

RETENTION AGREEMENT

WHEREAS, the Attorney General has determined that claims should be made against GlaxoSmithKline LLC, formerly SmithKline Beecham Corporation d/b/a GlaxoSmithKline (hereinafter referred to as “GSK” or “DEFENDANT”), as the manufacturer of the diabetes medication Rosiglitazone Maleate, marketed under the trade names Avandia®, Avandament® and Avandaryl® (hereinafter referred to as “Avandia”), and which has by manner of its wrongful actions and/or omissions caused injury to the citizens of the State of Mississippi and/or the State of Mississippi by and through the Division of Medicaid and the State and School Employees’ Life and Health Plan; and

WHEREAS, the Attorney General has determined that the damages incurred by the State of Mississippi are likely to be substantial in nature, and

WHEREAS, the Attorney General has determined that the investigation, research and litigation of the Claims will likely require the expenditure of large sums of money and require the work of numerous lawyers and experts who are familiar with the DEFENDANT and its wrongful actions and/or omissions; and

WHEREAS, the Attorney General has further determined that it is in the best interests of the State and its citizens that the State retain attorneys experienced in the prosecution of such claims; and

WHEREAS, the below listed attorney is experienced in the prosecution of mass tort, consumer fraud and complex commercial litigation and has consented to represent the State of Mississippi, in association with the Attorney General, respecting the Claims and pursuant to the terms and conditions hereof,

IT IS, ACCORDINGLY, AGREED as follows:

1. The Office of the Attorney General hereby retains the law firm of BARON & BUDD, P.C. (“the Law Firm”) and its principal members, J. BURTON LeBLANC, IV and LAURA J. BAUGHMAN, are hereby designated as Special Assistants Attorney General to investigate, research, file and prosecute the Claims in any appropriate Court or Courts or before any appropriate governmental agency.

2. The Attorney General does not relinquish his constitutional or statutory authority or responsibility through this Retention Agreement. The Attorney General has the sole authority to initiate and settle this litigation on behalf of the State of Mississippi and its citizens. The Law Firm shall consult with the Attorney General and obtain his approval on all material matters pertinent to these Claims and any litigation arising therefrom, and the Attorney General shall cooperate with the Law Firm and use his best efforts to secure the cooperation of other State agencies. Prior to initiating inquiries or demands to any persons or entities, the Attorney General and the Law Firm will agree upon entities to be contacted and/or claims to be pursued; the Law Firm will thereafter be entitled to reasonable fees and expenses, as provided below, on any recovery from such agreed-upon entity or claims, discovered as a consequence of the Law Firm’s inquiry/demand. The Attorney General is not required, however, to assign any members of his staff to pursue the Claims, but may from time to time afford staff and other support services as the Attorney General deems appropriate. The Attorney General shall designate a member(s) of his staff to monitor these Claims, and the Law Firm shall keep the Attorney General and his designated staff member(s) fully informed on all matters pertaining to the Claims.

3. The Attorney General and the Law Firm both recognize that the Claims present numerous factual and legal obstacles and that no assurance of success on the Claims has or can be made.

4. The Attorney General shall maintain responsibility for the public distribution of information concerning this matter. All press inquiries shall be referred to the Attorney General for comment and response.

5. The Law Firm has agreed to represent the State, and the Attorney General hereby agrees that the Law Firm will be compensated for their efforts on the following basis:

A. Fee Agreements:

Exhibit A – Retention Agreement – Matter Settled Prior to Initiation of Litigation, and

Exhibit B – Retention Agreement – Matter Resolved After Initiation of Litigation;

B. All reasonable and necessary costs of litigation, including, but not limited to, legal research costs (e.g., Westlaw), court costs, travel expenses (e.g., lodging, mileage reimbursement, airfare), witness fees, consultants, accounting and expert fees and expenses, as shall be approved by the Attorney General, shall initially be borne entirely by the Law Firm, but shall be reimbursed from any gross recoveries from the pursuit of such claims on a case-by-case basis;

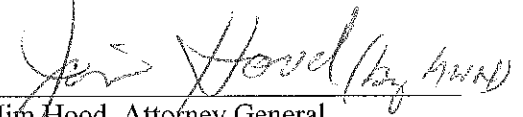
C. The Law Firm shall receive no compensation or reimbursement other than set out above. In the event that no recovery is realized, the Law Firm shall receive no compensation or reimbursement.

6. With the approval of the Attorney General, the Law Firm may associate other attorneys at their own expense and at no cost to the State of Mississippi. Notwithstanding such association of other attorneys, this Retention Agreement is non-assignable and non-transferable, nor are the Law Firm's commitments delegable without the express, written approval of the Attorney General.


7. In addition to the duties and obligations outlined hereinabove, the Law Firm and any attorneys the Law Firm associates in the prosecution of any real or potential actions described herein shall maintain itemized records of the time and reasonable and necessary litigation expenses incurred in the prosecution of the action(s).

DATED this 23<sup>rd</sup> day of August, 2011.

ATTORNEY GENERAL OF  
THE STATE OF MISSISSIPPI

By:   
Jim Hood, Attorney General

BARON & BUDD, P.C.

By:   
J. Burton LeBlanc, IV

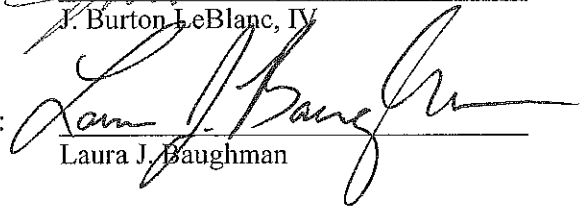
By:   
Laura J. Baughman

Exhibit "A"  
(Counsel Retention Agreement)  
(Matter Settled Prior to Initiation of Litigation)

For any "Matter Settled Prior to Initiation of Litigation," the following structured contingent fee schedule for aggregate recovery shall apply and govern compensation of the Attorneys:

For Recovery by the State of Mississippi Up to \$25,000,000.00:

15%

For Recovery by the State of Mississippi between \$25,000,000.00 and \$75,000,000.00:

13%

For Recovery by the State of Mississippi between \$75,000,000.00 to \$200,000,000.00:

7%

For Recovery by the State of Mississippi between \$200,000,000.00 to \$500,000,000.00:

4%

For Recovery by the State of Mississippi between \$500,000,000.00 to \$1,000,000,000.00

2%

For Recovery by the State of Mississippi greater than \$1,000,000,000.00:

1%

**Explanatory Note & Illustration of Fee Computation**

The structured contingent fee schedule set forth herein is intended to, and shall, operate cumulatively so that, in relation to each successive category or level of Recovery by the State of Mississippi (e.g., "For Recovery by the State of Mississippi Up to \$25,000,000.00," *etc.*), there shall be a specified percentage or percentages governing the amount or valuation of the aggregate contingent fee in each such category, so that the Attorneys shall be entitled to receive, and shall be paid, an aggregate sum or value equivalent computed by multiplying the percentage applicable to each such successive category or level of Recovery by the State of Mississippi by the incremental dollar amount falling within each such category and the separate products so derived by multiplying these factors in each category shall be added together to compute the aggregate fee to be paid to the

Attorneys. By way of illustration only, the cumulative contingent fee structure shown on this Exhibit "A" shall be computed, utilizing the following method:

Assume Recovery by the State of Mississippi of a monetary sum, benefit, or value equal to \$600,000,000.00.

The Attorneys' contingent fee will be computed by adding together the specified, applicable percentage of each category or level, as follows:

- 15% of the first \$25,000,000.00 (*i.e.*, 15% of any sums or values between 0 and \$25,000,000.00)

**PLUS**

- 13% of the next \$50,000,000.00 (*i.e.*, 13% of all sums or values between \$25,000,000.00 and \$75,000,000.00)

**PLUS**

- 7% of the next \$125,000,000.00 (*i.e.*, 7% of all sums or values between \$75,000,000.00 and \$200,000,000.00)

**PLUS**

- 4% of the next \$300,000,000.00 (*i.e.*, 4% of all sums or values between \$200,000,000.00 and \$500,000,000.00)

**PLUS**

- 2% of the next \$100,000,000.00 (*i.e.*, 2% of the difference between \$500,000,000.00 and the amount of the award greater than that sum or value, or in this example, \$600,000,000.00)
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Exhibit "B"  
(Counsel Retention Agreement)  
(Matter Resolved After Initiation of Litigation)

For any "Matter Resolved After Initiation of Litigation", the following structured contingent fee schedule for aggregate recovery shall apply and govern compensation of the Attorneys:

For Recovery by the State of Mississippi Up to \$25,000,000.00:

After filing complaint before discovery completed:	17%
After filing complaint after discovery complete awaiting trial:	20%
After commencement of trial:	25%

For Recovery by the State of Mississippi between \$25,000,000.00 and \$75,000,000.00:

After filing complaint before discovery completed:	15%
After filing complaint after discovery complete awaiting trial:	18%
After commencement of trial:	21%

For Recovery by the State of Mississippi between \$75,000,000.00 to \$200,000,000.00:

After filing complaint before discovery completed:	10%
After filing complaint after discovery complete awaiting trial:	14%
After commencement of trial:	18%

For Recovery by the State of Mississippi between \$200,000,000.00 to \$500,000,000.00:

After filing complaint before discovery completed:	6%
After filing complaint after discovery complete awaiting trial:	8%
After commencement of trial:	10%

For Recovery by the State of Mississippi between \$500,000,000.00 to \$1,000,000,000.00:

After filing complaint before discovery completed:	3%
After filing complaint after discovery complete awaiting trial:	4%
After commencement of trial:	5%

For Recovery by the State of Mississippi over \$1,000,000,000.00:

After filing complaint before discovery completed:	2%
After filing complaint after discovery complete awaiting trial:	3%
After commencement of trial:	4%





## **Explanatory Note & Illustration of Fee Computation**

The structured contingent fee schedule set forth herein is intended to, and shall, operate cumulatively so that, in relation to each successive category or level of Recovery by the State of Mississippi (*e.g.*, “For Recovery by the State of Mississippi Up to \$25,000,000.00,” *etc.*), there shall be a specified percentage or percentages governing the amount or valuation of the aggregate contingent fee in each such category, so that the Attorneys shall be entitled to receive, and shall be paid, an aggregate sum or value equivalent computed by multiplying the percentage applicable to each such successive category or level of Recovery by the State of Mississippi by the incremental dollar amount falling within each such category and the separate products so derived by multiplying these factors in each category shall be added together to compute the aggregate fee to be paid to the Attorneys. By way of illustration only, the cumulative contingent fee structure shown on this Exhibit “B” shall be computed, utilizing the following method:

Assume Recovery by the State of Mississippi of a monetary sum, benefit, or value equal to \$600,000,000.00, and assume further that the sum or value was derived “[a]fter filing complaint after discovery complete awaiting trial.”

The Attorneys’ contingent fee will be computed by adding together the specified, applicable percentage of each category or level, as follows:

- 20% of the first \$25,000,000.00 (*i.e.*, all sums or values between 0 and \$25,000,000.00)

**PLUS**

- 18% of the next \$50,000,000.00 (*i.e.*, all sums or values between \$25,000,000.00 and \$75,000,000.00)

**PLUS**

- 14% of the next \$125,000,000.00 (*i.e.*, all sums or values between \$75,000,000.00 and \$200,000,000.00)

**PLUS**

- 8% of the next \$300,000,000.00 (*i.e.*, all sums or values between \$200,000,000.00 and \$500,000,000.00)

**PLUS**

- 4% of the next \$100,000,000.00 (*i.e.*, 4% of the next sum or value greater than \$500,000,000.00 which, in this example, is \$600,000,000.00)