
2004

ACC, ^{PLC}GLOBAL COUNSEL & ALTMAN WEIL

EUROPEAN

IN-HOUSE COUNSEL

SENTIMENT SURVEY

The Opinions of Chief Legal Officers on Issues of Importance

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SECTION 1

BACKGROUND & OBJECTIVES

Background & Objectives

The Association of Corporate Counsel (ACC), formerly the American Corporate Counsel Association, ^{PLC}Global Counsel and Altman Weil, Inc. together surveyed European in-house counsel. The purpose of this survey is to:

- 1) Capture the thinking of European in-house counsel.
- 2) Compare the answers to those given by Chief Legal Officers at the 2003 ACC Annual North American meeting when comparable.
- 3) Share the results of the tabulated surveys with the legal profession, enabling both corporate law departments and law firms to benefit from the surveys.

Participation

45 Chief Legal Officers located in Europe provided responses for the Survey. The Survey responses were tabulated and analyzed. Following is a summary of the results of the Survey.

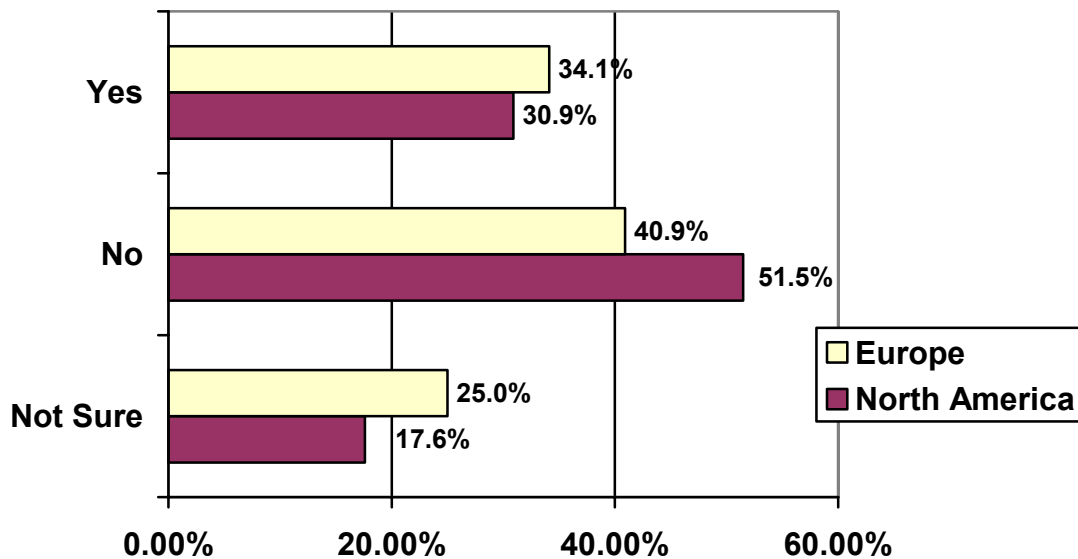
SECTION 2

SUMMARY OF RESULTS

Summary of Results

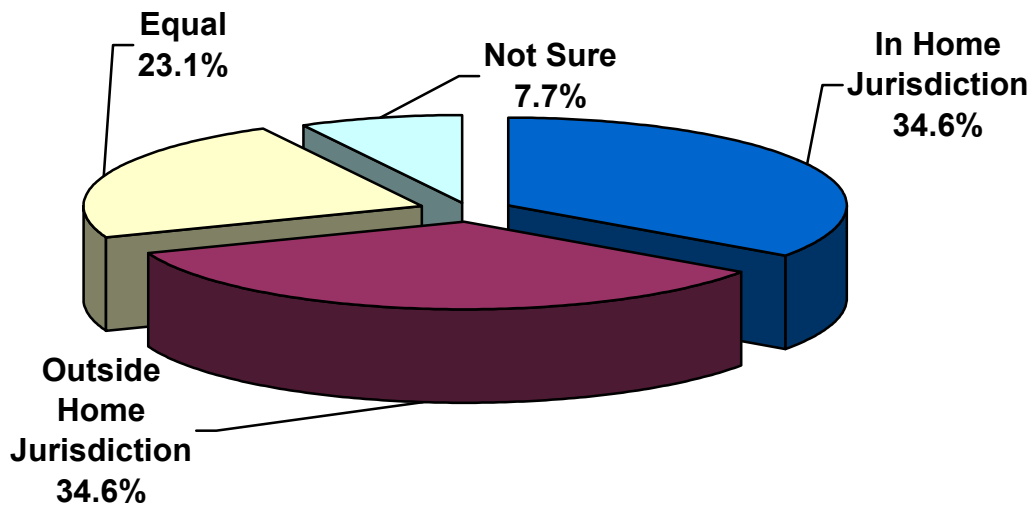
The results of the survey follow. Each question is presented and the tabulated results of the survey follow each question. Where identical or similar questions were asked in prior CLO Surveys, a comparison and analysis is presented. Some answers are represented in charts and graphs while others are provide in text format.

1. Within the next 12 months, do you plan to extend your in-house legal capabilities by hiring additional lawyers?

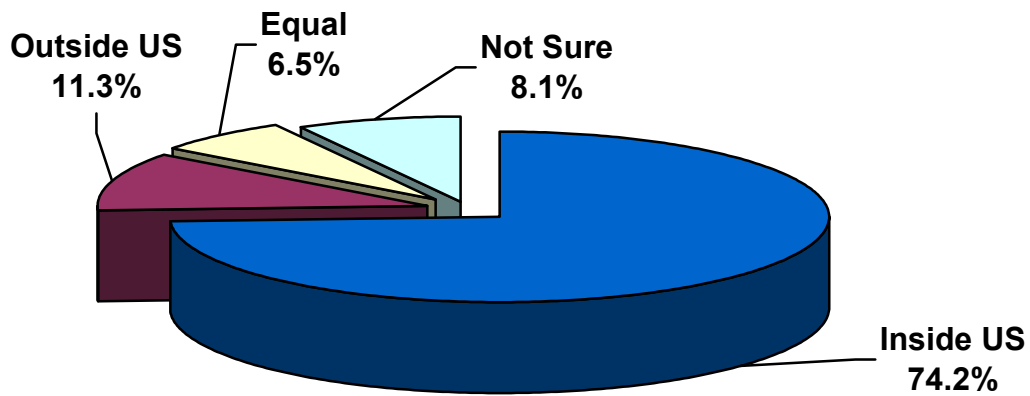


1a. Will you see greater hiring within or outside of your home jurisdiction?

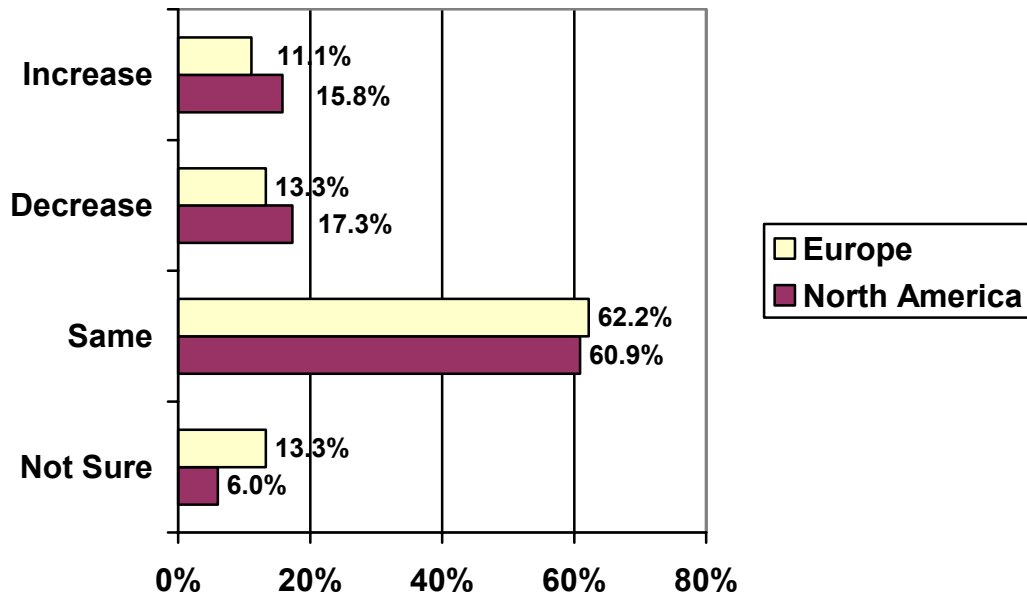
European:



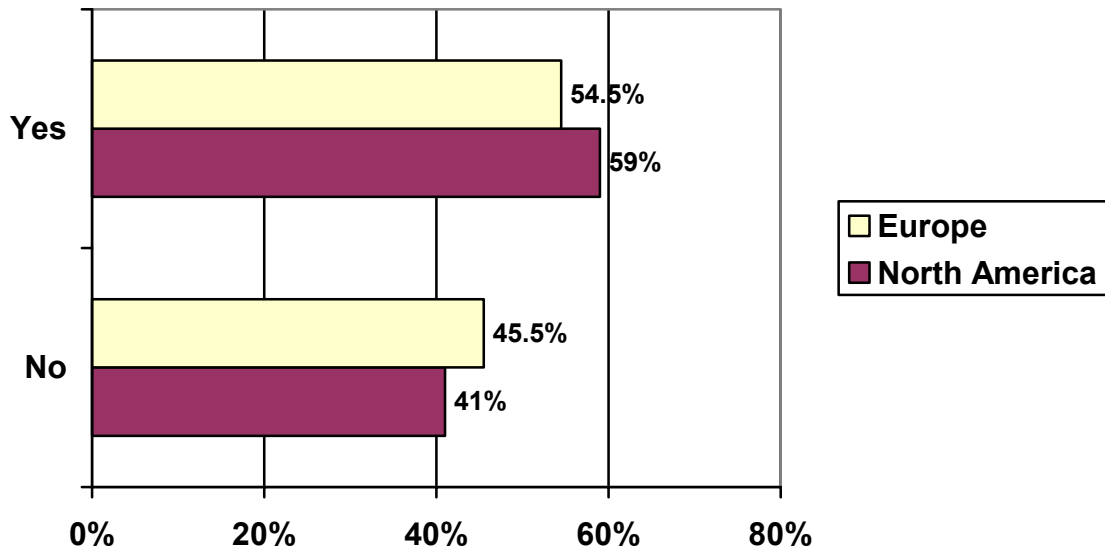
North American:



2. *Within the next 12 months, do you plan to increase or decrease your use of outside counsel?*



3. *Have you fired or are you considering firing, one of your law firms this year?*



The Number One Reason:

TIE: Cost management issues (45.8%) and Quality of legal work (45.8%)

Other reasons mentioned in order of frequency:

- a. Lack of desired legal results
- b. Lack of responsiveness
- c. Firm mishandled one or more critically important matters
- d. Poor relations between the firm and my organisation's senior management
- e. Overstaffing projects or assignments

4. *What is the single most innovative practice proposed or used by your outside counsel in the last twelve months?*

Number one answer: NONE.

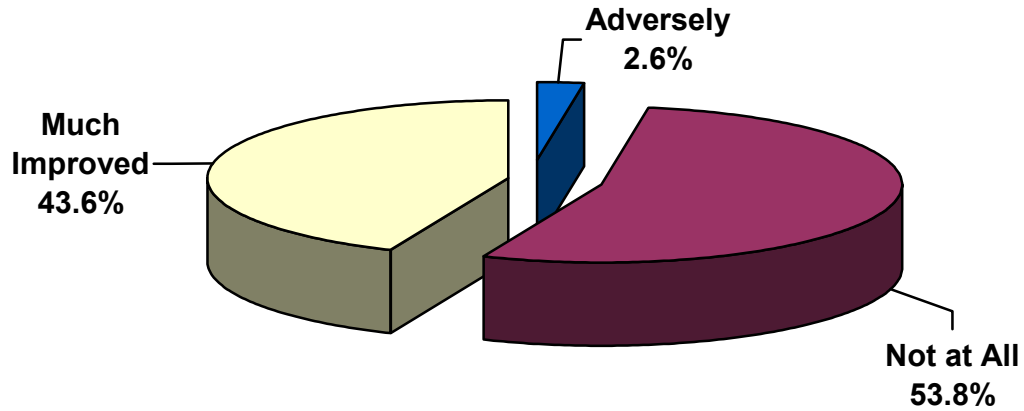
Other practices mentioned:

- a. Document management
- b. E-learning compliance tool
- c. Coming to speak with us post-transaction for feedback
- d. Fixed fee based upon percentage of deal value
- e. Volume fee reductions

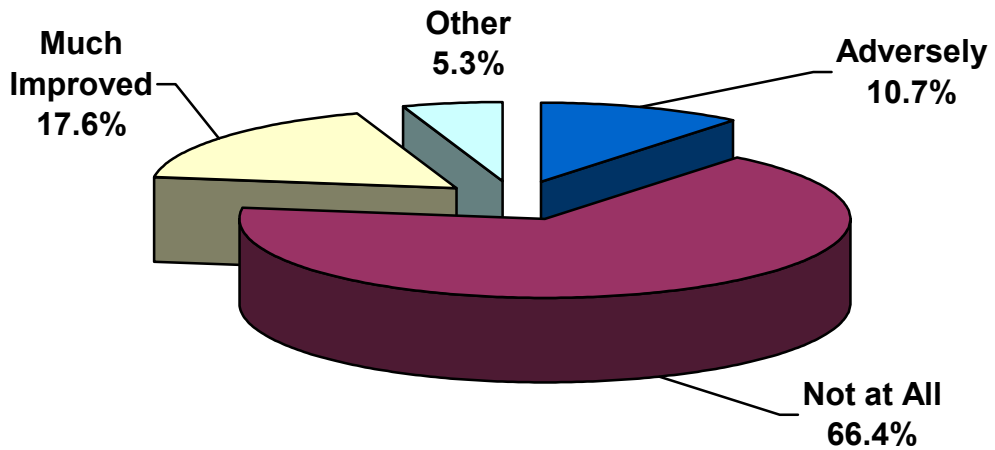
Note: Only 10 of 45 respondents named an innovative practice by outside counsel.

5. How have the new corporate governance rules and standards impacted your relationship with senior management?

European:

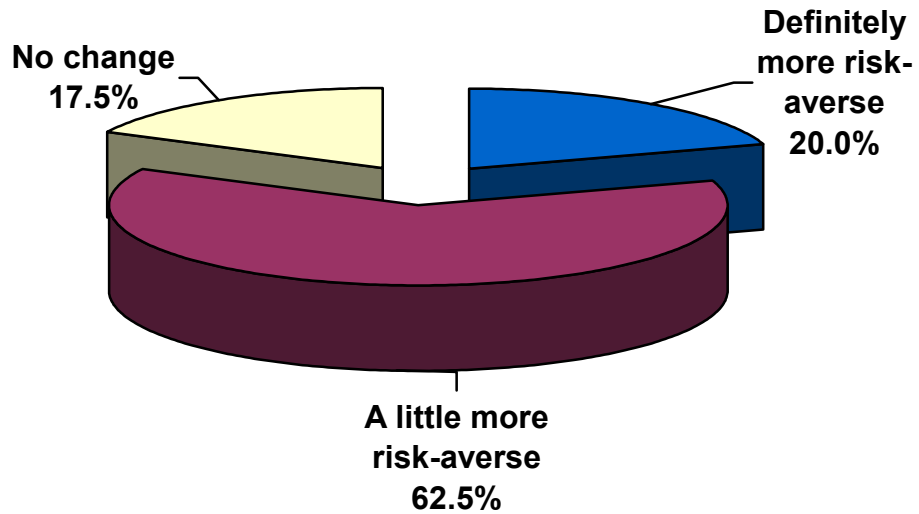


North American:

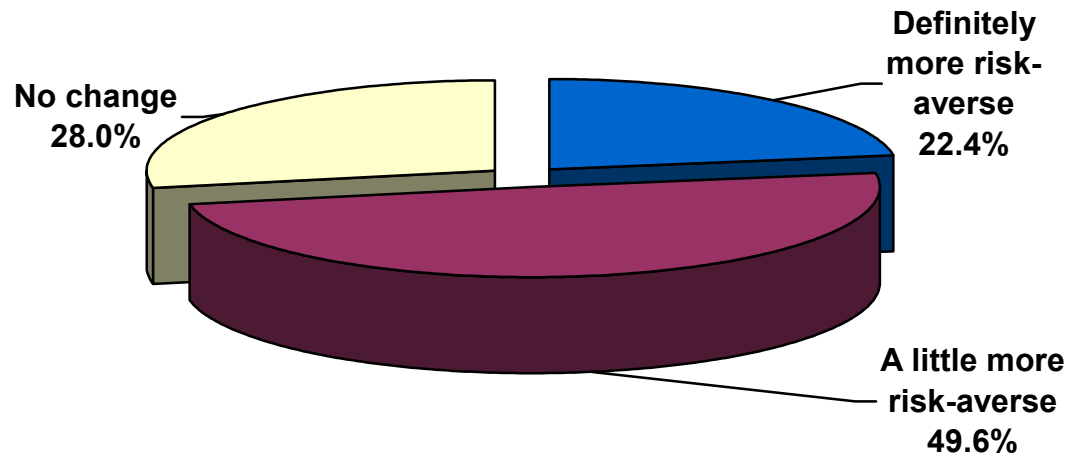


6. How have the new corporate governance rules and standards affected senior management's approach to risk?

European:

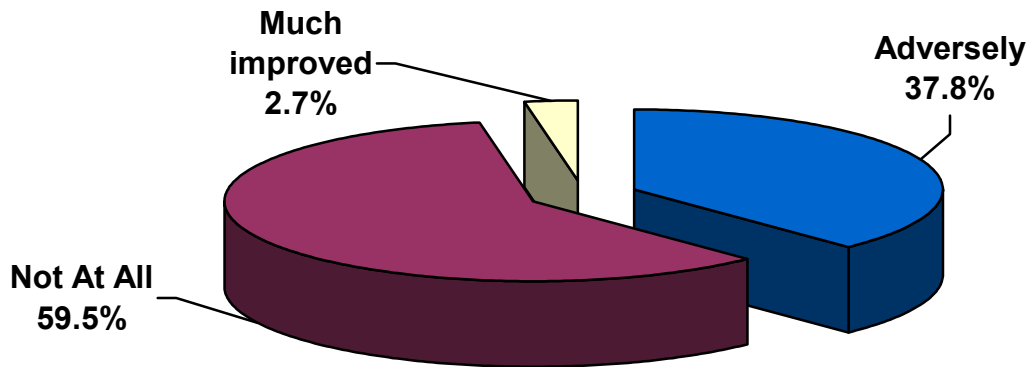


North American:

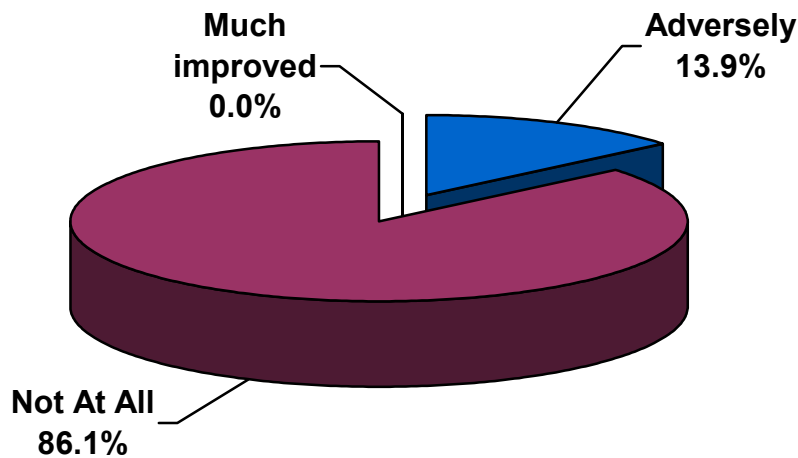


7. How have recent developments in the law of/treatment of privilege affected the way you communicate:

With your clients (European only):

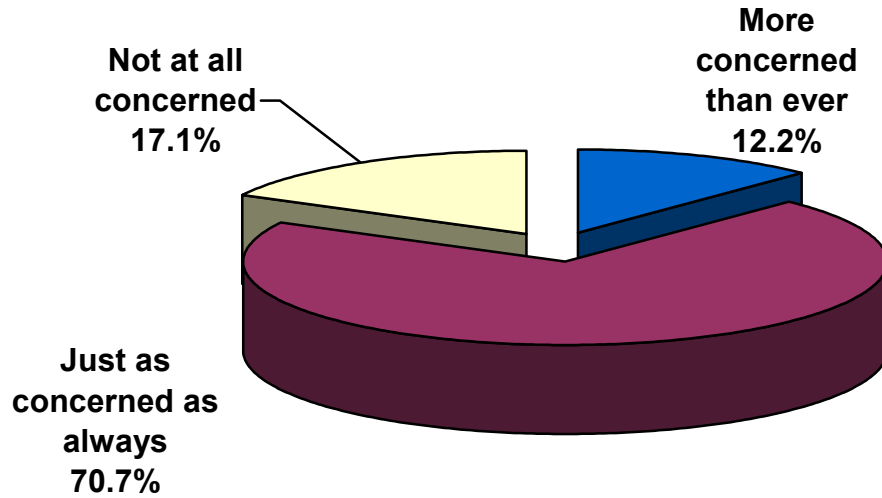


With your external advisers (European only):

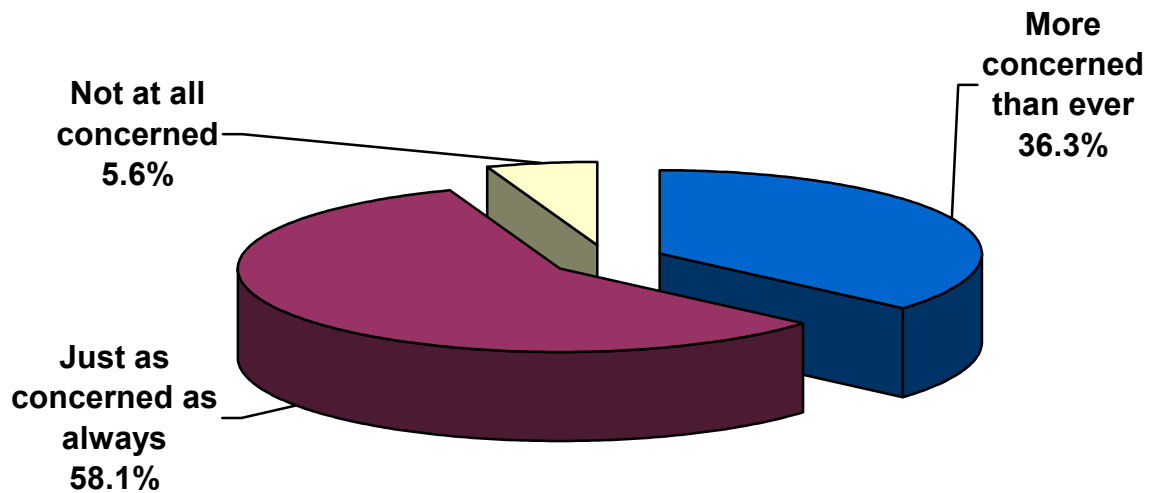


8. *How concerned are you about your personal liability relating to corporate misconduct?*

European:



North American:



Representative comments regarding concern for liability:

More concerned

Compliance with ethical charter, risk management, etc., are filling up internal control duties without additional resources. Hence, efficiency issues.

Lack of D&O cover[age] for professional advice.

As concerned

Basic responsibility of a general counsel of a NYSE/LSE registered company is unchanged but senior management has been forced to focus on implementing better internal controls, etc.

High level of regulation in business means this has always been a focus.

Not at all concerned

As a person, I am not concerned for myself. As the general counsel, I am just concerned about the increase of workload.

Company has efficient controls to minimize liability.

10. What is the next, most important, emerging client relationship issue CLOs will face?

Top three responses in order of frequency:

- a. Corporate governance/compliance
- b. Role of lawyer in business decisions
- c. Privilege issues
- d. Balancing budget and increasing demands

11. What is the next, most important, emerging law department management issue CLOs will face?

Top three responses in order of frequency — with representative comments:

- a. Balancing budget and increasing demands
- b. Integration of lawyers and understanding of different cultures
- c. Recruiting, retention and development of lawyers

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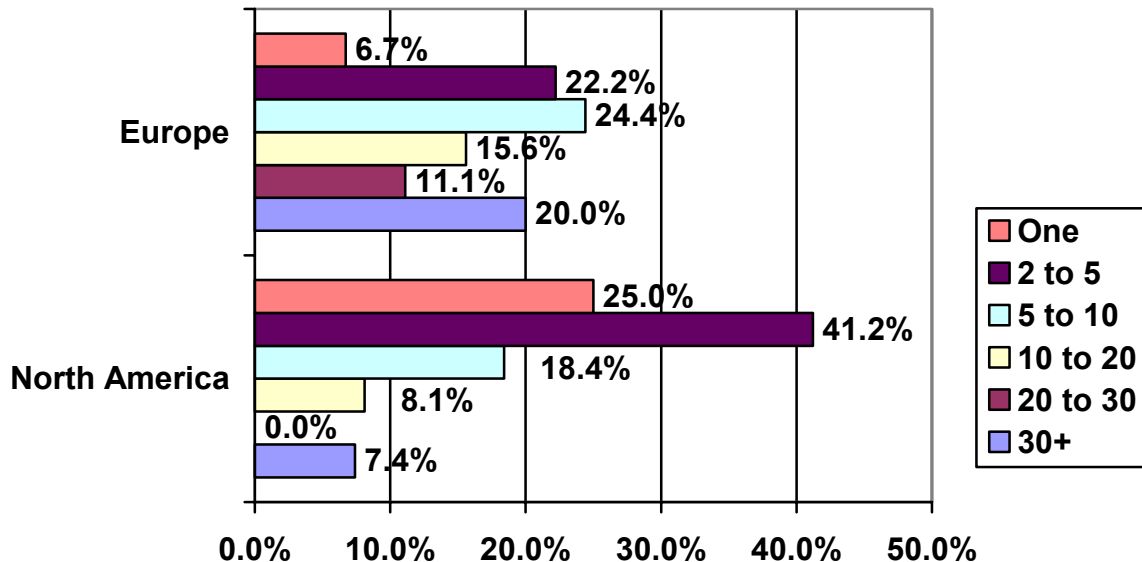
SECTION 3

SURVEY DEMOGRAPHICS

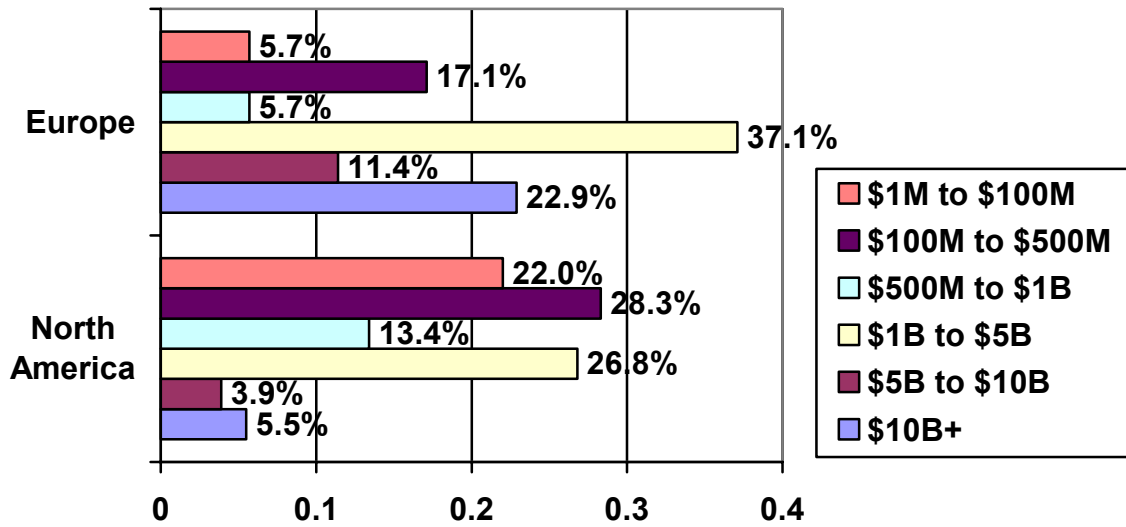
Survey Demographics

Following are the Survey demographics, which describe the responding in-house counsel and their law departments.

1. How many in-house attorneys are in your department (in all locations)?

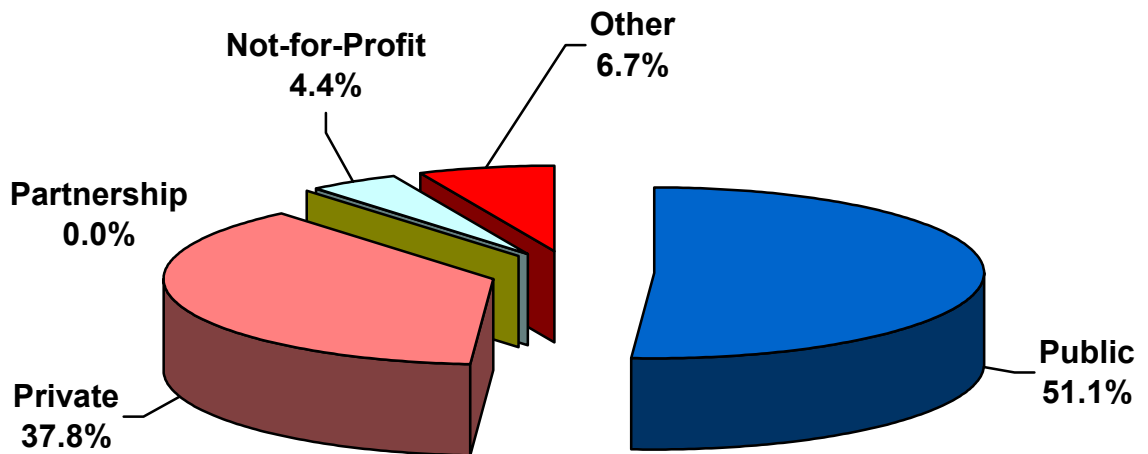


2. What are your organization's annual revenues?

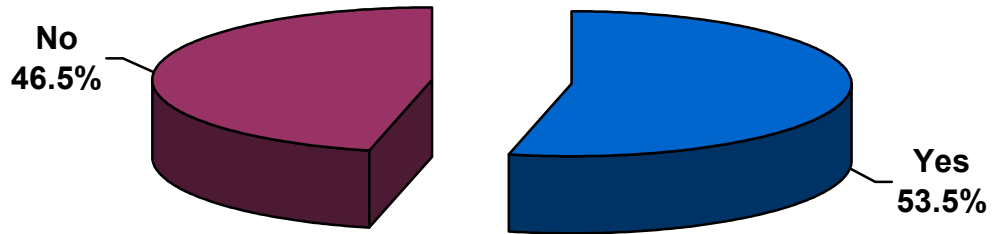


*Euro and British pounds converted to USD using average rate of conversion for 2003.

3. Is your organisation:

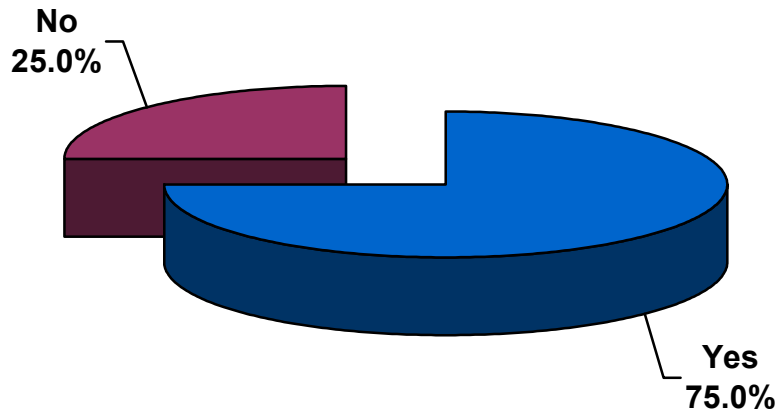


4. Is yours an SEC reporting organisation?

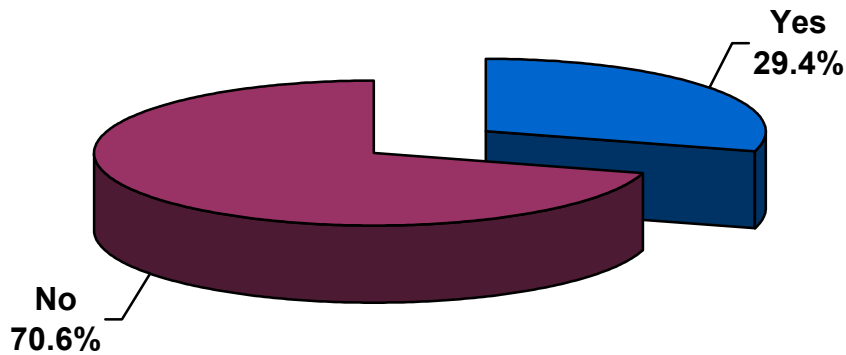


5. Is your law department multi-site?

European:

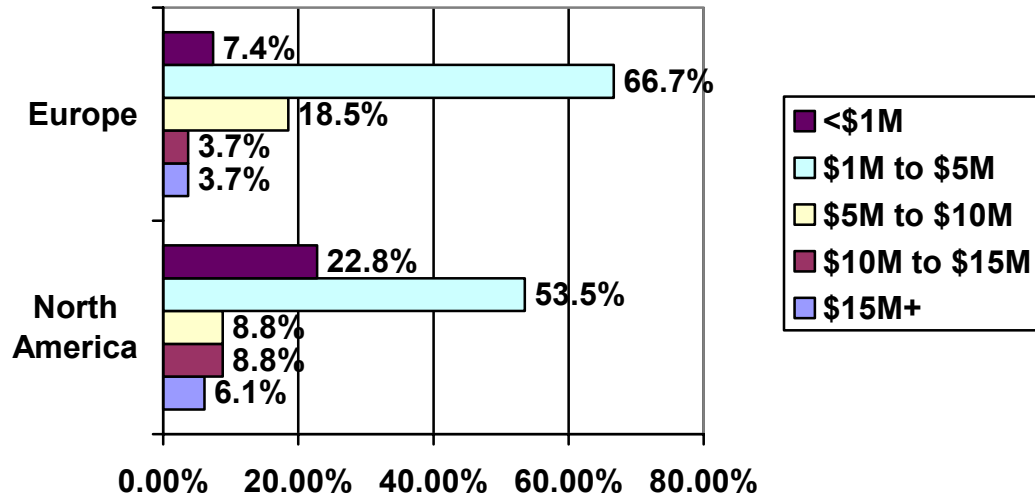


North American:



5a. Median number of locations: European - 5.6; North American - 3.9.

6. What is the size of your current Law Department budget (inside and outside) in U.S. dollars?



*Euro and British pounds converted to USD using average rate of conversion for 2003.

SECTION 4

ABOUT ACC

About the Association of Corporate Counsel

The Association of Corporate Counsel (ACC), formerly the American Corporate Counsel Association, is *the in-house bar association*SM serving the professional needs of attorneys who practice in the legal departments of corporations and other private sector organizations worldwide. The association promotes the common interests of its members, contributes to their continuing education, seeks to improve understanding of the role of in-house attorneys, and encourages advancements in standards of corporate legal practice.

Since its founding in 1982, the association has grown to more than 15,000 members in 47 countries who represent 7,000 corporations, with 43 chapters and 12 committees serving the membership. Its members represent 47 of the Fortune 50 companies and 97 of the Fortune 100 companies. Internationally, its members represent 42 of the Global 50 and 75 of the Global 100 companies. For more information, go to www.acca.com.

ACC's Services Include:

1. **Virtual Library**SM (www.acca.com/vl/)— ACC's online databank of documents, articles, and sample forms and policies show corporate counsel how to do their jobs better and more cost effectively.
2. **NewsNET**SM (www.acca.com/newsnet/)— Weekly electronic slip opinions provide the latest information on key legal areas of interest to corporate counsel.
3. **MemberToMember**SM (www.acca.com/membership/serach.php)— ACC's preeminent networking system provides members with a network of in-house attorneys ready to answer questions and provide advice on over 100 different areas of legal practice.

4. **Chapters and Committees** (www.acca.com/networks/)— Local chapter knowledge networking sessions and CLE programs offer face-to-face contact with corporate counsel to discuss issues. Committees offer networks based on areas of interest and provide advice and guidance from volunteer experts on 12 different legal topics: from corporate and securities to intellectual property to managing a small law department.
5. **CLE Programs** (www.acca.com/education/)— ACC presents outstanding programs to enhance corporate counsel performance. At ACC's Annual Meeting, attendees can obtain an entire year's worth of CLE credits and attend outstanding sessions. At local chapter programs, top-notch luncheon and evening CLE programs provide a convenient way to stay up-to-date on legal issues.
6. **ACC Docket** (www.acca.com/p-docket.php)— As the only legal magazine written *by in-house counsel for in-house counsel*, the award-winning *ACC Docket* offers practical guidance on critical issues facing corporate attorneys in small and large legal departments. Regular topics covered include corporate governance, ethics, client relations, outside counsel management, labor and employment law, and other substantive law areas.
7. **Advocacy** (www.acca.com/advocacy/)— ACC serves as the voice of the in-house bar, asserting our professional rights and obligations. ACC seeks to protect attorney-client privilege; work toward more practical and reasonable admission rules; and lead the outside bar on issues such as reform of the billable hour and conflicts of interest guidelines that protect clients. ACC serves corporate counsel by protecting their client's investment in the value added by having an in-house staff.

Contact ACC

For more information, go to www.acca.com or call (202) 293-4103.

SECTION 5

ABOUT ^{PLC}GLOBAL COUNSEL WEB

About ^{PLC}Global Counsel Web

^{PLC}Global Counsel Web is the service for lawyers in companies active internationally.

It provides a range of resources covering cross-border issues and transactions. All the materials take a uniquely practical approach combining generic information with country-specific detail.

^{PLC}Global Counsel Magazine Archive

The leading journal for lawyers in international companies providing know-how and management articles with a cross-border perspective.

^{PLC}Global Counsel Handbooks

Comprehensive guides to the law and leading lawyers worldwide in key practice areas and industry sectors. Each handbook follows the same structure:

- Analysis of cross-border issues
- Detailed Q&A coverage of the law and regulation in each country highlighting key differences
- Details of the leading lawyers in all major jurisdictions

The following handbooks are currently available:

- Competition
- Corporate governance and directors' duties
- Corporate real estate
- Doing business in
- Dispute resolution

- Equity capital markets
- Intellectual property
- Labour and employee benefits
- Mergers and acquisitions
- Restructuring and insolvency
- Tax
- Communications
- Life sciences
- Private equity

^{PLC} Global Counsel Practice Manuals

Practical guides to cross-border transactions.

- Practice notes explain the legal and commercial background, how to manage the deal and negotiate the main documents. They highlight generic issues and cross-refer to country-specific information in easy to use Q&A drop down boxes.
- Standard form agreements with detailed drafting notes covering legal and negotiating issues. Jurisdiction-neutral for use in cross-border transactions requiring only minor alterations for local law. Detailed checklists cross-refer to practice notes and documents.
- The following manuals are currently available: international acquisitions, international joint ventures, sales & marketing and E-commerce.

New Law

Succinct coverage of key developments internationally by practice area and jurisdiction. Fortnightly e-mails summarising key developments worldwide in the following areas: company and M&A, competition, labour and employee benefits and securities and financial instruments.

Contact ^{PLC} Global Counsel

For more information, go to www.practicallaw.com/global or call (+44) (0)20 7202 1220.

SECTION 5

ABOUT ALTMAN WEIL

About Altman Weil, Inc.

Altman Weil provides management consulting services exclusively to legal organizations. Our clients include law firms, corporate and government law departments and legal vendors of all sizes and types throughout North America, the U.K. and abroad.

We offer a full range of consulting services, a vast menu of valuable publications and some of the most impressive credentials in the industry.

Consulting Services

- Law Firm Mergers and Acquisitions
- Merger Integration
- Compensation Systems
- Strategic Planning
- Organizational Development
- Leadership and Management Development
- Profitability Analysis and Planning
- Process Reengineering
- Benchmarking
- Economic Assessment
- Overhead Cost Reduction
- Branding
- Client Development and Market Planning
- Attorney and Staff Training
- Human Resource Management
- Quality Management Programs
- Financial Management
- Client Surveys
- Technology Services

Publications

Our surveys are the industry standard and are often utilized in courtroom expert testimony:

- *Survey of Law Firm Economics* (published annually)
- *Survey of Law Firm Economics – General Counsel Edition* (published annually)
- *The Law Department Management Benchmarks Survey* (published annually in partnership with the Association of Corporate Counsel)
- *The Law Department Compensation Benchmarking Survey* (published annually in partnership with the Association of Corporate Counsel)

Contact Altman Weil

Contact Altman Weil, Inc. at info@altmanweil.com, visit our website at www.altmanweil.com, or call (610) 886-2000 to learn more about our services.