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CONTRACT FOR PROFESSIONAL SERVICES

This Agreement entered into on this ____ day of September 2018, between the Government of the Republic of the Marshall Islands (RMI) on the one hand, and Akin Gump Strauss Hauer & Feld LLP, Robert S. Strauss Building, 1333 New Hampshire Avenue, N.W. Washington, DC 20036-1564 (Firm)on the other, and (together the "parties");

WHEREAS, the RMI desires to continue engaging the Firm to perform legal services in the United States to assist in its efforts seeking:

(a) An amendment of the Real ID Act, to ensure driver license and personal identification cards remain available to Republic of the Marshall Islands citizens living in the United States;

(b) Federal funding authorized for the Republic of the Marshall Islands and later affirmed by the United States Department of State to be paid to the RMI in recognition of changes made to the tax and trade provisions in the Compact of Free Association; and

(c) Strategic advice regarding the 2023 expiration of the Compact of Free Association between the United States and the Republic of the Marshall Islands (RMI).

WHEREAS, Akin Gump Strauss Hauer & Feld LLP of the address above, attests that it has the personnel, experience, expertise, and qualifications to provide the RMI, the services necessary to seek to achieve the outcomes outlined above, and has submitted a proposal to this effect; and

WHEREAS, the Government of the Republic of the Marshall Islands has accepted the proposal by Akin Gump Strauss Hauer & Feld LLP, and hereby agrees to engage the services of Akin Gump Strauss Hauer & Feld LLP, in connection with the tasks described above, and the terms set forth below.

NOW THEREFORE on the basis of the recitals above, the Parties hereto agree as follows:

Section 1. **Scope of Work & Duties of the Firm**

The Parties agree that the scope of work and the terms of reference for work under this agreement are described in the first recital above, and elaborated in the Letter dated September 26, 2018, by Akin Gump Strauss Hauer & Feld LLP addressed to Ambassador Zackios, attached herewith as Exhibit A, and designed to seek to achieve the following outcomes:

(a) An amendment of the Real ID Act, to ensure driver license and personal identification cards remain available to Republic of the Marshall Islands citizens living in the United States;

(b) Federal funding authorized for the Republic of the Marshall Islands and later affirmed by the United States Department of State to be paid to the RMI in recognition of changes made to the tax and trade provisions in the Compact of Free Association; and

(c) Strategic advice regarding the 2023 expiration of the Compact of Free Association between the United States and the Republic of the Marshall Islands (RMI).

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1. Strauss Hauer & Feld LLP undertakes to use its best efforts to secure on the outcomes itemized above, and promises to use its best effort, and to perform its tasks under this agreement to the best of its ability and to professional standards.

2. That the additional details of undertakings by Akin Gump Strauss Hauer & Feld LLP in this connection, are contained in the Letter by Akin Gump Strauss Hauer & Feld LLP to Ambassador Zackios, dated September 26, 2018, and attached herewith as Exhibit A.

3. Akin Gump Strauss Hauer & Feld LLP undertake to perform these services to the best of its ability, and to professional standards.

4. Akin Gump Strauss Hauer & Feld LLP shall not undertake any work on behalf of the RMI outside of the scope of work described herein, without the prior consent of the RMI.

5. The parties may agree on a work plan, milestones, deadlines and reporting cycles, in the completion of the tasks set out above.

Section 2. **Compensation**

1. In return for work undertaken by Akin Gump Strauss Hauer & Feld LLP under this Agreement, the Parties agree to the following compensation arrangement:

   a. Akin Gump Strauss Hauer & Feld LLP will invoice the RMI each month for a $20,000 retainer as set forth in the August 22, 2017 agreement, also attached hereto.

   b. That the hourly rates for the team that will most be engaged in the performance of the tasks under this agreement are as follows:

      i Jennifer Richter $970.00
      ii Karen Green $815.00
      iii Geoff Verhoff.....$675.00
      iv James Tucker $930.00

   c. Jeffrey Farrow also will work with us on this engagement as a consultant and his hourly rate is $700. Any other personnel or consultants of Akin Gump Strauss Hauer & Feld LLP that are engaged in the work under this agreement shall first be notified to the RMI, including the amount of the hourly rate chargeable by any such person.

2. The amount of the retainer and the fees shall be reviewed quarterly, and may be adjusted by agreement of the parties, to ensure continued alignment with the workload.

3. The $20,000 retainer shall be paid each month, within thirty (30) days of receipt, in accordance with the billing policies set forth in the August 22, 2017 agreement (and

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attachment), failing which, Akin Gump Strauss Hauer & Feld LLP may consider the suspension and or termination of services.

4. No hourly billings for work unrelated to the scope of work herein, and undertaken without the knowledge and or prior approval of the RMI, shall be billable to the RMI under this agreement.

Section 3. **Duties of the RMI**

1. The RMI shall cooperate to the best its ability with Akin Gump Strauss Hauer & Feld LLP in their work under this agreement.

2. Cooperation in this context shall include, regular consultations with Akin Gump Strauss Hauer and & Feld LLP, the submission of information and/or documentation at the request of Akin Gump Strauss Hauer & Feld LLP for purposes of this agreement, the facilitation of meetings where necessary and related tasks.

3. Cooperation in regards to the submission of information and documentation shall not apply to documentation and information deemed by the RMI to be not relevant for the purposes of this agreement.

Section 4. **Term Agreement**

This agreement shall remain in place for a period of twelve (12) months, commencing upon the conclusion of our August 22, 2017 agreement, unless terminated earlier by either party, pursuant to the termination provision of this agreement, or extended further, by the mutual agreement of the parties.

Section 5. **Status of the Firm**

Akin Gump Strauss Hauer & Feld LLP is an independent contractor, and its employees, agents and principals are employees, agents or principals of the RMI.

Section 6. **Assignment & Confidentiality**

1. Akin Gump Strauss Hauer & Feld LLP agrees not to assign or sub-contract the performance of any part of the tasks under this agreement to another party without the prior written approval of the RMI.

2. Any Government information accessed by Akin Gump Strauss Hauer & Feld LLP, determined by the RMI to be confidential Government information shall not be disclosed by Akin Gump Strauss Hauer & Feld LLP to any third party without the prior written approval of the RMI except as required by applicable law or rules of professional conduct.

3. To this end, Akin Gump Strauss Hauer & Feld LLP shall not release to any third party or publish any material provided by the RMI without the prior written

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approval of the RMI except as required by applicable law or rules of professional conduct. This confidentiality clause shall survive the termination of this agreement.

Section 7. **Termination**

1. By Notice: Either party may at any time, terminate this agreement by providing the other twenty-one (21) day written notice of such intention to terminate the agreement or if by Akin Gump Strauss Hauer & Feld LLP, written notice of termination may be sooner in compliance with the applicable rules of professional conduct. In this instance, the agreement shall be deemed terminated on the expiry of the notice period.

2. By Default: Either party may at any time terminate this agreement on the basis of default by providing the defaulting party 21 day written notice or if by Akin Gump Strauss Hauer & Feld LLP, written notice of termination may be sooner in compliance with the applicable rules of professional conduct. In this instance, the agreement shall be deemed terminated on the expiry of the notice period, and if the defaulting party has not cured the default. The non-defaulting party may in this case, request the defaulting party to make good any outstanding claims, payments, and tasks for which payment has already been made.

3. Force Majeure: Where due to an instance of force majeure, either or both of the parties are rendered unable to perform any of their obligations under this agreement, this agreement shall be deemed terminated without loss to any party.

Section 8. **Governing Law**

This agreement shall be interpreted and implemented in accordance with the laws of the District of Columbia.

Section 9. **Service**

Service of all documents and processes under this agreement shall be made as follows:

Service on RMI:
The Secretary of the Ministry of Foreign Affairs
(Or the Ambassador to D.C.)
Ministry of Foreign Affairs and Trade
P.O. Box ____ Majuro MH96960
Republic of the Marshall Islands
Tel: _____
Email: _____

Service on For Akin Gump Strauss Hauer & Feld LLP:
Jenifer Richter, Esquire
Akin Gump Strauss Hauer & Feld LLP
1333 New Hampshire Avenue, N. W.
Washington, DC 20036-1564
(202) 887-4524

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Section 10. **Effectiveness**

This Agreement shall take effect on the date of the last signature below.

IN WITNESS HEREOF, the parties hereto have signed this Agreement on the dates appearing next to their signatures below:

For the RMI:

10/15/18

Secretary, MOFAT

For Akin Gump Strauss Hauer & Feld LLP:

10/15/2018

Secretary, of Finance
(As to Funds Available)

Acct: _____

FY19, Not to exceed $240,000...1610-1520-000-201-GG1610

Attorney General
(As to Legal Form)

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Akin Gump
STRAUSS HAUER & FELD LLP

JENNIFER L. RICHTER
+1 202.887.4824/fax +1 202.887.4288
jrichter@akingump.com

September 26, 2018

H.E. Gerald M. Zackios
Ambassador Extraordinary & Plenipotentiary
Embassy of the Republic of the Marshall Islands
2433 Massachusetts Avenue, N.W.
Washington, DC 20008

Re: Exhibit A to Contract

Dear Ambassador Zackios:

Thank you for the opportunity to continue to represent the Republic of the Marshall Islands (RMI). We look forward to our ongoing work together educating U.S. officials about the important relationship between the United States and the RMI and achieving mutually beneficial policy outcomes that strengthen our relationship.

As we discussed, there are actions we can take in the immediate future to obtain additional attention to and resources for the RMI and to resolve complications involving the REAL ID Act, while also building a case for fair treatment in the 2023 renegotiation of a new economic agreement with the United States. We provide a preliminary outline below.

I. Amendment of the REAL ID Act

In the context of our existing representation, a House Committee has, for the first time, passed legislation to permit citizens of the Freely Associated States to obtain drivers' licenses on the same basis as other long-term residents in the United States. Of course, there are no guarantees with Congress, but we believe the bill is poised for passage by the full House of Representatives, and the Senate is prepared to follow. Prior to our current efforts, this proposal passed the Senate twice but had never gained House support. The current momentum is unprecedented and promising, and we expect to resolve this matter and enact the legislation as quickly as possible.

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II. Resources for the Republic of the Marshall Islands

As we have discussed, there is a great need, as well as a moral and policy imperative, for enhanced U.S. funding for RMI, including but not limited to resources that address the changed circumstances and increased burden on RMI arising from nuclear testing. In addition, in 1986 and again in 2003, Congress authorized $20 million if the government of the RMI could demonstrate adverse impacts on its finances and economy as a result of changes the U.S. Congress made to tax and trade provisions of the original Compact of Free Association between the two nations. This funding has never been appropriated, despite a conclusion by the United States Department of State in 2010 that the RMI "has reasonably demonstrated net adverse impacts" to its economy due to the changes made by the U.S.

In addition, in May of 2018, the General Accounting Office released a report, "Compacts of Free Association: Actions Needed to Prepare for the Transition of Micronesia and the Marshall Islands to Trust Fund Income," which outlines a federal agenda for changes in Compact funding after the 2023 expiration date. It is important to lay the foundations for accomplishing post-2023 objectives now while we work on short term funding goals.

III. Terms of Representation

What is clear from our representation over the past year is that the story of the RMI needs to continue to be amplified in Washington. Decision-makers must be better informed of the RMI's deep sacrifices for the United States, as well as the ongoing contribution to U.S. military strength. Informing key decision-makers as outlined in this proposal is critical to the RMI for practical reasons — protecting the interests of the RMI now and into the future as we approach 2023 — but it is also important for moral reasons, as it is incumbent on the United States to work collaboratively with its partners and own responsibility for its actions of the past.

If you should choose to engage us, we are including the firm's standard policy which describes the manner in which we will bill for legal services and disbursements. A clear understanding of those matters helps to maintain a harmonious professional relationship. I encourage you to consider the matters set forth in this letter carefully and to raise with us any question that you may have now or later about its contents.

We refer matters to those lawyers in this firm who in our judgment can perform the highest quality work, in a timely and efficient manner, and at the lowest cost. We also employ non-lawyer assistants in tasks where lawyers are not necessary, to facilitate the rapid and efficient performance of services.

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Akin Gump
STRAUSS HAUER & FELD LLP

While I certainly do not expect that you will find the legal representation by this firm to be in any way unsatisfactory, I do encourage you to discuss any problems or questions with me at any time.

For the work described above, we propose to continue our monthly retainer of $20,000 with the opportunity to assess the fees and the retainer on a quarterly basis and, with your agreement, adjust either the workload or the fees to ensure continued alignment. We would anticipate the next phase of this project, as outlined above, running for one year. In addition, expenses advanced on your behalf or internal charges for administrative services (which may exceed our direct costs) are added to the statement rendered for the month in which such expenses or charges are recorded in our billing system.

Our standard practice is to bill on a monthly basis. This allows our clients to monitor both current and cumulative fees and expenses. We require that payment of statements be made within 30 days of receipt, and we may suspend or terminate any work in progress if timely payment is not made. We may also withdraw from the representation in a manner consistent with applicable ethical standards.

Attached to this letter is our Statement of Firm Policies (the "**Statement**") that will apply to our representation of you. In the event of a conflict between the terms of the Statement and the terms of this letter, the terms of this letter shall control. Please review these policies and let me know if you have any questions concerning them.

If the terms described above and in the attached Statement are satisfactory to you, please so indicate by signing the enclosed copy of this letter and returning the signed copy.

Thank you for the opportunity to be of service to the RMI at this critical time. We look forward to hearing from you and engaging with you.

Sincerely,

Jennifer L. Richter
AKIN GUMP STRAUSS HAUER & FELD LLP

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