealt patiently with the countless details and complexities of hosting an International Conference and, in particular the Host Committee Members:

Chen Kah Leng
Theresa Chong
Audrey Choo
Kuek Pei Yee
Nora Azian Khaidir
Gayathri Vijayakumar
Nisha Nair
Lee Shih
Ruth Maran

RESOLVED that the Pacific Rim Advisory Council extends **SKRINE** its deepest gratitude for planning and hosting the 48th International Conference in Kuala Lumpur.

RESOLVED that the Pacific Rim Advisory Council extends to **SKRINE** its best wishes for continued success; and that the original of this resolution be presented to **SKRINE** with commendation and honours; and that a copy of this resolution be maintained in the archives of the Pacific Rim Advisory Council.

V. Practice Group Recommendations.

1. Banking & Workouts
2. Corporate Commercial
3. Intellectual Property & Licensing
4. Dispute Resolution Practice Group
5. PRACtice Management

PRACtice Group co-chairs commented on planning for future conferences. Members were invited to contribute to future conferences by way of speaker participation and also to provide comments, feedback and suggestions by way of the Post Conference Survey.

VI. Policy & Planning – PPC Chair, Jorge Perez-Taiman

Hogan Lovells Merger

Member views sought by the Membership Committee post Mexico City with respect to issues related to the merger of member firms Hogan & Hartson (Washington and Los Angeles Shared City Jurisdictions) and Lovells (Hong Kong Jurisdiction) formed the basis for a Report which was shared with the Membership at large.

The PPC Chair summarized that both the Membership Committee and the Policy & Planning Committee supported the view that with respect to PRAC jurisdictions, Hogan Lovells should retain their legacy jurisdictions and continue to be the member for Hong Kong and Washington, D.C. and have a shared membership in Los Angeles, effectively remaining unchanged.

Further, with respect to membership benefits and obligations, that all of the rules of PRAC relating to membership benefits included in the PRAC Statement of Policies & Objectives should apply unchanged to Hogan Lovells. That will mean that with respect to Conference attendance, Hogan Lovells is responsible for ensuring regular attendance at Conferences by partners from each of these three jurisdictions regardless of how many attend from the firm's other offices.

Finally, with respect to voting issues, Hogan Lovells would be entitled to one (1) vote.

The full report detailing obligations of Hogan Lovells moving forward is attached as Exhibit" B".

VII. Financial – Ray Batla & Jorge Perez Taiman

Following a full report, the Board approved the 3rd Quarter 2010 Revised Budget. .

Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED that the Board of Directors approve the 2010 3rd Quarter Revised Budget

VIII. Membership Committee (as reported by John Shirbin)

Boston/Los Angeles. A replacement firm is being sought for the Boston jurisdiction, as well as for a Los Angeles firm, replacing the Shared City concept by installing a single member firm.

Membership Chair outlined that it had sought and received views on candidate firms for both jurisdictions. Further, it was the Committee's view that in light of the current economic downturn and the difficulties being experienced by US law firms in particular, additional time is required in order to fully assess and consider potential candidate firms.

Members were asked to direct their views on potential candidate firms, as well as potential additional jurisdictions to the Membership Committee with a view to providing an update in Amsterdam 2011.

IX. Conference Committee

2011 Amsterdam May 21 - 24

2011 Singapore – October 15-11

Further dates will be reviewed with a view to incorporating newly admitted member firms into the schedule with the hosting rotation of all member firms.

X. Nominating Committee

PRAC Chairman informed membership that a Nominating Committee would be installed post Conference for the purpose of polling the membership to provide views and recommendations for the incoming Chair term January 2012 through December 2013 at the Amsterdam Conference.

The 2010 Nominating Committee is:

Chair – S. Sivanesan (Rodyk & Davidson)

Members: Pablo Louge (Allende & Brea – Argentina); Elizabeth Foster (Luce Forward – San Diego); John Shirbin (Clayton Utz – Australia); Takemi Hiramatsu (Nishimura & Asahi – Japan); Ex Officio: Ray Batla (Hogan Lovells – USA); Ex Officio: Susan Iannetta (PRAC) Toronto

XI. Adjournment.

There being no further business the Board Meeting then adjourned and the Kuala Lumpur 2010 Conference closed.

Attest:

Raymond J. Batla
PRAC Chairman – Hogan Lovells

Susan Iannetta
Director, Pacific Rim Advisory Council - Toronto

Exhibit "B" to Kuala Lumpur 2010 Board Minutes

From: Shirbin, John [mailto:jshirbin@claytonutz.com]

Sent: Jueves, 16 de Septiembre de 2010 06:05 p.m.

To: Perez-Taiman, Jorge

Cc: Batla Jr., Raymond J.; JLowe@rbs.ca; joycefan@leeandli.com; currutia@brigardurrutia.com.co; jaap.stoop@nautadutilh.com; joycefan@leeandli.com; susan.iannetta@prac.org

Subject: Report to P&P Committee - Hogan Lovells Merger

Dear Jorge,

General

The Policy and Planning Committee asked the Membership Committee to review and report to it on the impact of the merger of Hogan & Hartson and Lovells on PRAC. Here are the Membership Committee's views.

At the Mexico Conference, the Membership Committee reported in the Board Meeting that its preliminary view was that the merged firm Hogan Lovells should continue to be the member for Hong Kong and for Washington DC as well as having a shared membership in Los Angeles, unless there were material reasons or concerns amongst members to the contrary.

At the Mexico Conference, the Membership Committee asked all members to provide it with comments if they had any concerns about the impact of the merger on PRAC. There were only two comments of concern. The common element in each was that the merger may have the effect of giving Hogan Lovells undue influence within PRAC and that there was the potential for it to have an adverse influence on the growth and progress of PRAC.

In the view of the Membership Committee, both Hogan & Hartson and Lovells have been good members of PRAC and have made substantial, positive contributions to it. We hope and believe that that will continue.

One of the foremost contributions of both Hogan & Hartson and Lovells to PRAC has been their referrals of work to other members in the network. A review of the Referral Database shows that both firms have referred large numbers of matters (and from a multiplicity of their offices) to a broad number of PRAC member firms. Many of the referrals have been large. For many PRAC member firms, both Hogan & Hartson and Lovells have ranked nos. as 1 and 2 as their sources of referrals from within PRAC.

Representatives of both firms have historically contributed strongly to Conference sessions and other PRAC initiatives. Further, they have been helpful adding to the membership base of PRAC. For example, at the request of the Membership Committee, Hogan & Hartson made first contact with Wilson Sonsini about the possibility of their joining PRAC.

In our view, Hogan Lovells should retain their legacy jurisdictions and continue to be the member for Hong Kong and Washington DC and have a shared membership in Los Angeles remains unchanged.

Financials

Prior to the merger, both firms advised PRAC that they would seek to make PRAC whole in terms of any financial shortfall in membership fees caused by the merger. Susan Iannetta's analysis shows using current assessment methodology that the financial impact of the merger is negligible (attached proforma Scenarios (1and 2) so long as Hogan Lovells'

membership fees are calculated as if it were the two original firms holding the legacy jurisdictions.

As a reminder, our current fee structure methodology includes:

Base assessment - Level based on headcount all lawyers in primary jurisdiction

Additional assessment 2k based on 1.5% total headcount higher than primary jurisdiction

Additional assessment 3 k based on 2.5% total headcount higher than primary jurisdiction

Los Angeles Shared City – level based on headcount all lawyers based in Los Angeles pro rata by firm

We assumed for purposes of this review that both firms retain their legacy jurisdictions (Hogan & Hartson – Washington and Los Angeles Shared; Lovells – Hong Kong).

We used headcounts provided in July 2010 by the merged entity (Hogan Lovells).

There may be any number of scenarios for determining the split of pre and post merger office counts. For purposes of this discussion, the attached examples used a weighted count of overlapping merged offices for Scenario 1 (weighted according to whichever firm held office pre merger), and a 50% split count of overlapping merged offices for Scenario 2 (recommended for future use for ease of accounting purposes). In either case, both firms would be well over the 1.5 and 2.5 percentages attributable to additional assessments chargeable for percentages over jurisdiction office counts. Susan can detail this more fully for you if you wish.

The only significant note is Hogan's headcount drop in Washington to 442, bringing their base assessment down one level. Whether a result of the merger or likely financial downturn and resulting cutbacks experienced by many member firms (particularly in North America), it would seem unfair to penalise a firm for adjustments of this nature. In either event, the sum total for HoLo post merger as compared with last year's revenue is likely to reflect a shortfall somewhere under US\$4,000.

Membership

All of the rules of PRAC relating to membership benefits included in the PRAC Statement of Policies & Objectives should apply unchanged to Hogan Lovells. That will mean that with respect to Conference attendance, it is responsible for ensuring regular attendance at Conferences by partners from each of these three jurisdictions regardless of how many attend from the firm's other offices.

Member Voting

If Hogan Lovells' membership fees are calculated as if it were the two legacy firms being members for the two principal legacy jurisdictions, it seems logical to us that it would have one (1) vote for each of Washington DC and Hong Kong. However, the Policy and Planning Committee may wish to consider this matter further.

Kind regards

John Shirbin
for the Membership Committee

Scenario 1 - using weighted overlapping offices
(based on whichever firm held office pre merger)

Firm	City	LOVELLS	HOGAN	Merger	Primary	LA	Other	overlap	weighted	Total	% over
HOGAN	Abu Dhabi UAE '09	0	8	8	442	42	244	1,271	254	982	44.22217
LOVELLS	Alicante	12	0	12	74	0	446	1,271	1,017	1,537	20.76757
Overlapping	Amsterdam	33	0	32							
	Baltimore	0	42	37							
	Beijing	19	17	37							
	Berlin	0	54	17							
	Boulder	0	7	6							
	Brussels	10	10	22							
	Caracas	0	9	8							
	Chicago	20	0	3							
	Colorado Spr	0	11	8							
	Denver	0	66	56							
	Dubai	21	0	19							
	Dusseldorf	57	0	78							
	Frankfurt	86	0	73							
	Geneva	0	6	0							
	Hamburg	68	0	73							
	Hanoi	2	0	3							
	Ho Chi Minh City	5	0	4							
	Hong Kong	66	8	74							
	Houston	0	9	11							
	Irvine	0	0	0							
	London	520	52	616							
	Los Angeles	0	51	42							
	Madrid	57	0	56							
	McLean	0	42	34							
	Miami	0	42	35							
	Milan	35	0	39							
	Moscow	34	27	67							
	Munich	96	6	94							
	New York	62	141	171							
	Palo Alto 09	0	9	6							
	Paris	111	31	143							
	Philadelphia	0	8	9							
	Prague	9	0	8							
	Riyadh	0	0	2							
	Rome	40	0	36							
	San Francisco 09	0	8	9							
	Shanghai	32	9	30							
	Singapore	18	0	18							
	Tokyo	20	2	24							
	Vienna	0	0	0							
	Warsaw	58	21	57							
	Washington	0	506	442							
	White Plains	0	0	0							
Total	Zagreb	0	0	0							
		1491	1,202	2,519							

Scenario 2 - using 50/50 overlapping offices
(post merger)

Firm	City	LOVELLS	HOGAN	Merger	Primary	LA	Other	overlap	50% overlap	Total	% over
HOGAN	Abu Dhabi UAE '09	0	8	8	442	42	244	1,271	636	1,364	45.08484
LOVELLS	Alicante	12	0	12	74	0	446	1,271	636	1,156	15.61486
Overlapping	Amsterdam	33	0	32							
	Baltimore	0	42	37							
	Beijing	19	17	37							
	Berlin	0	54	17							
	Boulder	0	7	6							
	Brussels	10	10	22							
	Caracas	0	9	8							
	Chicago	20	0	3							
	Colorado Spr	0	11	8							
	Denver	0	66	56							
	Dubai	21	0	19							
	Dusseldorf	57	0	78							
	Frankfurt	86	0	73							
	Geneva	0	6	0							
	Hamburg	68	0	73							
	Hanoi	2	0	3							
	Ho Chi Minh City	5	0	4							
	Hong Kong	66	8	74							
	Houston	0	9	11							
	Irvine	0	0	0							
	London	520	52	616							
	Los Angeles	0	51	42							
	Madrid	57	0	56							
	McLean	0	42	34							
	Miami	0	42	35							
	Milan	35	0	39							
	Moscow	34	27	67							
	Munich	96	6	94							
	New York	62	141	171							
	Palo Alto 09	0	9	6							
	Paris	111	31	143							
	Philadelphia	0	8	9							
	Prague	9	0	8							
	Riyadh	0	0	2							
	Rome	40	0	36							
	San Francisco 09	0	8	9							
	Shanghai	32	9	30							
	Singapore	18	0	18							
	Tokyo	20	2	24							
	Vienna	0	0	0							
	Warsaw	58	21	57							
	Washington	0	506	442							
	White Plains	0	0	0							
Total	Zagreb	0	0	0							
		1491	1,202	2,519							

Scenario 1 and 2 Comparisons
using 2010 fee methodology

Criteria											
Base Assessment based on jurisdiction lawyer counts as of July, 2010											
Los Angeles is Additional Assessment for Davis Luce Hogan											
Additional Assessments for all city counts totalling 1.5 and 2.5 times or more than jurisdiction count											
		2007	2008	2009	2010	2010 rev					
Level 1	under 100	\$ 6,200	\$ 6,768	\$ 6,768	\$ 6,768	\$7,700					
Level 2	100-149	\$ 8,600	\$ 9,168	\$ 9,168	\$ 9,168	10,100					
Level 3	150-249	\$ 11,900	\$ 12,468	\$ 12,468	\$ 12,468	13400					
Level 4	250-499	\$ 16,500	\$ 17,018	\$ 17,018	\$ 17,018	17,950					
Level 5	500+	\$ 23,100	\$ 23,668	\$ 23,668	\$ 23,668	24,600					
weighted or otherwise, both firms will incur additional assessments based on 1.5% and 2.5% times or more than jurisdiction count											
Merge Comparison			2010	2009 LA	Add 1.5	Add 2.5	Sub Totals	Totals			
2011	Hogan Level 4 (drops 1 leve	442	17,950	4,641	2,000	3000	27,591				
2011	Lovells Level 1	74	7,700	0	2,000	3000	12,700				
	Total							40,291			
2010	Hogan		24,600	4,641	2000	0	31,241				
2010	Lovells		7,700	0	2000	3000	12,700				
	Total							43,941			