

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

<p>In re:</p> <p>WALTER ENERGY, INC., <i>et al.</i>,¹</p> <p style="text-align: center;">Debtors.</p>	<p>Chapter 11</p> <p>Case No. 15-02741-TOM11</p> <p>Jointly Administered</p>
--	--

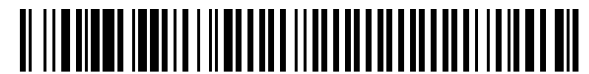
NOTICE OF FILING KPMG ENGAGEMENT LETTER

PLEASE TAKE NOTICE that on September 4, 2015, the Court entered an *Order Authorizing the Debtors and Debtors-in-Possession to Retain and Employ KPMG LLP as Tax, Valuation, Accounting, and Bankruptcy Administration Advisors Nunc Pro Tunc to the Petition Date* (the “KPMG Retention Order”) [Docket No. 678].

PLEASE TAKE FURTHER NOTICE that on November 3, 2015, the Debtors filed a *Notice of Filing KPMG Engagement Letter* [Docket No. 980] in which the Debtors advised the Court that they had entered into an additional engagement letter for valuation services with KPMG (the “Additional Engagement Letter”).

PLEASE TAKE FURTHER NOTICE that the Debtors and KPMG have negotiated to enter into an additional engagement letter for tax compliance services (the “Second Additional”).

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Walter Energy, Inc. (9953); Atlantic Development and Capital, LLC (8121); Atlantic Leaseco, LLC (5308); Blue Creek Coal Sales, Inc. (6986); Blue Creek Energy, Inc. (0986); J.W. Walter, Inc. (0648); Jefferson Warrior Railroad Company, Inc. (3200); Jim Walter Homes, LLC (4589); Jim Walter Resources, Inc. (1186); Maple Coal Co., LLC (6791); Sloss-Sheffield Steel & Iron Company (4884); SP Machine, Inc. (9945); Taft Coal Sales & Associates, Inc. (8731); Tuscaloosa Resources, Inc. (4869); V Manufacturing Company (9790); Walter Black Warrior Basin LLC (5973); Walter Coke, Inc. (9791); Walter Energy Holdings, LLC (1596); Walter Exploration & Production LLC (5786); Walter Home Improvement, Inc. (1633); Walter Land Company (7709); Walter Minerals, Inc. (9714); and Walter Natural Gas, LLC (1198). The location of the Debtors’ corporate headquarters is 3000 Riverchase Galleria, Suite 1700, Birmingham, Alabama 35244-2359.



Engagement Letter”), and hereby file the Second Additional Engagement Letter, attached hereto as Exhibit A, pursuant to the KPMG Retention Order.

Dated: January 11, 2016
Birmingham, Alabama

BRADLEY ARANT BOULT CUMMINGS LLP

By: /s/ Cathleen Moore
Patrick Darby
Jay Bender
Cathleen Moore
James Bailey
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Telephone: (205) 521-8000
Email: pdarby@babbc.com, jbender@babbc.com,
ccmoore@babbc.com, jbailey@babbc.com

- and -

PAUL, WEISS, RIFKIND, WHARTON &
GARRISON LLP
Stephen J. Shimshak (*admitted pro hac vice*)
Kelley A. Cornish (*admitted pro hac vice*)
Claudia R. Tobler (*admitted pro hac vice*)
Ann K. Young (*admitted pro hac vice*)
Michael S. Rudnick (*admitted pro hac vice*)
1285 Avenue of the Americas
New York, New York 10019
Telephone: (212) 373-3000
Email: sshimshak@paulweiss.com, kcornish@paulweiss.com,
ctobler@paulweiss.com, ayoun@paulweiss.com,
mrudnick@paulweiss.com

*Counsel to the Debtors and
Debtors-in-Possession*

EXHIBIT A
ADDITIONAL ENGAGEMENT LETTER



KPMG LLP
Suite 1800
420 20th Street North
Birmingham, AL 35203

Telephone 205 324 2495
Fax 205 324 3084
Internet www.us.kpmg.com

January 6, 2016

PRIVATE

Mr. Michael R. Hurley
Director of Tax
Walter Energy, Inc.
3000 Riverchase Galleria
Suite 1700
Birmingham, AL 35244

Dear Mike:

We are pleased you have engaged KPMG LLP (KPMG) to provide tax compliance and tax consulting services for Walter Energy, Inc. ("Walter"). This letter confirms the scope and related terms of your engagement of KPMG.

I. Tax Compliance Services

We will perform the following services:

1. We will prepare federal and state tax returns and supporting schedules for Walter's 2015 tax year. Our records indicate that we should prepare the returns listed on Attachment A of this engagement letter.

This engagement letter is also intended to apply to preliminary engagement planning activities related to the tax returns specified above for the immediately succeeding tax year.

As discussed, we will prepare extension requests for the returns listed on Attachment A.

We will prepare these returns from the information you submit. We will not audit or independently verify the data you submit. However, we may ask for clarification of some of the information. Our engagement cannot be relied on to uncover errors, omissions, or irregularities, should any exist in the underlying information incorporated in the tax returns. However, we will inform you of any such matters that come to our attention. Because management has ultimate responsibility for the tax returns, please have the appropriate corporate officials review the returns before an officer signs and files the returns.

Please note that if Walter had a taxable presence (e.g., an employee within the jurisdiction or any tangible property owned or rented within the jurisdiction) in a jurisdiction not listed above, it may be subject to income or franchise tax in that jurisdiction, depending upon the particular facts. It is



Mr. Michael R. Hurley
Walter Energy, Inc.
January 6, 2016
Page 2 of 10

Walter's obligation to notify KPMG if assistance is needed to determine whether Walter is liable for income or franchise tax or has a filing requirement in any jurisdiction not listed above.

All returns are subject to examination by the taxing authorities. In the event of an examination, Walter may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on the tax returns. In preparing your returns, we rely on your representations that you understand and have complied with applicable documentation requirements for Walter's income, expenses, deductions, and credits. If an examination occurs, and if you and we agree to have KPMG assist or represent Walter in the examination, any such additional services and the fee therefore would be set forth in a separate engagement letter.

Tax Return Standards

KPMG applies elevated standards in preparing tax returns. These standards are dependent on certain characteristics of the entity to which our services will be directed as follows:

1. For U.S. public companies or "large private entities" (i.e., private entities with prior year gross revenues of \$300 million or more reflected in audited financial statements prepared in accordance with U.S. generally accepted accounting principles): We must be able to determine that (1) there is "substantial authority" for an undisclosed return position (i.e., the weight of authorities in support of a position is substantial in relation to the weight of authorities in opposition to the position) and (2) a disclosed return position has at least a "realistic possibility" of being sustained on its merits (i.e., approximately a one-in-three or greater likelihood of success if challenged by a tax authority). The laws of some states (e.g., New York) also may impose more stringent return preparation standards for state tax returns. For positions pertaining to a "Tax Shelter" (as defined in IRC §6662(d)(2)(C)(ii)) or a "reportable transaction" with a significant purpose of tax avoidance, tax practitioners must generally conclude their advice satisfies the "more likely than not" standard; if the taxpayer is advised regarding potential taxpayer penalties, tax practitioners may conclude at a "substantial authority" level.
2. For "other private entities" (i.e., entities that do not fall within the definitions above as a U.S. public company or large private entity): We must be able to determine that a return position is at least "more likely than not" to be upheld (i.e., has a greater than 50 percent likelihood of success if challenged by the taxing authorities).
3. If a return position relates to a transaction that is a "principal purpose transaction," we must arrive at a "should" confidence level (i.e., approximately a 70% or greater likelihood of success if challenged by the taxing authorities) with respect to the position.
4. We will not render any advice with respect to a federal or state "listed transaction" or any transaction that is substantially similar to a federal or state "listed transaction."



Mr. Michael R. Hurley
Walter Energy, Inc.
January 6, 2016
Page 3 of 10

In determining whether a return position meets the appropriate standard, we will not take into account the possibility that a tax return will not be audited, that an issue will not be raised on audit, or that an issue will be settled. We will inform you as soon as possible if, during our preparation, we determine circumstances exist that prevent us from completing the tax return under these standards.

Electronic Filing

KPMG will electronically file the returns and extensions we prepare for you that are subject to tax authority mandates. The filing instructions that KPMG provides to you will indicate the returns and extensions that KPMG has electronically filed on your behalf, if any, and will provide instructions and filing copies for your paper filing of the returns that were not electronically filed.

II. Tax Consulting Services

This engagement letter also covers tax consulting matters that may arise for which you seek our advice, both written and oral, and that are not the subject of a separate engagement letter. We will apply the elevated standards described in the "Tax Return Standards" section of this letter with respect to any such advice which would cause KPMG to be considered a tax return preparer under Treasury Regulation §301.7701-15. KPMG will not render any advice with respect to a federal or state "listed transaction" or any transaction that is substantially similar to a federal or state "listed transaction."

The general tax consulting services included in this tax compliance engagement letter pertain to: (1) routine tax advice concerning the federal, state, local, and foreign tax matters related to the preparation of the prior year's federal, state, local, and foreign tax returns; (2) routine tax advice concerning the federal, state, local, and foreign tax matters related to the computation of the client's taxable income for the current year or future years; and (3) routine dealings with a federal, state, local, or foreign tax authority (e.g., responding to automated interest and penalty notices, preparing tax computations based upon the taxpayer's concession or settlement of an issue with the relevant tax authority).

If matters exceed the scope of this engagement letter, we will issue a separate engagement letter or clarifying addendum to confirm the scope and related terms. Furthermore, a separate engagement letter will be issued for each discrete tax consulting project not specified in this engagement letter (e.g., transfer pricing study, corporate acquisition or disposition, etc.) and for tax controversy representation. To be of greatest assistance to Walter, we should be advised **in advance** of proposed transactions.

When, in the course of providing general tax consulting services, it is determined that the service would exceed the scope of this letter, preliminary engagement planning activities undertaken prior to the issuance of a separate engagement letter for the discrete tax consulting project are intended to be covered by this engagement letter.



Mr. Michael R. Hurley
Walter Energy, Inc.
January 6, 2016
Page 4 of 10

Written advice provided to you under this engagement letter will be based on facts, representations, assumptions, and other information you provide to us, the completeness, accuracy and timeliness of which are critical factors in our ability to timely and accurately complete our services. Unless you request and we agree under a separate writing (a newly issued engagement letter or addendum to this engagement letter) after our advice has been issued in final form to you, KPMG will not update our advice to take into account your updating the facts you provide to us through your discovery of new or additional facts, or your updating any information that may have formed the basis of any assumptions we made in developing our advice. In rendering advice, we will consider tax authorities that are subject to change, retroactively and/or prospectively, and any such changes could affect the advice we issue to you.

Use of KPMG LINK Portal

As part of this engagement, KPMG will continue to make KPMG LINK Portal, our virtual collaboration web site, available to Walter. The KPMG LINK Portal Terms of Use previously accepted by Walter will continue to apply to Walter's use of KPMG LINK Portal for the purposes of the services to be provided under this engagement letter.

Fees

I. Tax Compliance Services

Our fee for tax compliance services will be based on the actual time incurred to complete the work at an hourly rate of \$175 for the individuals involved in providing the services.

In addition, we will bill you for our out-of-pocket expenses (e.g., travel, lodging, meals, etc.).

Details on the scope analysis for our tax compliance service can found in Attachment B. For any filings not listed in Attachment A, fees will be based on the fee arrangement listed above. As a result of discussions with you, we estimate our fees for tax compliance services as outlined under Appendix A and B will range from approximately \$205,000 to \$215,000. Our estimate of fees for this engagement assumes that Walter personnel will provide us, on a timely basis, with complete and accurate information necessary to prepare the tax returns and supporting schedules. Should the timeliness or conditions of the documents, information, and support provided cause us to incur additional time beyond our initial estimates, our fees for such additional compliance services - will be invoiced as out-of-scope services at an hourly rate of \$210 for the individuals involved.

These fees are not dependent on tax or other savings achieved or otherwise based in any way on results obtained.

We will endeavor to notify you if we encounter any circumstances that warrant additional time or expense. If such matters exceed the scope of this engagement letter, we will issue an addendum or separate engagement letters to confirm the scope and related terms of any additional engagements.



Mr. Michael R. Hurley
 Walter Energy, Inc.
 January 6, 2016
 Page 5 of 10

Our fees for tax compliance services will be progress billed as follows:

<i>Progress bill to be mailed on</i>	<i>Amount to be billed</i>
<i>Upon acceptance</i>	<i>\$90,000</i>
<i>March 1, 2016</i>	<i>\$40,000</i>
<i>April 1, 2016</i>	<i>\$40,000</i>
<i>May 1, 2016</i>	<i>\$40,000</i>
<i>Upon Completion of the Engagement</i>	<i>Balance Due</i>

Walter agrees to pay properly submitted invoices upon receipt.

II. Tax Consulting Services

Our fees for any tax consulting services under this engagement will be based on the actual time incurred to complete the work at hourly rates for the individuals involved in providing the services as shown in the schedule below.

<i>Professional</i>	<i>Hourly Rate</i>
Partner/Director	\$600
Senior Manager	\$500
Manager	\$400
Senior Tax Associate	\$300
Tax Associate	\$200

In addition, we will bill you for our out-of-pocket expenses (e.g., travel, lodging, meals, etc.).

Member firm fees will be agreed upon, in writing, prior to a member firm providing any services under this engagement letter. We will notify you of this arrangement.

Our fees for tax consulting services will be billed as incurred and all properly submitted invoices a due upon receipt.

Consent to Disclose and Use Tax Return Information

Federal law prohibits our disclosing, without your consent, your tax return information to third parties or our use of that information for purposes other than the preparation of your return. As part of offering our services to you, we may disclose your income tax return information to certain other entities or service providers including KPMG Global Services Private Limited (KGS), an entity that is situated in India and controlled by KPMG LLP, the United States member firm of KPMG International, and certain other KPMG International Member Firms, or any successor entity to KGS. In executing this engagement letter, you authorize KPMG to disclose your tax return information to KGS or its successor, or such other third party service providers as you may request or as may be required for purposes of completing the services under this engagement letter.



Mr. Michael R. Hurley
Walter Energy, Inc.
January 6, 2016
Page 6 of 10

Your consent will be valid until such time as we have completed the services described in, and any services that are ancillary to, those described in this engagement letter.

* * * * *

The attached Standard Terms and Conditions for Advisory and Tax Services (Standard Terms and Conditions) are made a part of this engagement letter.

Any work performed in connection with this engagement before the execution date of this letter is also governed by the terms of this letter and the Standard Terms and Conditions.

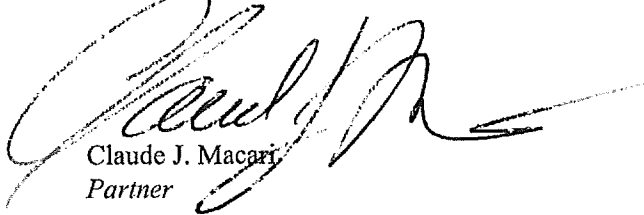
Please sign the enclosed copy of this letter to confirm our agreement and return it to us as soon as possible so that we may begin work on this engagement.

Unless otherwise terminated, modified, or superseded in writing, this engagement letter is intended to apply for a period of 15 months from the date of signing by the client. In addition, effective as of the date of signing, this engagement letter supersedes any and all previously issued engagement letters pertaining to the services described above.

If you have any questions, please call me.

Very truly yours,

KPMG LLP



Claude J. Macari
Partner

CJM:jhd:cjs



Mr. Michael R. Hurley
Walter Energy, Inc.
January 6, 2016
Page 7 of 10

Enclosures:
Attachment A-Schedule of Returns
Attachment B-Scope Analysis
Standard Terms and Conditions for Advisory and Tax Services

ACCEPTED

Walter Energy, Inc.



Authorized Signature



Title



Date



Attachment A
Returns to be prepared by KPMG for the year ended 2015:

Walter Energy, Inc. & Subsidiaries

Form 1120	US Corporation Income Tax Return (Consolidated)
Form 20C-C	Alabama Consolidated Corporate Income Tax Return
Form F-1120	Florida Corporate Income/Franchise and Emergency Excise Tax Return
Form 05-102	Texas Franchise Tax Public Information Report
Form 05-158	Texas Franchise Tax Report
Form 05-166	Texas Franchise Tax Affiliate Schedule
Form WV/CNF-120	West Virginia Corporation Net Income/Business Franchise Tax Return

Blue Creek Coal Sales, Inc.

Form 1120	US Corporation Income Tax Return (Proforma)
Form 20C	Alabama Corporation Income Tax Return (Proforma)
Form CPT	Alabama Business Privilege Tax Return

Blue Creek Energy, Inc.

Form 1120	US Corporation Income Tax Return (Proforma)
Form 20C	Alabama Corporation Income Tax Return (Proforma)
Form CPT	Alabama Business Privilege Tax Return

Cardem Insurance Co. Ltd.

Form 1120	US Corporation Income Tax Return (Proforma)
-----------	---

Jefferson Warrior Railroad Company, Inc.

Form 1120	US Corporation Income Tax Return (Proforma)
Form 20C	Alabama Corporation Income Tax Return (Proforma)
Form CPT	Alabama Business Privilege Tax Return

Jim Walter Homes, LLC

Form 1120	US Corporation Income Tax Return (Proforma)
Form PPT	Alabama Business Privilege Tax Return (Pass-through Entity)

Jim Walter Resources, Inc.

Form 1120	US Corporation Income Tax Return (Proforma)
Form 20C	Alabama Corporation Income Tax Return (Proforma)
Form CPT	Alabama Business Privilege Tax Return

J.W. Walter, Inc.

Form 1120	US Corporation Income Tax Return (Proforma)
-----------	---

Sloss Sheffield Steel and Iron Company

Form 1120	US Corporation Income Tax Return (Proforma)
Form 20C	Alabama Corporation Income Tax Return (Proforma)
Form CPT	Alabama Business Privilege Tax Return



Walter Energy, Inc.

Form 1120	US Corporation Income Tax Return (Proforma)
Form 20C	Alabama Corporation Income Tax Return (Proforma)
Form CPT	Alabama Business Privilege Tax Return
Form 600	Georgia Corporation Tax Return
Form 83-105	Mississippi Corporate Income and Franchise Tax Return
Form CD-405	North Carolina C Corporation Tax Return
Form FAE-170	Tennessee Franchise and Excise Tax Return
Form 500	Virginia Corporation Income Tax Return

Walter Exploration & Production, LLC

Form 1120	US Corporation Income Tax Return (Proforma)
Form PPT	Alabama Business Privilege Tax Return (Pass-through Entity)

Walter Home Improvement, Inc.

Form 1120	US Corporation Income Tax Return (Proforma)
-----------	---

Walter Land Company

Form 1120	US Corporation Income Tax Return (Proforma)
Form CIFT-620	Louisiana Corporation Income Tax Return

Walter Minerals, Inc. (fka United Land)

Form 1120	US Corporation Income Tax Return (Proforma)
Form 20C	Alabama Corporation Income Tax Return (Proforma)
Form CPT	Alabama Business Privilege Tax Return
Form GA 600	Georgia Corporate Income Tax Return

Walter Natural Gas, LLC

Form 1120	US Corporation Income Tax Return (Proforma)
Form PPT	Alabama Business Privilege Tax Return (Pass-through Entity)

Atlantic Development & Capital, LLC

Form 1120	US Corporation Income Tax Return (Proforma)
-----------	---

Maple Coal Company

Form 1120	US Corporation Income Tax Return (Proforma)
-----------	---

Atlantic LeaseCo, LLC

Form 1120	US Corporation Income Tax Return (Proforma)
-----------	---

Other Matters

Foreign	Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations (19)
Foreign	Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships (1)
Foreign	Form 8858, Information Return of U.S. Persons with Respect to Foreign Disregarded Entities (12)



SP Machine, Inc.

Form 1120 US Corporation Income Tax Return (Proforma)
Form 20C Alabama Corporation Income Tax Return (Proforma)
Form CPT Alabama Business Privilege Tax Return

Taft Coal Sales & Associates, Inc.

Form 1120 US Corporation Income Tax Return (Proforma)
Form 20C Alabama Corporation Income Tax Return (Proforma)
Form CPT Alabama Business Privilege Tax Return

Tuscaloosa Resources, Inc.

Form 1120 US Corporation Income Tax Return (Proforma)
Form 20C Alabama Corporation Income Tax Return (Proforma)
Form CPT Alabama Business Privilege Tax Return

V Manufacturing Company

Form 1120 US Corporation Income Tax Return (Proforma)
Form FAE-170 Tennessee Franchise and Excise Tax Return

Walter Black Warrior Basin, LLC

Form 1120 US Corporation Income Tax Return (Proforma)
Form PPT Alabama Business Privilege Tax Return (Pass-through Entity)

Walter Coke, Inc. (fka Sloss Industries)

Form 1120 US Corporation Income Tax Return (Proforma)
Form 20C Alabama Corporation Income Tax Return (Proforma)
Form CPT Alabama Business Privilege Tax Return
Form IT-20 Indiana Corporate Income Tax Return

Walter Energy Holdings, LLC

Form 1120 US Corporation Income Tax Return (Proforma)

Walter Energy - Attachment B

Please note that, if requested, KPMG may be able to assist with items identified as out of scope.

Key Tasks	In Scope	Out of Scope	Comments
- Tax compliance information gathering & management			
> Prepare standard information templates / requests	✓		
> Manipulate data as required to obtain legal entity trial balance for US required forms		✓	
> Manipulate data as required to obtain legal entity trial balance for International required forms		✓	
> Maintain and rollover fixed assets & intangibles which tie to the financial statements for book purposes		✓	
> Rollforward retained earnings which tie to the financial statements for each separate legal entity		✓	
> Gather and reconcile A&A data to tie to financial statements and Federal tax return(s); account for variances identified		✓	
> Review and update legal entity chart		✓	
> Prepare and update a tracking schedule of returns to be filed with tax payments made, overpayments applied, and summaries of apportionment factors, tax liabilities, for the current year or a comparison of multiple years.	✓		
- Tax calendar			
> Maintain tax compliance calendar	✓		
> Maintain historical payment schedule	✓		
> Reconciliation of payment history to General Ledger		✓	
- Extensions and Estimates			
> Complete estimate/extension calculations and prepare forms/vouchers	✓		HSA change
- Prepare tax work papers			
> Prepare KPMG eWorkPapers (eWPs) based on information provided and the current methods of accounting.	✓		
> Prepare KPMG eWorkPapers (eWPs) version of consolidated return to provision differences	✓		
> Calculate General Schedule M-3 Adjustments similar to prior-year's activity	✓		
> Calculate Schedule M-3 Adjustments which are new or materially different from prior-year's activity due to change in business activity or tax law		✓	
> Calculate Sec. 263A Adjustments assuming similar facts and circumstances to prior year	✓		
> Calculate Sec. 263A Adjustments which incorporate significant changes to prior year template		✓	
> Calculate Sec. 199 Adjustments assuming similar facts and circumstances to prior year	✓		
> Calculate Sec. 199 Adjustments which incorporate significant changes to prior year template		✓	
> Calculate Depreciation Expense calculations similar to prior-year's activity	✓		
> Calculate Depreciation Expense calculations which are new or materially different from prior-year's activity due to change in business activity or tax law		✓	
> Prepare state modifications based on readily available information (i.e. from the financial statements, trial balance, or Federal tax return)	✓		
> Analyze state tax rules for treatment of nonrecurring items specific to Client		✓	
> Calculate federal and state tax credit calculations similar to prior-year's activity	✓		
> Calculate federal and state tax credit calculations which are new or materially different from prior-year's activity due to change in business activity or tax law		✓	
> Calculate tax consequences for new acquisitions, mergers, and/or debt modifications		✓	
> Maintain fixed assets for entities included on Att. A		✓	

Walter Energy - Attachment B Please note that if requested, KPMG may be able to assist with items identified as out of scope.			
Key Tasks	In Scope	Out of Scope	Comments
> Assistance with fixed assets for entities not included on Att. A	✓	✓	
> Review State A&A based on previously-prepared/provided sourcing models	✓		
> Prepare or review state sourcing or allocation methods, including application of state sourcing methodologies, computation of throwback sales, and applying changes in state apportionment laws	✓		
> Calculate prior year state tax true-up	✓		
> Return of work papers and calculations due to changes in information received or errors found in data provided by Client	✓	✓	
> Prepare E&P calculations	✓	✓	
> Incorporate top-side adjustments/adjusting journal entries into previously submitted financials	✓	✓	
• Prepare tax returns and disclosures			
> US Federal income tax returns and related forms and disclosures included on Att. A	✓		
> Additional US or foreign federal tax forms not previously identified (e.g. 3115, 926, 1099, 1042, 8804, W-9s, TD 90-22-1, etc)	✓	✓	Additional forms and disclosures are billed at rates per Eng. Ltr.
> US International Forms 5471, 8858, 8865, 5472 included on Att. A	✓		
> US International Forms 5471, 8858, 8865, 5472 not included on Att. A	✓	✓	
> US State income and franchise tax returns included on Att. A	✓		
> City and local income and franchise returns included on Att. A	✓		
> US State income and franchise tax returns not included on Att. A	✓	✓	
> Prepare state NOL schedules (assuming rolled over from prior year)	✓		
> Prepare new tax forms or schedules not required in preceding tax year	✓	✓	
> Prepare federal NOL schedules	✓		
> Return of returns due to change in information received or changes after Client has signed off on return	✓	✓	
> Sign all federal, state, city and local tax returns as preparers	✓		
> Preparation of amended returns	✓	✓	
- Tax processing			
> Process filing copy of returns on Att. A	✓		
> Process one taxpayer hard copy of all returns	✓		
> E-file entities/jurisdictions included on Att. A	✓		
> E-file entities/jurisdictions not included on Att. A	✓	✓	
> Prepare certified mailers	✓		
> Prepare EFT and check requests & coordinate with accounts payable/check signing parties	✓	✓	
> Mailing returns on behalf of Client when no payment is due	✓		
> Provide Client with final set of workpapers, & soft copies of deliverables	✓		
- Miscellaneous Tasks			
> Assistance with notices related to positions taken on returns or errors/questions from the jurisdiction	✓	✓	
> Assistance gathering information for state audits	✓	✓	
> Identification of new credits	✓	✓	

Walter Energy - Attachment B

Please note that, if requested, KPMG may be able to assist with items identified as out of scope.

Key Tasks	In Scope	Out of Scope	Comments
> State consulting on possible filing requirements in new states		✓	
> State consulting for A&A sourcing methodologies		✓	
> State consulting on filing methodologies		✓	
> State consulting on filing methodologies including modeling and "as-if" return preparation		✓	
> Consulting on opting out of withholding or e-filing		✓	
> Worthless stock deduction analysis and documentation		✓	
> Transaction cost analysis and documentation		✓	
> 2015 debt restructuring analysis and documentation		✓	

Compliance Process— Scope Analysis for Estimating Engagement Fees: <i>Please note that, if requested, KPMG may be able to assist with items identified as out of scope.</i>			
Key Tasks	In Scope	Out of Scope	Comments
> State consulting on possible filing requirements in new states		✓	
> State consulting for A&A sourcing methodologies		✓	
> State consulting on filing methodologies		✓	
> State consulting on filing methodologies including modeling and "as-if" return preparation		✓	
> Consulting on opting out of withholding or e-filing		✓	
> Worthless stock deduction analysis and documentation		✓	
> Transaction cost analysis and documentation		✓	
> 2015 debt restructuring analysis and documentation		✓	

KPMG LLP
Standard Terms and Conditions for Advisory and Tax Services

1. **Services; Client Responsibilities.**
 - (a) References herein to Client shall refer to the addressee of the Proposal or Engagement Letter to which these Standard Terms and Conditions are attached or incorporated (the "Engagement Letter") and references herein to KPMG shall refer to KPMG LLP, a Delaware registered limited liability partnership and the United States member firm of the KPMG network of independent firms (the "KPMG Network"). Client, its parent company and their affiliates, and their respective directors, officers, employees, and agents are collectively referred to herein as the "Client Parties." KPMG, the other member firms of the KPMG Network and firms and entities controlled by, or under common control with, one or more such member firms (collectively, the "Member Firms"), and their affiliates, and their respective partners, principals, employees, and agents are collectively referred to herein as the "KPMG Parties."
 - (b) It is understood and agreed that KPMG's services may include advice and recommendations; but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, Client. KPMG will not perform management functions or make management decisions for Client.
 - (c) If KPMG audits the financial statements of Client or provides any other attestation services to Client, the rules of the American Institute of Certified Public Accountants ("AICPA") require Client to agree to the following provisions of this Paragraph 1(c). In connection with KPMG's provision of services under the Engagement Letter, Client agrees that Client, and not KPMG, shall perform the following functions: (i) make all management decisions and perform all management functions; (ii) designate an individual who possesses suitable skill, knowledge and experience, preferably within senior management, to oversee such services, and to evaluate the adequacy and results of such services; (iii) accept responsibility for the results of such services; and (iv) establish and maintain internal controls over the processes with which such services are concerned, including monitoring on-going activities.
 - (d) Subsequent to the completion of this engagement, KPMG will not update its advice, recommendations or work product for changes or modifications to the law and regulations, or to the judicial and administrative interpretations thereof, or for subsequent events or transactions, unless Client separately engages KPMG to do so in writing after such changes or modifications, interpretations, events or transactions.
2. **Tax on Services.** All fees, charges and other amounts payable to KPMG under the Engagement Letter do not include any sales, use, excise, value added or other applicable taxes, tariffs or duties, payment of which shall be Client's sole responsibility, excluding any applicable taxes based on KPMG's net income or taxes arising from the employment or independent contractor relationship between KPMG and its personnel.
3. **Termination.** Either party may terminate the Engagement Letter at any time by giving written notice to the other party not less than 30 calendar days before the effective date of termination.
4. **Ownership and Use of Deliverables.**
 - (a) KPMG has created, acquired, owns or otherwise has rights in, and may, in connection with the performance of services under the Engagement Letter, use, provide, modify, create, acquire or otherwise obtain rights in, (i) concepts, ideas, methods, methodologies, procedures, processes, know-how, techniques, models, templates and software and (ii) the general elements of style, design, art work and graphics and content of general applicability included in KPMG's Deliverables (as defined below) or work product not specific to Client or the services under the engagement letter (collectively, the "KPMG Property"). KPMG retains all ownership and use rights in the KPMG Property. Client shall acquire no rights or interest in the KPMG Property, except as expressly provided in the next paragraph. KPMG acknowledges that KPMG Property shall not include any of Client's confidential information or tangible or intangible property, and KPMG shall have no ownership rights in such property.
 - (b) Except for KPMG Property, and upon full and final payment to KPMG under the Engagement Letter, the tangible items specified as deliverables or work product in the Engagement Letter including any intellectual property rights appurtenant thereto (the "Deliverables") will become the property of Client. If any KPMG Property is contained in any of the Deliverables, KPMG hereby grants Client a royalty-free, paid-up, non-exclusive, perpetual license to use such KPMG Property in connection with Client's use of the Deliverables. Client acknowledges and agrees that KPMG shall have the right to retain for its files copies of each of the Deliverables, subject to the provisions of Paragraph 11 below.
 - (c) Client acknowledges and agrees that any advice, recommendations, information, Deliverables or other work product provided to Client by KPMG in connection with the services under the Engagement Letter is intended for Client's sole benefit and KPMG does not authorize any other party to rely upon such advice, recommendations, information, Deliverables or other work product and any such reliance shall be at such party's sole risk. Client agrees that if it makes such advice, recommendations, information or work product available to any third party other than as expressly permitted by the Engagement Letter the provisions of Paragraph 8(b) shall apply unless Client provides the written notice to the third party in substantially the form of Appendix A hereto (the "Notice"), which Notice shall be acknowledged in writing by such third party and returned to Client. Upon request, Client shall provide KPMG with a copy of the foregoing Notice and acknowledgement and any notice and acknowledgement sent to Client by such third party as contemplated by the Notice. Client may only make a Deliverable bearing the "KPMG" name or logo available to a third party in its entirety. Notwithstanding the foregoing, (i) in the event of a disclosure made by Client that is required by law, that is made to a regulatory authority having jurisdiction over Client or that is made pursuant to Paragraph 18(a) below, no acknowledgement of the Notice shall be required and (ii) no Notice or acknowledgement shall be required with respect to disclosures expressly authorized by the Engagement Letter.
5. **Warranties.** KPMG's services under the Engagement Letter are subject to and will be performed in accordance with AICPA and other professional standards applicable to the services provided by KPMG under the Engagement Letter and in accordance with the

KPMG LLP
Standard Terms and Conditions for Advisory and Tax Services

terms thereof. KPMG disclaims all other warranties, either express or implied.

6. **Limitation on Damages.** Except for the respective indemnification obligations of Client and KPMG set forth herein, the liability of the Client Parties and the KPMG Parties to one another, on account of any actions, damages, claims, liabilities, costs, expenses or losses in any way arising out of or relating to the services performed under the Engagement Letter shall be limited to the amount of fees paid or owing to KPMG under the Engagement Letter. In no event shall any of the Client Parties or any of the KPMG Parties be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs). For avoidance of doubt, any damages awarded against any of the Client Parties or the KPMG Parties based on a third party claim subject to indemnification hereunder shall not be subject to the disclaimer in the previous sentence. The provisions of this Paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss asserted, whether in contract, statute, tort (including but not limited to negligence) or otherwise.

7. **Infringement.**

- (a) KPMG hereby agrees to indemnify, hold harmless and defend the Client Parties from and against any and all claims, liabilities, losses, expenses (including reasonable attorneys' fees), fines, penalties, taxes or damages (collectively "Liabilities") asserted by a third party against any of the Client Parties to the extent such Liabilities result from the infringement by the Deliverables (including any KPMG Property contained therein) of such third party's patents issued as of the date of the Engagement Letter, trade secrets, trademarks or copyrights. The preceding indemnification shall not apply to any infringement to the extent arising out of (i) use of the Deliverables other than in accordance with applicable documentation or instructions supplied by KPMG or other than for Client's internal business purposes; (ii) any alteration, modification or revision of the Deliverables not expressly agreed to in writing by KPMG; or (iii) the combination of the Deliverables with materials not supplied or approved by KPMG.
- (b) In case any of the Deliverables (including any KPMG Property contained therein) or any portion thereof is held, or in KPMG's reasonable opinion is likely to be held, to constitute infringement, KPMG may, within a reasonable time, at its option either: (i) secure for Client the right to continue the use of such infringing item; or (ii) replace, at KPMG's sole expense, such item with a substantially equivalent non-infringing item or modify such item so that it becomes non-infringing. In the event KPMG is, in its reasonable discretion, unable to perform either of the options described in clauses (i) or (ii) above, Client shall return the allegedly infringing item to KPMG, and KPMG's sole liability shall be to refund to Client the amount paid to KPMG for such item; provided that the foregoing shall not be construed to limit KPMG's indemnification obligation set forth in Paragraph 7(a) above.
- (c) The provisions of this Paragraph 7 state KPMG's entire liability and Client's sole and exclusive remedy with respect to any infringement or claim of infringement.

8. **Indemnification.**

- (a) KPMG agrees to indemnify, hold harmless and defend the Client Parties from and against any and all Liabilities for physical injury to, or illness or death of, any person regardless of status, and damage to or destruction of any tangible property, which any of the Client Parties may sustain or incur, to the extent such Liabilities result from the negligence or willful misconduct of the KPMG Parties. Client agrees to indemnify, hold harmless and defend the KPMG Parties from and against any and all Liabilities for physical injury to, or illness or death of, any person regardless of status, and damage to or destruction of any tangible property, which any of the KPMG Parties may sustain or incur, to the extent such Liabilities result from the negligence or willful misconduct of the Client Parties.
- (b) In accordance with Paragraph 4(c), Client agrees to indemnify, defend and hold harmless the KPMG Parties from and against any and all Liabilities incurred or suffered by or asserted against any of the KPMG Parties in connection with a third party claim to the extent resulting from such party's reliance upon KPMG's advice, recommendations, information, Deliverables or other work product as a result of Client's disclosure of such advice, recommendations, information or work product without adhering to the notice requirements of Paragraph 4(c) above. The foregoing indemnification obligation shall apply regardless of whether the third party claim alleges a breach of contract, violation of statute or tort (including without limitation negligence) by KPMG.
- (c) The party entitled to indemnification (the "Indemnified Party") shall promptly notify the party obligated to provide such indemnification (the "Indemnifying Party") of any claim for which the Indemnified Party seeks indemnification. The Indemnifying Party shall have the right to conduct the defense or settlement of any such claim at the Indemnifying Party's sole expense, and the Indemnified Party shall cooperate with the Indemnifying Party. The party not conducting the defense shall nonetheless have the right to participate in such defense at its own expense. The Indemnified Party shall have the right to approve the settlement of any claim that imposes any liability or obligation other than the payment of money damages for which the Indemnifying Party has accepted responsibility.

9. **Cooperation; Use of Information.**

- (a) Client agrees to cooperate with KPMG in the performance of the services under the Engagement Letter and shall provide or arrange to provide KPMG with timely access to and use of the personnel, facilities, equipment, data and information necessary for KPMG to perform the services under the Engagement Letter. The Engagement Letter may set forth additional details regarding KPMG's access to and use of personnel, facilities, equipment, data and information.
- (b) The Engagement Letter may set forth additional obligations of Client in connection with the services under the Engagement Letter necessary for KPMG to perform its obligations under the Engagement Letter. Client acknowledges that its failure to satisfy these obligations could adversely affect KPMG's ability to provide the services under the Engagement Letter.
- (c) Client acknowledges and agrees that KPMG will, in performing the services under the Engagement Letter, base its conclusions on the

KPMG LLP
Standard Terms and Conditions for Advisory and Tax Services

facts and assumptions that Client furnishes and that KPMG may use data, material, and other information furnished by or at the request or direction of Client without any independent investigation or verification and that KPMG shall be entitled to rely upon the accuracy and completeness of such data, material and other information. Inaccuracy or incompleteness of such data, material and other information furnished to KPMG could have a material adverse effect on KPMG's conclusions.

10. **Independent Contractor.** It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is or shall be considered an agent, distributor or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.

11. **Confidentiality.**

(a) "Confidential Information" means all documents, software, reports, data, records, forms and other materials obtained by one party (the "Receiving Party") from the other party (the "Disclosing Party") or at the request or direction of the Disclosing Party in the course of performing the services under the Engagement Letter: (i) that have been marked as confidential; (ii) whose confidential nature has been made known by the Disclosing Party to the Receiving Party; or (iii) that due to their character and nature, a reasonable person under like circumstances would treat as confidential. Notwithstanding the foregoing, Confidential Information does not include information which: (1) is already known to the Receiving Party at the time of disclosure by the Disclosing Party; (2) is or becomes publicly known through no wrongful act of the Receiving Party; (3) is independently developed by the Receiving Party without benefit of the Disclosing Party's Confidential Information; (4) relates to information provided by KPMG relating to the tax treatment or tax structure of any transaction; (5) the Receiving Party determines is required to be maintained or disclosed by the Receiving Party under sections 6011, 6111 or 6112 of the Internal Revenue Code ("IRC") or the regulations thereunder or under any similar or analogous provisions of the laws of a state or other jurisdiction; or (6) is received by the Receiving Party from a third party without restriction and without a breach of an obligation of confidentiality.

(b) The Receiving Party will deliver to the Disclosing Party or destroy all Confidential Information of the Disclosing Party and all copies thereof when the Disclosing Party requests the same, except for copies retained in work paper files or records, anything that may be stored in back up media or other electronic data storage systems, latent data and metadata. Except as otherwise set forth in this Paragraph 11 or Paragraph 15 below, the Receiving Party shall not disclose to any person, firm or entity any Confidential Information of the Disclosing Party without the Disclosing Party's express, prior written permission; provided, however, that notwithstanding the foregoing, the Receiving Party may disclose Confidential Information to the extent that it is required or necessary to be disclosed pursuant to a statutory or regulatory provision or court or administrative order, or, subject to appropriate conditions of confidentiality, to fulfill professional obligations and standards (including quality and peer review) or to submit and process an insurance claim.

(c) The KPMG Parties may aggregate Client information with information from other sources in connection with thought

leadership projects, to improve the delivery of services to clients and to allow clients to evaluate various business transactions and opportunities. The KPMG Parties will only use this information without attribution to Client and under circumstances where Client will not be identified as the source of the information.

(d) KPMG may also use Client information and information relating to the services rendered under the Engagement Letter for the purpose of permitting the KPMG Parties to access and share knowledge and information solely among the KPMG Parties. The KPMG Parties receiving this information will be obligated to comply with confidentiality obligations with respect to such information in accordance with this Paragraph 11.

(e) Each party shall exercise the same level of care to protect the other's information as it exercises to protect its own confidential information but in no event less than reasonable care, except to the extent that applicable law or professional standards impose a higher requirement.

(f) If the Receiving Party receives a subpoena or other validly issued administrative or judicial demand requiring it to disclose the Disclosing Party's Confidential Information, the Receiving Party shall, unless prohibited by law, provide prompt written notice to the Disclosing Party of such demand in order to permit it to seek a protective order. So long as the Receiving Party gives notice as provided herein, the Receiving Party shall be entitled to comply with such demand to the extent required by law, subject to any protective order or the like that may have been entered in the matter. In the event the Receiving Party is requested to testify or produce its documents relating to the services under the Engagement Letter pursuant to subpoena or other legal process in judicial or administrative proceedings to which it is not a party, or in connection with an informal inquiry or investigation with the consent of the Disclosing Party, the Disclosing Party shall reimburse the Receiving Party for its time and expenses, including reasonable attorney's fees, incurred in responding to such requests.

12. **Assignment.** Subject to Paragraph 15 below, neither party may assign, transfer or delegate any of its rights or obligations without the prior written consent of the other party, such consent not to be unreasonably withheld.

13. **Governing Law; Severability.** The Engagement Letter and these Standard Terms and Conditions shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflict of laws provisions. In the event that any term or provision of the Engagement Letter or these terms shall be held to be invalid, void or unenforceable, then the remainder of the Engagement Letter and these terms shall not be affected, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

14. **Alternative Dispute Resolution.**

(a) Any dispute or claim arising out of or relating to the Engagement Letter between the parties or the services provided thereunder shall be submitted first to non-binding mediation (unless either party elects to forego mediation by initiating a written request for arbitration) and if mediation is not successful within 90 days after the issuance by one of the parties of a request for mediation then to binding arbitration in accordance with the Rules for Non-

KPMG LLP
Standard Terms and Conditions for Advisory and Tax Services

Administered Arbitration of the International Institute for Conflict Prevention and Resolution (the "IICPR"). Any issue concerning the extent to which any dispute is subject to arbitration, or any dispute concerning the applicability, interpretation, or enforceability of these dispute resolution procedures, including any contention that all or part of these procedures is invalid or unenforceable, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. By operation of this provision, the parties agree to forego litigation over such disputes in any court of competent jurisdiction.

- (b) Mediation, if selected, may take place at a location to be designated by the parties using the Mediation Procedures of the IICPR, with the exception of paragraph 2 (Selecting the Mediator).
- (c) Arbitration shall take place in New York, New York. The arbitration panel shall have no power to award non-monetary or equitable relief of any sort except as provided in IICPR Rule 13 (Interim Measures of Protection). Damages that are inconsistent with any applicable agreement between the parties, that are punitive in nature, or that are not measured by the prevailing party's actual damages shall be unavailable in arbitration or any other forum. In no event, even if any other portion of these provisions is held to be invalid or unenforceable, shall the arbitration panel have power to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction.
- (d) Either party may seek to enforce any written agreement reached by the parties during mediation, or to confirm and enforce any final award entered in arbitration, in any court of competent jurisdiction.
- (e) Notwithstanding the agreement to such procedures, either party may seek equitable relief to enforce its rights in any court of competent jurisdiction.

15 Use of Member Firms and Third Party Service Providers.

- (a) Client acknowledges and agrees that the services under the Engagement Letter, including any applicable tax advice, may be performed by a Member Firm located outside of the United States. Client understands that each Member Firm is a separate, distinct and independent legal entity and is not a partner, principal, agent or affiliate of KPMG and KPMG is not a partner, principal, agent or affiliate of any other Member Firm.
- (b) Client further acknowledges that in connection with the performance of services under the Engagement Letter, KPMG and Member Firms, in their discretion or at Client's direction, may utilize the services of third party service providers within and without the United States to complete the services under the Engagement Letter.
- (c) KPMG uses third party service providers within and without the United States to provide at KPMG's direction administrative and clerical services to KPMG. These third party service providers may in the performance of such services have limited access to information, including but not limited to Confidential Information, received by KPMG from or at the request or direction of Client. KPMG represents to Client that each such third party service provider has agreed to conditions of confidentiality with respect to Client's information to the same or similar extent as KPMG has agreed to pursuant to Paragraph 11 above. KPMG has full

responsibility to cause these third party service providers to comply with such conditions of confidentiality and KPMG shall be responsible for any consequences of their failure to comply.

- (d) Accordingly, Client consents to KPMG's disclosure to a Member Firm or third party service provider and the use by such Member Firm and third party service provider of data and information, including but not limited to Confidential Information, received from or at the request or direction of Client for the purposes set forth in Paragraph 11 and this Paragraph 15.
- (e) Any services performed by a Member Firm or third party service provider shall be performed in accordance with the terms of the Engagement Letter and these Standard Terms and Conditions, including Paragraph 11 (Confidentiality), but KPMG shall remain responsible to Client for the performance of such services. Client agrees that any claim relating to the services under the Engagement Letter may only be made against KPMG and not any other Member Firm or third party service provider referred to above.

16. Miscellaneous.

- (a) **Sarbanes-Oxley.** Except as otherwise set forth in the Engagement Letter, in accepting this engagement, Client acknowledges that completion of this engagement or acceptance of Deliverables resulting from this engagement will not constitute a basis for Client's assessment or evaluation of internal control over financial reporting and disclosure controls and procedures, or its compliance with its principal officer certification requirements under Section 302 of the Sarbanes-Oxley Act of 2002 (the "Act"). The services under the Engagement Letter shall not be construed to support Client's responsibilities under Section 404 of the Act requiring each annual report filed under Section 13(a) or 15(d) of the Securities Exchange Act of 1934 to contain an internal control report from management.
- (b) **Electronic Communications.** KPMG and Client may communicate with one another by electronic mail or otherwise transmit documents in electronic form during the course of this engagement. Each party accepts the inherent risks of these forms of communication (including the security risks of interception or unauthorized access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). Client agrees that the final hardcopy version of a document, including a Deliverable, or other written communication that KPMG transmits to Client shall supersede any previous versions transmitted electronically by KPMG to Client unless no such hard copy is transmitted.
- (c) **California Accountancy Act.** For engagements where services will be provided by KPMG through offices located in California, Client acknowledges that certain of KPMG's personnel who may be considered "owners" under the California Accountancy Act and implementing regulations (California Business and Professions Code section 5079(a); 16 Cal. Code Regs. sections 51 and 51.1) and who may provide services in connection with this engagement, may not be licensed as certified public accountants under the laws of any of the various states.
- (d) **Volume Rebates.** Where KPMG is reimbursed for expenses, it is KPMG's policy to bill clients the amount incurred at the time the good or service is purchased. If KPMG subsequently receives a

KPMG LLP
Standard Terms and Conditions for Advisory and Tax Services

volume rebate or other incentive payment from a vendor relating to such expenses, KPMG does not credit such payment to Client. Instead, KPMG applies such payments to reduce its overhead costs, which costs are taken into account in determining KPMG's standard billing rates and certain transaction charges that may be charged to clients.

- (e) **Use of Names and Logos.** Except as permitted by law or the terms of the Engagement Letter, neither party shall acquire hereunder any right to use the name or logo of the other party or any part thereof. Any such use shall require the express written consent of the owner party.
- (f) **Privileged Communications.** Information relating to advice KPMG provides to Client, including communications between KPMG and Client and material KPMG creates in the course of providing advice, may be privileged and protected from disclosure to the IRS or other governmental authority in certain circumstances. As KPMG is not able to assert the privilege on Client's behalf with respect to any communications for which privilege has been waived, Client agrees to promptly notify KPMG of any such waivers, whether resulting from communications with KPMG or third parties in the same or a related matter. Client also understands that privilege may not be available for communications with an audit client and that KPMG personnel providing audit and non-audit services will discuss matters that may affect the audit to the extent required by applicable professional standards. Client agrees that KPMG will not assert on Client's behalf any claim of privilege unless Client specifically instructs KPMG in writing to do so after discussing the specific request and the grounds on which such privilege claim would be made. Notwithstanding the foregoing, Client acknowledges that in no event will KPMG assert any claim of privilege that KPMG concludes, after exercising reasonable judgment, is not valid.
- (g) **Active Spreadsheets and Electronic Files.** KPMG may use models, electronic files and spreadsheets with embedded macros created by KPMG to assist KPMG in providing the services under the Engagement Letter. If Client requests a working copy of any such model, electronic file or spreadsheet, KPMG may, at its discretion, make such item available to Client for its internal use only and such item shall be considered a Deliverable subject to Paragraph 4 above; provided that Client is responsible for obtaining the right to use any third party products necessary to use or operate such item.
- (h) **Non-Solicitation.** During the term of the Engagement Letter and for one year thereafter, neither party shall solicit for hire as an employee, consultant or otherwise any of the other party's personnel who have had direct involvement with the services under the Engagement Letter, without such other party's express written consent. This prohibition shall not apply to any offers of employment which result from a general solicitation for employment, including without limitation, through the Internet, newspapers, magazines and radio.
17. **Entire Agreement.** The Engagement Letter and these Standard Terms and Conditions, including the Exhibits and Appendices hereto and thereto, constitute the entire agreement between KPMG and Client with respect to the services under the Engagement Letter and supersede all other oral and written representations, understandings or agreements relating thereto.

18. **Additional Terms for Engagements Involving Tax Services.**

- (a) Notwithstanding anything to the contrary set forth herein, no provision in the Engagement Letter or these Standard Terms and Conditions is or is intended to be construed as a condition of confidentiality within the meaning of IRC sections 6011, 6111, 6112 or the regulations thereunder, or under any similar or analogous provisions of the laws of a state or other jurisdiction. In particular, Client (and each employee, representative, or other agent of Client) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of any transaction within the scope of this engagement and all materials of any kind (including opinions and other tax analyses) that are provided to Client relating to such tax treatment and tax structure. Client also agrees to use commercially reasonable efforts to inform KPMG of any conditions of confidentiality imposed by third party advisors with respect to any transaction on which KPMG advice is requested. Such notification must occur prior to KPMG providing any advice with respect to the transaction.
- (b) Treasury regulations under IRC section 6011 require taxpayers to disclose to the IRS their participation in reportable transactions and IRC section 6707A imposes strict penalties for noncompliance. Client agrees to use commercially reasonable efforts to inform KPMG if Client is required to disclose any transaction covered by the Engagement Letter as a reportable transaction to the IRS or to any state or other jurisdiction adopting similar or analogous provisions. IRC section 6111 requires a material advisor with respect to a reportable transaction to disclose information on the transaction to the IRS by a prescribed date, and IRC section 6112 requires the material advisor to maintain, and make available to the IRS upon request, a list of persons and other information with respect to the transaction. KPMG will use commercially reasonable efforts to inform Client if KPMG provides Client's identifying information to the IRS under IRC section 6111 or 6112, or to any state or other jurisdiction adopting similar or analogous provisions.
- (c) Unless expressly provided for, KPMG's services do not include representing Client in the event of a challenge by the IRS or other tax or revenue authorities.
- (d) In rendering tax advice, KPMG may consider, for example, the applicable provisions of the Internal Revenue Code of 1986, and the Employee Retirement Income Security Act of 1974, each as amended, and the relevant state, local and foreign statutes, the regulations thereunder, income tax treaties, and judicial and administrative interpretations, thereof. These authorities are subject to change, retroactively or prospectively, and any such changes could affect the validity of KPMG's advice.