

## LUMINANCE DILIGENCE USE CASE

# Outside Counsel Guidelines

The relationship between external lawyers and in-house counsel is usually governed by an agreement or set of agreements which cover a multitude of different subject areas. The guidelines try to clearly establish the remit of each group of counsel and lay the foundation for the working relationship between a company and its instructed law firm. Indeed, outside counsel guidelines vary widely by company, covering every possible situation that can arise between in-house and outside counsel, including considerations of legal fees, billing and expense guidelines, conflicts of interest, budgeting, and preserving confidentiality, data security, and privilege.



Indeed, such are the scope of outside counsel guidelines that they can frequently reach hundreds of pages in length. As such, reviewing these guidelines and understanding the nature of the agreement which has been reached is often an incredibly time-consuming task which can place a significant strain on resources, particularly where there is an imminent deadline.

Lawyers are therefore often forced to rely on reading sub-sections of the document or manually searching for key provisions – this inevitably increases the possibility of missing key information, in turn severely hampering insight into the agreement between in-house and outside counsel. To address this problem, many lawyers are turning to Luminance, the market-leading AI tool for lawyers, which allows lawyers to conduct a rigorous and efficient review whilst also achieving significant time and cost-savings. Developed by mathematicians at the University of Cambridge, Luminance uniquely combines supervised and unsupervised machine learning to rapidly read and form an understanding of legal data, irrespective of its volume or complexity. Luminance's easy cloud-deployment and revolutionary machine learning technology means that legal teams are able to gain an unparalleled insight into their document set on the very first day of a review. In fact, most lawyers report time savings of at least 50% in their first use of Luminance, increasing exponentially with continuing use.

Following a simple drag-and-drop document upload process, Luminance is able to immediately surface to the lawyer crucial information such as key datapoints, clauses, patterns and anomalies. This is all displayed to the lawyer on a visual, intuitive interface, enabling lawyers to confidently identify and analyse agreements, quickly focusing on provisions which might be relevant to the review including as Data Security, Confidentiality and Legal Fees clauses. Lawyers can use Luminance's advanced clause and document clause compliance technology which allows users to set any version of a clause or document as a standard against which all others are compared, allowing lawyers to pinpoint subtle discrepancies in wording that might have otherwise been missed.

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Luminance's advanced project management and collaboration tools ensure that lawyers are able to work seamlessly across teams, departments, countries and time zones. For instance, users can easily allocate tasks and documents to team members and track work progression in real-time, ensuring that there is no duplication of work. Users can then share their finding through Luminance's 'Notes' feature- for instance, if a user wishes to make a Note on a confidentiality clause this can be easily shared amongst colleagues and categorised in terms of risk. The user can also notify their team if a document does not meet the required standard. Lawyers can also ensure that no key information is overlooked with Luminance's advanced 'Bulk Notes' feature which instantly highlights similarly-worded clauses. When the review is complete, the legal team can quickly generate a report of their findings which automatically captures all work product.

Using Luminance's advanced machine learning technology, in-house lawyers and outside counsel will be in the best possible position to negotiate contract terms, identify which activities are permitted and quickly determine how future agreements should best be drafted.



**“Luminance’s technology allows lawyers to be the trusted advisors they trained to become.”**

Steve Cooke, Senior Partner

SLAUGHTER AND MAY



**“Companies like Luminance are instrumental in transforming the professional lives of lawyers and are a key component in future proofing the industry.”**

Christina Blacklaws, President of  
the Law Society of England and Wales





# Luminance Project Guide

## Outside Counsel Guidelines

### Scenario

You are a private practice lawyer reviewing all of the guidelines, policies and procedures governing your firm's relationships with in-house counsels. The review will include consideration of legal fees, billing and expense guidelines, conflicts of interest, budgeting, and preserving confidentiality, data security, and privilege.

This guide is equally applicable to in-house lawyers reviewing agreements with outside counsel for the same purposes. Given the volume of documents under review, you will be deploying Luminance's market-leading artificial intelligence technology to enhance the team's ability to complete this review.



### Key Benefits

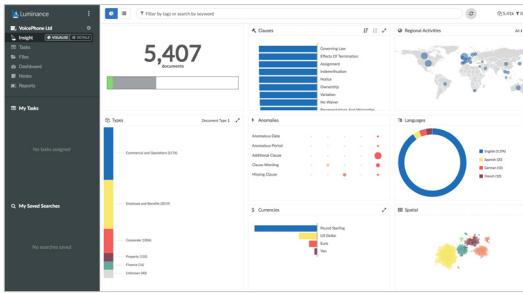
- ✓ Achieve significant time savings
- ✓ Quickly identify key provisions
- ✓ Achieve a more comprehensive review with confidence in the results

### Review Process

After the documents have been uploaded into Luminance, the workflow for conducting the review comprises 6 key steps:

1. Prioritise your project using the global overview of the data room
2. Assign documents to team members to redact via a Task
3. Analyse documents and clauses
4. Automatic Document and Clause Assessment
5. Add Notes indicating your analysis
6. Generate a report summarising your analysis and recommendations

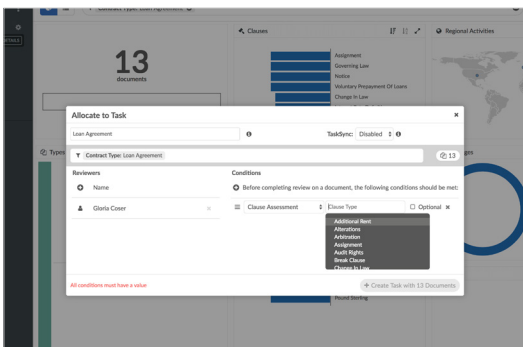
## Step 1: Prioritise your project using the global overview of the data room



Luminance's Insight Visualise provides lawyers with a global overview of the documents uploaded to the platform and the ability to drill down into the key clauses and concepts. Lawyers can understand the data room at a glance and are able to target their review immediately by identifying and filtering down to contract and document types, governing laws, languages, anomalies and more. The intuitive, user-friendly interface allows users to identify the different documents

types that will require specific, different and extensive review. Additionally, other information, such as the mention of certain countries, will also be presented from the Visualise screen.

## Step 2: Assign documents to team members for review via Tasks



Using Luminance's project management tools, documents can be allocated into Tasks, allowing lawyers to focus their review. Users can filter down to a specific set of documents using their preferred criteria and allocate the documents to the relevant lawyer. For example, French language documents can be isolated and sent a French language speaker working on the review. Conditions can be included in Tasks which reviewers must satisfy when reviewing each document. For example, a Task could require team members to identify and review Data Security, Confidentiality and Legal Fees clauses or indeed any provision important to further understand the nature of your firm's relationship with outside/in-house counsel. Once allocated, the user

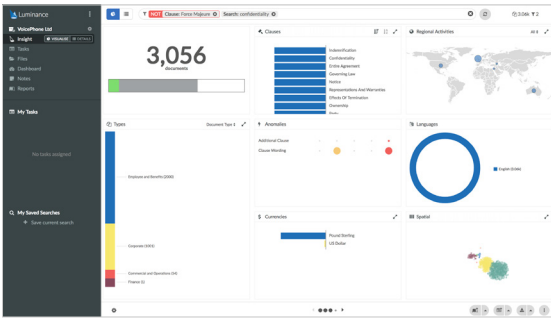
reviewing the documents can click through documents which have been reviewed. As the lawyers move through the documents and continue their review, the Dashboard will be updated in real-time, meaning progress can be tracked throughout the review period. This means you can quickly see the documents you have already reviewed and focus on those you have not had a chance to look at yet.

## Step 3: Analyse documents and clauses

To review specific clauses within the documents you have been assigned, filter to the clause using the Filter Bar and view all the instances where the clause appears via the clause column in Insight Details. This allows you to rapidly move through the examples, removing the need to open each individual document.

Anomalies	Notes	Task Progress	Confidentiality	Additional Rights	Arbitration	Assignment	Audit Rights	Break Clause	Change in Law	Count
-	-	○	2	-	-	1	1	-	-	-
-	-	○	2	-	-	1	1	-	-	-
-	1	○	2	-	-	1	1	-	-	-
-	-	○	2	-	-	1	1	-	-	-
-	-	○	2	-	-	1	1	-	-	-

For example, using the Visualise Screen, you could navigate to the documents that have a Confidentiality clause, under the 'Clauses' Widget. Opening the Insight Details screen, you can customise the page to show you the Confidentiality clauses using the Cog in the bottom left corner. If needed, you can quickly check all clauses here.

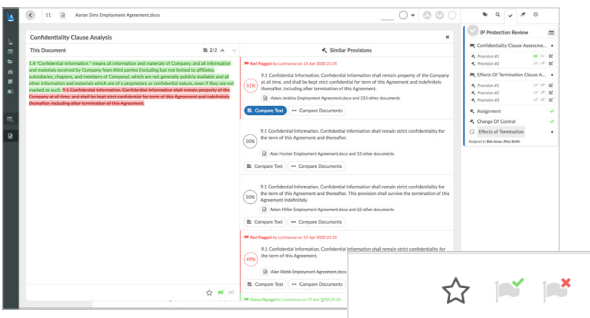


You may also wish to spot check the documents where Luminance has not identified a Confidentiality clause. To do so, clear the Filter Bar, and add in new filters: 'Not' + 'Clause' + 'Confidentiality'. You will then see all documents that do not have the clause identified by Luminance. You may then wish to add a word search on top of this. For example, 'shall not disclose' or other wording you understand for form part of a Confidentiality clause.

If you find examples of the clause, open the document to the search term, click on the relevant wording, select the '+' button to the left of the screen and click the 'gavel'. Here you can type in the clause title 'Confidentiality' and Luminance will apply this label to the clauses. Luminance will suggest similar wording that exists within the document set and ask you if you wish those to be tagged as 'Confidentiality' also.

To find clauses which Luminance hasn't identified, simply type relevant keywords into the search bar. For example, type 'billing and expense' into the search bar and Luminance will search across the entire project and present all instances where these keywords appears to the user via the search column in Insight Details. Once a clause or concept is identified, click on the page number to be taken to the relevant paragraph in Document View. When you add a tag to the clause (e.g. 'Billing and Expense Guidelines'), Luminance will suggest similar paragraphs that exist within the document set that follow similar patterns in language, resulting in conceptually similar meanings. By selecting similar paragraphs, you are speeding up the time it takes to identify the concept across all documents.

## Step 4: Automatic Document and Clause Assessment

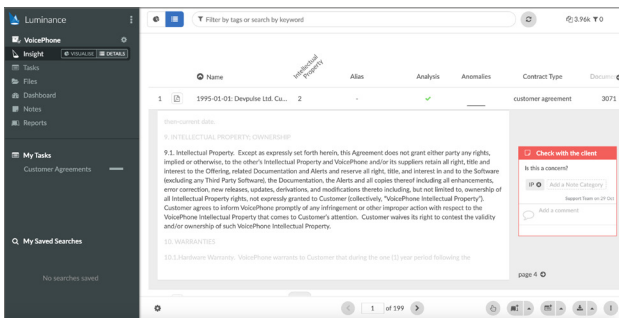


After identifying and tagging documents that contain relevant clauses, use Clause Assessments to compare multiple clauses within the context of your workflow: one click on any clause allows you to compare the clause in question with all the other forms of this clause that exist in the Assessment. To do this, filter down to the documents within the scope of your review and create a task including these documents. As a condition of the task, select the clause that you would like to assess.

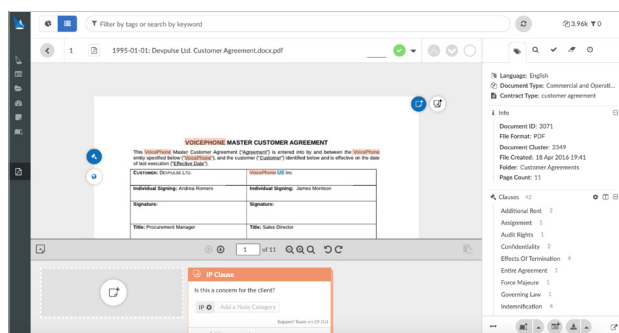
For example, you may wish to further assess the Confidentiality clauses within the outside counsel guidelines you are reviewing. Once the task has been created you will be able to see on a percentage basis how similar each Confidentiality clause is compared to other examples of the clause in your review and where those differences exist with the provision.

Moreover, you are able to Green or Red flag provisions depending on whether they meet the standard of your review. In some use cases, it may be necessary for users to compare entire documents to one another. For example, as an in-house lawyer you may want to compare all of your outside counsel guidelines to a model set of guidelines. By creating a Full Document Assessment, users may compare to model documents, presented in a side-by-side view, and cycle through each document in the review set.

## Step 5: Add Notes indicating your analysis



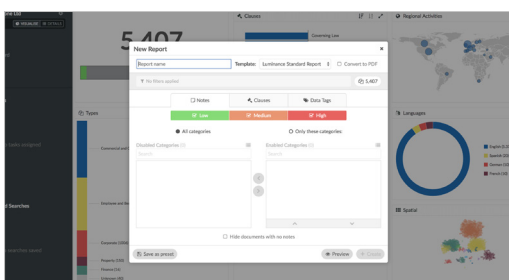
As you review the documents and clauses, add a Note to clauses to flag areas of interest to a colleague or include your analysis into a report later on. You can use Notes to categorise the issues as red, orange or green – these usually represent the severity of the issue. You may wish to create a Note on a Confidentiality clause or indeed any clause of interest present in the document set.



To do this, from the Insight Details screen, click the '+' over the clause of interest. This will then allow you to review all clauses of that type. Using the 'pencil' button beside the clause, you can write a note beside it. You may wish to give your note a Note Category for example if your Note relates to a data privacy point of concern then you may wish to label it 'Data Privacy'. Doing this will allow you to later filter down to specific categories within Luminance and, should you wish, only include notes of a specific category or categories when creating a Report. Notes can also be applied to similar paragraphs, across documents, in the same way as clause tags.

When adding a note to a paragraph, hover over the Note icon and a second option will appear which will allow you to add the note to the same paragraph if it appears in other documents in the project. Changes to the title or content of a Bulk Note will apply across all the notes in the note family but comments will only apply to the specific note.

## Step 6: Generate a report summarising your analysis and recommendations



To generate a report that summarises your analysis and recommendations, filter to the relevant documents. In the bottom right hand corner, select the 'Reports' button. As this opens, select the information to include in the report. This report can then be downloaded from the 'Reports' page.