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Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .49 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Counterespionage Section, National Security Division, U.S. Department of Justice, Washington, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

*Furnish this exhibit for EACH foreign principal listed in an initial statement  
and for EACH additional foreign principal acquired subsequently.*

1. Name and address of registrant Patton Boggs LLP 2550 M Street, NW Washington, DC 20037	2. Registration No. 2165
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3. Name of foreign principal Korea International Trade Association (KITA)	4. Principal address of foreign principal Trade Tower, World Trade Center, Samsung-dong, Gangnam-gu, Seoul 135-729 KOREA
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5. Indicate whether your foreign principal is one of the following:

Foreign government

Foreign political party

Foreign or domestic organization: If either, check one of the following:

<input type="checkbox"/> Partnership	<input type="checkbox"/> Committee
<input type="checkbox"/> Corporation	<input type="checkbox"/> Voluntary group
<input checked="" type="checkbox"/> Association	<input type="checkbox"/> Other (specify): _____

Individual-State nationality \_\_\_\_\_

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant  
N/A

b) Name and title of official with whom registrant deals

7. If the foreign principal is a foreign political party, state:

a) Principal address  
N/A

b) Name and title of official with whom registrant deals

c) Principal aim

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8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal.

KITA is a trade association which, among other things, renders assistance to its members in foreign markets, provides legal services relating to trade disputes, it organizes trade events for its members, it runs the World Trade Academy which trains and develops trade specialists, and it has launched a logistics industry to help further Korea's goal of becoming a logistic hub in Northeast Asia.

b) Is this foreign principal

Supervised by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Owned by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Directed by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Controlled by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Financed by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Subsidized in part by a foreign government, foreign political party, or other foreign principal	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

9. Explain fully all items answered "Yes" in Item 8(b). *(If additional space is needed, a full insert page must be used.)*

KITA receives funds (about \$10 million) from the Korean Government for undertaking various perennial projects on behalf of the Korean Government.

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

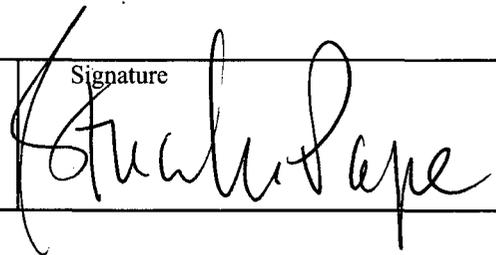
KITA is a trade association organized under the laws of the Republic of Korea. It is has over 65,000 member companies and operates in a number of countries around the world.

Date of Exhibit A

1/29/10

Name and Title  
Stuart M. Pape,  
Managing Partner

Signature



**INSTRUCTIONS:** A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements, or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. One original and two legible photocopies of this form shall be filed for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

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1. Name of Registrant Patton Boggs LLP	2. Registration No. 2165
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3. Name of Foreign Principal  
Korea International Trade Association (KITA)

Check Appropriate Boxes:

- 4.  The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach a copy of the contract to this exhibit.
- 5.  There is no formal written contract between the registrant and the foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach a copy of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- 6.  The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and expenses, if any, to be received.

7. Describe fully the nature and method of performance of the above indicated agreement or understanding.

Registrant is retained to counsel the foreign principal on advancing the U.S.-Korea Free Trade Agreement (KORUS FTA).

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8. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

Registrant proposes to provide counsel to the foreign principal to advance the U.S.-Korea Free Trade Agreement (KORUS FTA).

9. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act and in the footnote below? Yes  No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Some of the registrant's activities will include counseling and assisting the foreign principal in communicating with the legislative and Executive Branches of the U.S. Government with regard to advancing the U.S.-Korea Free Trade Agreement (KORUS FTA).

Date of Exhibit B 1/29/10	Name and Title Stuart M. Pape, Managing Partner	Signature 
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Footnote: Political activity as defined in Section 1(o) of the Act means any activity which the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

September 8, 2009

**PRIVILEGED AND CONFIDENTIAL  
VIA E-MAIL**

Chairman Il SaKong  
Chairman  
Korea International Trade Association  
Trade Tower, World Trade Center  
Samsung-dong, Gangnam-gu, Seoul 135-729,  
Korea

Re: Engagement of Patton Boggs LLP

Dear Il:

It was a pleasure seeing you in Seoul recently. I look forward to seeing you again and to working with you and your team. Thank you for retaining Patton Boggs LLP to represent the Korea International Trade Association ("KITA") in connection with public policy matters as outlined in Section II below. As requested, this letter outlines the terms of our engagement with KITA. Please do not hesitate contact me directly if you wish to discuss any of the foregoing.

**I. General Background and Payment Terms**

To ensure that KITA and we have a common understanding of the terms of our representation, and to comply with the rules of professional conduct for the jurisdictions in which we practice, we have set out in Section III below provisions describing the standard terms of engagement for legal services to be provided by Patton Boggs LLP (the "Firm"). These terms include issues such as our procedure for handling potential conflicts of interest, fees, costs and expenses, billing arrangements and terms of payment. To the extent there is any conflict between the particular details set out in Sections I or II of this letter and the standard provisions set out in Section III, the provisions of Sections I or II shall control.

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David Weiler and I will be primarily responsible for the work done on behalf of KITA and will supervise the lawyers and other professionals who may work on this project. I anticipate that associates, staff attorneys, legal assistants, specialists and/or in-house consultants will assist in the various issues that will arise.

Notwithstanding Section III(C) below, we will provide assistance to KITA for a flat fee of \$70,000 per month, plus expenses for a period of one year with the one year period beginning on September 1, 2009 and concluding at midnight on August 31, 2010. In addition, we would anticipate the expenses to be approximately \$50,000 to \$60,000 per year, principally for travel to Seoul for meetings with appropriate persons in Seoul. Any single expense above \$500 will be pre-approved by KITA.

Payment should be made by wire transfer in response to an invoice that we will prepare on a monthly basis. This invoice will include the above noted flat fee as well any expenses incurred during the applicable month and will set out the specific wire transfer information.<sup>1</sup> We request that this amount be paid promptly upon receipt of the invoice by wire transfer. I anticipate sending out the first invoice in early October, 2009 and in the first week or 10 days of each of the following months through September, 2010.

As you may be aware, under the Lobbying Disclosure Act, we are required to file certain disclosures regarding our representation of KITA. We will provide a draft of this filing to you prior to filing it so that you may see the description of the work as transmitted under the LDA.

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<sup>1</sup> For ease, the wire information is as follows:

Wachovia Bank  
1300 I Street, N.W. 11th Floor  
Washington, D.C. 20005

ACCOUNT NUMBER: [REDACTED]  
ABA NUMBER: [REDACTED]  
BENEFICIARY: Patton Boggs LLP

## **II. Details of Proposed Activities**

### **A. Summary of Patton Boggs Action Plan**

#### **1. General Points**

The representation's essential mission and message is to increase bilateral business, investment, and trade opportunities, expand political relationships, deepen already robust ties, and foster cross-cultural understanding on issues of mutual importance to Korea and the United States.

#### **2. Specific Activities**

As we have discussed, the primary priority should be to advance the Korea-U.S. Free Trade Agreement (KORUS FTA) as quickly as possible. More broadly, we initially envision the Patton Boggs team's representation of KITA would include the following activities:

- a. Provision of written and oral policy analysis and strategic counsel on the issues discussed herein and others identified by KITA and the Firm as circumstances evolve. We would cover all issues affecting the core mission of enhancing Korean-American bilateral relations.
- b. Work closely with KITA to help target additional appropriate U.S. Administration and Congressional officials and opinion-makers, make introductions when helpful, and advocate on the important issues identified above, as well as others as they emerge.
- c. As for specific issue areas, we would analyze, provide counsel, and advocate regarding:
  - i) the KORUS FTA, including appropriate backchannel communications; and
  - ii) other bilateral and multilateral economic, political, and environmental opportunities and concerns.
- d. Specific initial tasks would include:
  - i) laying the groundwork for passage of the KORUS FTA by advocating in Congress, with other thought leaders, and in the public at large on the basic principles of the mutual benefits at stake;
  - ii) providing legislative analysis and drafting on possible changes or side agreements to the KORUS FTA and strategic counsel on the political atmosphere surrounding them;

- iii) advancing other avenues of economic cooperation, including green energy;
  - iv) improving the environment surrounding "Buy American" U.S. government procurement decisions; and
  - v) revitalizing inter-parliamentary exchanges between Korean and U.S. legislators, potentially including via direct KITA sponsorship.
- e. Provide monthly activity report to be attached to the monthly invoice to help the CEO and staff of KITA understand clearly at a glance the services rendered by Patton Boggs in each month, and such monthly report shall include the title of activities by date.

**B. Mission and Messaging**

On trade and other economic policy matters, those representing KITA in the U.S. must consistently emphasize the essential, seemingly simple point that both countries benefit from U.S. investment in the Korean economy and Korean investment in the American economy. More specifically, both economies would benefit on the whole from implementation of the KORUS FTA, despite the challenges involved. It is not too late for KITA to make the case for the passage of the KORUS FTA in some form, although some changes in the substance and style of the messaging likely still need to occur. Moreover, it is certainly not too late for KITA to make the case on behalf of the larger Korea-U.S. economic relationship.

As we discussed both in Washington and Seoul, it is important that we acknowledge at the outset of the representation that the KORUS FTA cannot pass the U.S. Congress without some further changes. President Obama will seek modifications to the agreement, either to the text itself, perhaps more likely via side agreements, or both. The Obama Administration provided some indication of the need for such changes during President Lee's visit to Washington in June, 2009.

We believe it will be possible to help limit those modifications to piecemeal rather than wholesale changes, focusing on the automobile and beef issues and likely some labor and environmental provisions. Our ties with the Democratic Congressional Leadership and with senior officials in the Office of the U.S. Trade Representative, U.S. labor organizations, and U.S. automobile companies will enable us to garner information and help determine exactly which provisions must change or be supplemented. As we discussed, we then can combine our legal and political expertise to help craft language that is mutually acceptable to KITA's and U.S. interests.

Our Firm has used such backchannel communications and negotiations to help broker needed revisions to advance several other floundering Free Trade Agreements. Specifically, the Firm used its relationships and expertise to bring about changes to the U.S.-Peru FTA that

led to the successful ratification of the agreement. We also advanced targeted revisions to the U.S. - Colombia FTA, which helped to produce the successful negotiation, and the increasingly likely ratification, of that agreement.

Again, though, those sorts of limited changes will need to occur for the KORUS FTA to be enacted. Even Congressman Kevin Brady (R-TX), a steadfast supporter of the KORUS FTA as the Ranking Member of the House Ways and Means Trade Subcommittee, has called for modified auto and beef language, in order to move the agreement forward.

After such modifications occur, it is conceivable the Obama-Biden team could persuade a sufficient number of wavering Democrats to pass a revised agreement, although most likely not before 2010. At that point, we will have to make the argument for the KORUS FTA on a case-by-case, Member-by-Member, district-by-district basis. Some Members will most appreciate hearing about growing opportunities for U.S. companies in the South Korean market. Other Members will focus most on the benefits of Korean investments in the U.S. Finally, in some cases, the strength of the U.S.-South Korean treaty relationship will be KITA's most effective message.

In each of those instances, one of the best ways for KITA to make its case will be to use targeted, localized information to tell a larger, national story. For example, to illustrate the benefits of Korean investment in the U.S., we would use anecdotes and statistics to show how that financial commitment has helped to turn around a certain industry sector or a certain community's workforce. Stressing the local benefits of Hyundai and Kia Automotive's investments in various U.S. locations would be a prime example. Similarly, when emphasizing the benefits of increased access to the Korean market for key sectors of the U.S. economy, we will target key agricultural states, such as California, which particularly stand to benefit from the KORUS FTA's enactment.

The simple reason for this targeted approach is that American politicians and voters always appreciate hearing "good news" about the geographic areas they represent and the issues they care about most. Furthermore, even when such news focuses on another sector of the economy or another region of the country, Americans often like to analogize such information to their local situation, especially when it is presented in an easily understood form.

To maximize KITA's credibility, we must be willing to admit that dislocations sometimes will result from passage of the KORUS FTA itself, even though the overall benefits to the Korean-American economic relationship clearly outweigh the detriments. Without such a willingness to consider the downsides as well as the upsides of globalization on such issues as automobiles, we risk alienating the very parts of the U.S. Congressional Leadership, auto industry, and labor movement whom we need to cultivate.

We also propose to help improve the atmosphere for the KORUS FTA through enhanced Korean-U.S. cooperation in other economic areas, such as "green energy." Not only is green energy an Obama Administration priority, it is also a major priority of President Lee and an area of strength for KITA member companies. This is an area of common ground between the governments and industries of the United States and Korea on which we can build to reinforce our central message.

We also will want to stress the need to avoid bilateral dislocations from the "Buy American" language in the U.S. stimulus package. This language not only affects U.S. government procurement decisions, but it also casts a shadow over U.S. international trade policy more generally, including the KORUS FTA. As you are no doubt aware, the G-20 leaders, during their meeting on April 2, 2009 in London, committed to "... refrain from raising new barriers to investment or trade in goods and services, imposing new restrictions or implementing WTO inconsistent measures to stimulate exports ..." until the end of 2010. They further committed to "... minimize any negative impact on trade and investment of our domestic policy actions, including fiscal policy and action in support of the financial sectors ..."

As the Republic of Korea and the United States are both signatories to the World Trade Organization's Government Procurement Agreement (WTO GPA), products made by KITA members should be on an equal footing as American items considered for U.S. government procurements. Nonetheless, as suggested by the clear language issued by the G-20 leaders in London, U.S. procurement officials are usually taking the politically easier step and buying U.S.- made goods, even when they are of inferior quality and cost somewhat more.

### **C. Outreach Targets**

We suggest a multifaceted representation of KITA's interests to reinforce those basic economic themes. First, we will want to focus on further deepening Korean-U.S. ties in Washington, including teaming with think tanks and other non-profits to reach policymakers and other opinion leaders. Although Federal policy makers in Washington will be the primary focus of our efforts, we also should approach targeted businesses and local and state government officials around the U.S. as well. We will first focus below on key audiences in Washington.

#### **1. The Executive Branch**

On KITA's behalf, we will target all of the top officials in the Office of the U.S. Trade Representative (USTR), the Departments of Treasury, Commerce, Agriculture, and State, and

the Office of Management and Budget. In each case, though, we will have a specific request in mind, in order to avoid turning off key figures by "meeting for the sake of meeting."

Some of the upper-to-mid-level policymakers involved in Korea issues have not yet officially taken their posts, but Kurt Campbell, the incoming Assistant Secretary of State for East Asian Affairs and a particular friend of the Republic of Korea, has been confirmed by the Senate. We also have worked closely on the Peru and Colombia FTAs with Demetrios Marantis, one of the Deputy USTRs, and Timothy Reif, the General Counsel for USTR.

## 2. The Legislative Branch

In the U.S. Congress, we will begin our advocacy efforts on behalf of KITA in a generally advantageous position. All of the key figures in the Senate and House Leadership and on the Senate Finance and Foreign Relations and House Ways and Means and Foreign Affairs Committees are favorably disposed toward South Korea in general terms. Still, to reiterate our message above, since Speaker of the House Nancy Pelosi (D-CA), Ways and Means Chairman Charlie Rangel (D-NY), Senate Majority Leader Harry Reid (D-NV), and Senate Finance Chairman Max Baucus (D-MT) are not going to push for ratification of the KORUS FTA in its current form, we will have to work with them to fine-tune key provisions.

Still, KITA will benefit from key Congressional allies on South Korean issues. Senate Foreign Relations East Asia Subcommittee Chair James Webb (D-VA), House Foreign Affairs Committee Chair Howard Berman (D-CA), House Foreign Affairs Nonproliferation Subcommittee Chair Brad Sherman (D-CA), and Ranking Member Ed Royce (R-CA) are all well-positioned "friends of Korea."

We also propose to rejuvenate the U.S.-Republic of Korea Interparliamentary Exchange. Inter-parliamentary exchanges between the U.S. Congress and Korean National Assembly, which have withered since 2004, will greatly help to deepen personal and political ties between Korean and U.S. legislators. Such exchanges will lead to a stronger and more unfiltered communication flow.

KITA even could sponsor such exchanges under the Department of State's Mutual Educational and Cultural Exchange Agreement (MECEA) program. The State Department already has an operating MECEA agreement in place with the Republic of Korea. Whether through the U.S.-Republic of Korea Interparliamentary Exchange, a MECEA program, or both, we believe Congressman Royce will prove particularly helpful in this area, based on his past experience leading such exchanges.

## 3. Think Tanks

Our representation can help to deepen KITA's relationships with the non-profit policy think tanks in Washington. Several think tanks in Washington hold Korea-oriented events, but they often focus exclusively on North Korea. Moreover, those think tanks often do not try to ensure participation on their panels from South Korean representatives.

Therefore, we propose to encourage certain think tanks, and in particular the Peterson Institute for International Economics, to host additional fora focused on the South Korean perspective on trade and security issues. To start, given Democratic control of the White House and Congress, we should target liberal and moderate-leaning institutions including the Brookings Institution and the Center for Strategic and International Studies, which have hosted a fair number of North Korea-oriented panels, as well as Third Way and the Center for American Progress, which have been less active on Korean Peninsula issues to this point. Next, we would propose to approach more conservative-leaning institutions like the Heritage Foundation, the American Enterprise Institute, and the CATO Institute.

#### 4. Business Groups

We also propose to cultivate stronger ties with U.S. business leaders, including looking beyond business organizations that are simply focused on the Korean or Northeast Asian markets. This outreach would be part of the focus beyond the KORUS FTA to cover broader areas of common ground on economic and security points.

#### 5. Activities Outside of Washington

As suggested by our recommendation above of using local anecdotes to illustrate the larger benefits of Korean-U.S. economic ties, we are prepared to organize multiple "KITA road shows" around the country, where regional audiences can learn about the beneficial aspects of the Korean-American relationship.

We can make significant gains in terms of public opinion with this approach. Incomplete information means that many Americans, including generally well-educated and prosperous ones, are simply under-informed about the state of Korean-U.S. ties. In particular, many Americans do not realize how favorably most South Koreans view the United States. KITA should help make clear that, more than the population of almost every other country, South Koreans see the U.S. as a constructive presence in world affairs. As we undertake that effort, new opportunities to build business partnerships, educational exchanges, and political relationships will emerge at the local level, which will only enhance Korean-U.S. ties at the national level.

It is important for KITA's national outreach effort to focus on groups other than Korean-American communities around the United States. Korean-Americans are already

generally very well-informed about bi-national issues, and they are predisposed toward supporting a deeper Korean-U.S. relationship. "KITA road shows" that only reach Korean-American audiences therefore would be largely unnecessary efforts.

Instead, we propose choosing regional locations and partners that reach wider audiences. Universities, World Affairs Councils, national and local Chambers of Commerce, educational and scientific exchange groups, the Korea Society in New York, and local trade development offices in cities around the country are natural targets. Fostering joint programs with the representative U.S. and Korean business organizations will be helpful. The significant scope of the Korean-U.S. economic relationship suggests that many of these organizations will be receptive to KITA's approach.

### **III. Standard Terms and Conditions**

Except as modified in Sections I or II of this engagement letter, this Section III sets forth the standard terms of our engagement as your lawyers. We therefore ask that you carefully review it, and advise you to consult with your in-house counselor or other independent counsel regarding the terms set forth herein before we commence our work for you, to ensure that it comports with your understanding of our respective responsibilities. If you have any questions concerning the matters discussed below, please contact us promptly and before we commence work so that we may address them with you.

#### **A. The Scope of Our Engagement**

We want you to have a clear understanding of the legal services we will provide, and encourage you to review this engagement contract and to discuss with us any questions you may have concerning these services. If at any time you believe it is desirable to supplement or amend the scope of work described in Section II above, please let us know.

We will at all times act on your behalf to the best of our ability. During the course of our representation, you may seek our professional opinion regarding the likely outcome of your legal matters. Any expressions (solicited or otherwise) on our part concerning such possible outcomes are expressions of our best professional judgment, but are not guarantees.

Before we begin representing a particular client, we try to determine whether there are any conflicts of interest that would interfere with our representation of that client's interests. Should we determine in the course of our representation that such a conflict has arisen, we will promptly notify you. We similarly ask you to notify us if you

become aware of any potential conflicts of interest. If either you or we conclude that our representation should or must be terminated, we will do our best to protect your interests by assisting in providing a smooth transition to new counsel.

It is our policy that we represent only the person or entity that is specifically identified in our accompanying engagement letter and not any affiliates of that person or entity. This means that if you are a corporation or partnership, or governmental agency or department, our engagement does not include representation of any parents, subsidiaries or affiliates, or other agencies or departments. Nor does it include representation of any employees, officers, directors, shareholders, members or managers of the corporation or partners of the partnership, or agency or department, or commonly owned corporations, joint ventures or other corporate, governmental or contractual affiliates or partnerships. If you are an association or coalition, our representation does not include representation of any of your individual members.

Accordingly, for conflict of interest purposes, you are agreeing that we may represent another client with interests adverse to any such affiliate or related person or entity without obtaining your further consent. Whether we will do so will depend on several factors, including the jurisdiction in which the representation will be undertaken and whether (i) the adverse matter is the same as, or substantially related to, the matter on which the Firm is representing you; (ii) there is a risk of adverse use or unauthorized disclosure of confidences or secrets obtained during our representation of you; (iii) the representation likely will have a material adverse effect on your financial condition; or (iv) the other client would be adverse to a person or entity which is your "alter ego."

We also wish to emphasize that the Firm provides a wide array of legal services to many clients around the world. These services include legislative and administrative representation on matters that may affect your interests, directly or indirectly. Therefore, as a condition of our undertaking to represent any client on a particular matter as described in our accompanying engagement letter, we ask each of our clients to waive objection to any conflict of interest that might be deemed to be created by our representation of other clients in legislative or administrative policy matters that are unrelated to the specific representation we have been asked to undertake on their behalf. Your waiver will permit us to represent another client in advocating a change in law or policy in areas such as environmental or business regulation, international trade, health care, or taxation, even if the policy we advocate would or might have a direct or indirect adverse impact upon your interests.

It is also possible that some of our current or future clients will have disputes with you during the time we are representing you. We therefore also ask each of our clients to agree that we may continue to represent or may undertake in the future to

represent existing or new clients in any matter (such as litigation, a disputed proceeding, transactional work or an intellectual property matter) that is not substantially related to our work for you, even if the interests of such clients in those matters are directly adverse to yours. We agree, however, that your prospective consent to conflicting representation shall not apply in any matter that is substantially related to the subject matter of our representation of you. We will treat matters as "substantially related" (and therefore not subject to your prospective consent) if they involve the same transaction or legal dispute in which we were engaged on your behalf, or if there is a substantial risk that we have obtained from you any sensitive, proprietary or other confidential information of a non-public nature that, if known to the other client, could be used by such client to the material disadvantage of your interests in the other matter. In all cases, we will exercise our best professional judgment and due diligence to ensure that the confidentiality of all non-public information that you provide us is protected and that any new representation will not impair our ability to represent you zealously in the matters in which we are engaged on your behalf.

Your acceptance of the attached engagement letter will constitute your agreement to the waivers requested in this section. (We recognize that, in certain jurisdictions, governmental agencies, unlike private parties, may not consent to adverse representation by its counsel even in unrelated matters.)

It is also our policy that the attorney-client relationship will terminate upon our completion of any services that you have retained us to perform. Although in many cases there will be an event or a communication that clearly signifies the termination (or non-termination) of a matter, in the absence of any such clear indicia we will deem a matter to be terminated if we have not provided any professional services relating to the matter for a six-month period. We hope, of course, that you will choose to retain our Firm to perform further or additional services. Should you do so, our attorney-client relationship will be re-established subject to these terms of engagement, as they may be supplemented at that time.

#### **B. Who Will Provide the Legal Services**

As noted above, David Weiler and I will be principally responsible for this representation. Subject to our supervision, other lawyers, in-house specialists and consultants and/or legal assistants (paralegals) in the Firm may perform services on your behalf. The staffing decisions are made by us with the objective of rendering timely and cost-effective services to you. Whenever practicable, we will advise you of the names of those attorneys, in-house specialists and consultants and legal assistants who work on your matters.

**C. How Fees Will Be Set**

Fees for services rendered will be based on the reasonable value of those services as determined in accordance with the codes of professional responsibility for the jurisdictions in which we practice. Fees will be based primarily on our standard hourly billing rates in effect at the time the work is performed and the numbers of hours worked. Each attorney, legal assistant (paralegal), law clerk, and in-house specialist and consultant is assigned a standard hourly billing rate, based on the person's experience, years of practice, special expertise, and professional achievement. The Firm typically adjusts these rates on at least an annual basis to reflect current levels of legal experience, changes in overhead costs and other factors.

Time for which a client will be charged will include, among other things, telephone and office conferences with the client, witnesses, consultants, court personnel and others; conferences among our legal personnel; factual investigations; legal research; preparation of responses to clients' requests for us to provide information to their auditors; drafting of letters, pleadings, briefs, memoranda and other documents; travel time; and time in depositions, other discovery proceedings and in court. We charge our time in units of one quarter of an hour.

We are often requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. Whenever possible we will furnish an estimate based upon our professional judgment, but always with a clear understanding that it is not a maximum or fixed fee quotation. All estimates are subject to unforeseen circumstances and are by their nature inexact.

Unless otherwise agreed in writing in advance, the obligation to make timely payment of our fees and expenses is not contingent on the outcome of the representation.

**D. Costs and Expenses**

In addition to our fees for legal services, we also charge separately for certain costs and expenses incurred in performing those services. These expenses may include costs of photocopying, messenger and delivery service, computerized research, travel, long-distance telephone calls, telecopying, filing fees, staff overtime expenses and other similar costs and expenses. Certain of these items may be charged at more than our direct cost, including retaining rebates from service providers, to cover our overhead. Unless special arrangements are made at the outset, fees and expenses of experts and consultants will be the responsibility of, and will be billed directly to, the client.

Our policy requires other out-of-pocket charges in the amount of \$1,000 or more to be billed and paid by you to the Firm before the supplier can be paid. Because our ability to render legal services on your behalf is often dependent upon the services of these suppliers, prompt payment of these invoices is particularly important. When we are asked to undertake matters that will involve significant out-of-pocket expenses, we will ask you to provide us, in advance, with funds to cover the anticipated expenses.

We reserve the right to make at your expense and retain copies of all documents or electronic records generated or received by us in the course of our representation. When you request documents or electronic records from us, or if we receive from a government agency or a third party a summons or subpoena requiring us to provide documents, electronic records or testimony relating to work we performed for you, the time spent in complying with any such request, summons or subpoena will be billed to you at our standard hourly rates, along with the costs of any out-of-pocket expenses we incur.

#### **E. Billing Arrangements and Terms of Payment**

We will bill you on a regular basis, ordinarily each month, for both fees and costs and expenses. We generally send our statements in the month following the month to which the bill relates. If you would like us to bill you more frequently, please let us know. Our statements are payable upon presentation. If any monthly statement is not paid in full within thirty days of its date, then we may assess a late charge on the unpaid balance at the rate of 1.0% per month until full payment is made.

It is our general policy to ask for an advance payment (which we sometimes refer to as a retainer or a deposit) against which we will charge our fees and expenses. Such advance payments are not refundable unless mutually agreed otherwise by you and the firm. Agreed upon amounts for monthly representation or for specific assignments are not considered "advance payments."

We will notify you promptly if your account becomes delinquent, and you agree to bring the account or the advance deposit current when so notified. If the delinquency continues and you do not arrange satisfactory payment terms, we reserve the right to postpone or defer providing additional services or to withdraw from the representation and pursue collection of your account. If collection activities are necessary, you agree to pay to us any costs we may incur in collecting the debt, including court costs, filing fees and a reasonable attorney's fee.

#### **F. Termination of Representation**

You may terminate our representation at any time, with or without cause, by notifying us. If such termination occurs, upon your request, we will promptly return to you any papers or property that you have given to us, subject to our rights, where permitted by applicable rules of professional conduct, to retain such papers or property as security for the payment of any outstanding fees, costs or expenses. We will retain our own work-product pertaining to the case for a reasonable period of time after such termination. It is our general policy not to retain copies of files or other records relating to an engagement for more than seven years after completion of the services you have asked us to perform. Thereafter, unless the client tells us otherwise, we reserve the right to destroy those files at our discretion without further notice but shall not be obligated to do so. If you want us to keep files for a longer period of time, destroy them sooner, or return them to you, please tell us.

We are subject to the rules of professional responsibility for the jurisdictions in which we practice, which list several types of conduct or circumstances that require or allow us to withdraw from representing a client, including for example: nonpayment of fees or costs, misrepresentation of or failure to disclose material facts, action contrary to our advice, conflict of interest with another client or, if in our judgment, any fact or circumstance would render our continuing representation unlawful or unethical. If withdrawal ever becomes necessary, we will take all reasonable measures to ensure a smooth transition to new counsel. Your acceptance of the engagement letter accompanying this statement constitutes your agreement not to contest our motion to withdraw from any court or administrative proceeding in these circumstances so long as we have complied with the applicable rules for withdrawal in that jurisdiction.

Termination of our services will not affect your responsibility for payment of legal services rendered and costs and expenses incurred before termination and in connection with an orderly transition of the matter.

#### **G. Insurance Coverage**

It is possible that you may have insurance policies relating to a matter with respect to which you request our assistance. You should carefully check all policies and, if coverage may be available, notify the insurance company about the matters as soon as possible. We do not undertake any responsibility to advise you as to the existence, applicability or availability of insurance coverage for any of the matters to be handled by us unless you have provided us with copies of your policies of insurance and expressly request our advice as to potential coverage under those policies. If an insurance company undertakes the payment of any portion of our statements, you will still remain responsible for any amounts not paid by the insurance company.

## **H. Disputes**

It is always our goal to provide our clients with sound advice and excellent service. If any issues arise between you and the Firm that are not resolved through discussions with the attorneys who are handling your matter, please contact our Firm's Managing Partner or our General Counsel and they will make every effort to address your concerns. If we are unable to resolve the matter through mutual discussions, we will explore with you whether the matter might be resolved through mediation or another form of alternative dispute resolution.

In jurisdictions which have specific arbitration procedures or tribunals that relate solely to disputes concerning the reasonableness of legal fees, the client may elect to invoke those procedures and/or bring the matter before that tribunal.

In the event that any disputes relating to our services (including but not limited to any claims relating to reasonableness of fees, professional negligence or malpractice) are not resolved through any of the foregoing mechanisms, your acceptance of this engagement letter shall constitute your agreement to be subject to the jurisdiction of the courts of the jurisdiction of the Firm office that performed the substantial portion of the relevant services, which shall be the exclusive forum for resolving any such disputes unless the Firm has otherwise consented in writing. Interpretation and enforceability of the accompanying engagement letter and these Standard Terms of Engagement shall be governed by the law of the District of Columbia (exclusive of its choice of law rules), and the standard of care owed by the Firm shall be governed by the law of the jurisdiction of the Firm office where the substantial portion of the services were performed (exclusive of its choice of law rules). The agreements in this paragraph are intended to provide both the Firm and its clients with uniformity and certainty regarding the governing law and dispute resolution process, notwithstanding any inconvenience or added expense resulting from the choice of forum.

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If you agree with these terms and conditions, please sign and return a copy of this letter to us. If you have any questions about these terms or would like to discuss them, please do not hesitate to contact me.

These terms and conditions will apply to any future work we undertake for you unless we send you a new letter reflecting different terms and conditions.

We look forward to working with KITA to achieve a successful result.

Sincerely,

  
Thomas Hale Boggs, Jr.  
for PATTON BOGGS LLP

Attachments

Agreed:

  
Il SaKong  
Chairman & CEO  
Korea International Trade Association