

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA MUNICIPAL RETIREMENT BOARD**

**INVESTMENT ADVISOR CONTRACT FOR
_____ INVESTMENTS**

This Contract for _____ investment advisor services (Contract) is entered into as of the Effective Date as defined below between the PENNSYLVANIA MUNICIPAL RETIREMENT BOARD (BOARD), an administrative board of the Commonwealth of Pennsylvania, with its offices at 1721 North Front Street, Harrisburg, PA 17102, and _____, a _____ duly organized under the laws of _____, with its principal office at _____.

WITNESS:

WHEREAS, the BOARD has, pursuant to Section 110 of the Pennsylvania Municipal Retirement Law, Act 15 of 1974, as amended, 53 P.S. § 881.110 (hereinafter referred to as the “Retirement Law”), exclusive control and management of the Pennsylvania Municipal Retirement Fund (hereinafter referred to as the “Fund”), with full power to invest the same, subject to terms and conditions imposed by law; and

WHEREAS, the BOARD has, pursuant to Section 104 of the Retirement Law, 53 P.S. § 881.104, authority to contract for such professional services as it deems advisable in order to fulfill its duties; and

WHEREAS, the ADVISOR has solicited an engagement to invest certain of the Fund’s assets, and thereby establish and manage an investment portfolio for _____ investments, for and on behalf of the BOARD; and

WHEREAS, the ADVISOR has represented to the BOARD that it possesses and will employ, in a fiduciary capacity, professional knowledge, experience, and

expertise in the management of _____ investments and in investment matters generally, so as to preserve and enhance the financial integrity of the Fund; and

WHEREAS, the BOARD has duly approved the retention of the ADVISOR under the terms and conditions of this Contract; and

WHEREAS, the ADVISOR hereby reaffirms the reliability and accuracy of the written and oral representations made to the BOARD in solicitation of this Contract,

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, and the mutual promises and undertakings hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties covenant and agree as follows:

1. **Engagement.** The BOARD hereby engages the ADVISOR, and the ADVISOR hereby accepts the BOARD's engagement, to serve as an investment advisor and manager for and on behalf of the BOARD for \$_____ of money or investments of Fund assets as allocated by the BOARD to ADVISOR, and to invest and to reinvest the Account consistent with the terms of this Contract and such other policies and directives as may be communicated by the BOARD or its designee in writing to the ADVISOR from time to time. All of the Fund assets allocated by the BOARD to the ADVISOR, including any later contributions to such assets by the Board, and including any change in the value of those assets, shall be referred to in this Contract as "the Account." The BOARD shall have the absolute right to contribute money to, or withdraw money from, the Account at any time during the term of this Contract.
2. **BOARD's Investment Guidelines.** The ADVISOR shall manage the Account placed by the BOARD with ADVISOR subject to, and in accordance with, the BOARD's "Investment Guidelines" which are attached to this Contract as Appendix A, and which are incorporated into this Contract as if fully set forth herein. ADVISOR specifically acknowledges receiving the BOARD's investment guidelines attached as Appendix A. The BOARD may

retitle, edit, amend, or supplement its “Investment Guidelines” from time to time by providing written notice of such to the ADVISOR.

- 3. ADVISOR’s Services for BOARD.** The ADVISOR shall purchase, sell, and exchange authorized securities and generally act as investment advisor and manager for and on behalf of the BOARD, as limited by law, and in accordance with the BOARD’s Investment Guidelines, for the Account, provided, however, that the BOARD in its sole discretion may suspend the ADVISOR’s execution, trading, and other activities for the BOARD’s account at any time by written notice transmitted to the ADVISOR in the manner provided in this Contract. The ADVISOR’s powers, obligations, and duties under this Contract shall include, without limitation, the following:
- a. The ADVISOR shall have full power and authority on behalf of the BOARD to:
 - i. make purchases and sales of authorized securities or other property;
 - ii. exercise or abstain from exercising any warrant, privilege, or right with respect to the assets;
 - iii. issue orders for, or make purchases or sales of, securities or other property directly with a broker, dealer, or other person subject to the terms and conditions set forth in this Contract; and
 - iv. take any other action and exercise any power or authority in connection with the Account which is reasonably necessary in carrying out the investment activities authorized by the BOARD.
 - b. In its performance of its services pursuant to this Contract, the ADVISOR shall execute investment decisions through brokers and dealers of its choice with a view to insuring that such brokers and dealers complete the transactions in a manner most favorable to the Fund. The ADVISOR may utilize a broker or dealer with which it is directly affiliated or may utilize the execution, clearing, and settlement services of a broker or dealer affiliated with the ADVISOR, provided that the ADVISOR has first obtained the approval of the BOARD. The ADVISOR shall provide complete and timely disclosure of any introducing broker relationship by written notice to the BOARD.

- c. All securities shall be registered under the name of “PMRS & Co.”
- d. The ADVISOR shall, at the request of the BOARD, attend BOARD meetings to apprise the BOARD of its investment activities. The ADVISOR shall also attend special meetings and investment seminars when requested by the BOARD.
- e. Unless the BOARD directs otherwise in writing, the ADVISOR shall report monthly to the BOARD on the status, composition, and performance of the assets managed by the ADVISOR and on all transactions in the BOARD’s account, and shall deliver each such report to the BOARD no later than the 10th day after the last day of each month.
- f. The ADVISOR shall deliver to the BOARD upon request information concerning assets and asset classes in which the ADVISOR has invested or may potentially invest for and on behalf of the BOARD, including, but not limited to, identification of purchase or sale opportunities and an overview of specific market conditions.
- g. The ADVISOR’s conduct and actions for and on behalf of the BOARD shall be in compliance at all times with federal and state securities laws and all other applicable federal and state laws and regulations and local ordinances.
- h. The ADVISOR shall cause to be forwarded to the BOARD a daily report detailing the trade activity for that day.
- i. The BOARD uses the services of a separately contracted proxy servicer or advisor to vote the proxies for the investments or instruments held by the ADVISOR on behalf of the BOARD in the Account. If the BOARD’s proxy servicer or advisor does not vote a proxy for an investment or instrument held in the Account, then the BOARD authorizes the ADVISOR to vote that proxy on behalf of the BOARD, ***provided, however,*** that (A) the ADVISOR shall comply with all BOARD policies (including the BOARD’s investment policy statement and the BOARD’s Proxy Voting Policy), and (B) the ADVISOR shall comply with any voting recommendations or directions from the BOARD’s proxy servicer or advisor when voting such proxies. The BOARD shall cause all proxies received by the BOARD which will be

voted by the ADVISOR to be delivered to the ADVISOR on a timely basis. The BOARD may revoke in its entirety the ADVISOR's authority to vote proxies for the investments or instruments held in the Account at any time by written notice to the ADVISOR. A description of the ADVISOR's proxy voting authority and procedures are set out in the BOARD's investment policy statement and the BOARD's Proxy Voting Policy.

- 4. Unauthorized Liabilities.** The ADVISOR shall not enter into any agreement or other transaction by or on behalf of the BOARD that:
- a. is binding on the BOARD or allows, either expressly or by operation of law, recourse to the BOARD;
 - b. creates any actual or potential liability on the part of the BOARD in excess of the amount allocated to ADVISOR for the purpose of making investments pursuant to this Contract; or
 - c. that waives any of the BOARD's rights, defenses, causes of action, or immunities.

Liabilities that are not authorized by the BOARD and prohibited by this Contract include, without limitation, any obligation on the part of the BOARD to indemnify a third party or to pay attorney fees, legal expenses, penalties, or liquidated damages.

- 5. Standard of Care.** The ADVISOR shall perform investment services under this Contract subject to the exercise of that degree of judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence who are experts in such matters exercise in the management of like matters, not in regard to speculation but in regard to the permanent disposition of the Fund, considering the probable income to be derived therefrom as well as the probable safety of the invested capital. The ADVISOR expressly acknowledges that it is: a "fiduciary" with respect to the BOARD and to the Fund as the term "fiduciary" is defined in Section 3(21)(A) of the Employee Retirement Income Security Act of 1974 (ERISA); and, is not subject to any of the disqualifications described in Section 411 of ERISA, regardless of the applicability of ERISA to the BOARD, the Fund, or this Contract.

- 6. Compensation of ADVISOR.** The BOARD shall compensate the ADVISOR for all services performed by the ADVISOR pursuant to this Contract by paying the Fixed Fee to the ADVISOR calculated in accordance with this paragraph.
- a. *Calculation of Quarterly Payment.* The BOARD shall pay the Fixed Fee to the ADVISOR in quarterly installments paid in arrears based on the PMRS-determined market value of the Account (hereinafter “the Quarterly Fixed Fee Payment”). The Quarterly Fixed Fee Payment shall be calculated by: (I) taking the PMRS-determined market value of the Account as of the last day of each month during the quarter; (II) applying the adjustments in Paragraphs 6.b. and 6.c. to each month’s PMRS-determined market value of the Account when one or both such adjustments are applicable to a given month; (III) adding together the adjusted PMRS-determined market value of the Account from (II) for each of the three months; (IV) dividing the sum from (III) by three; and, (V) multiplying the quotient from (IV) by 1/4 of the Fixed Fee. The BOARD shall pay the Quarterly Fixed Fee Payment to the ADVISOR after the BOARD receives an invoice for said payment from the ADVISOR.
- i. The “Fixed Fee” shall be an annual fee of [_____] basis points.
- ii. The Quarterly Fixed Fee Payment due at the end of each quarter shall be calculated as of the last calendar day of March, June, September, and December.
- iii. The “PMRS-determined market value of the Account” is the market value of the Account as determined by the Pennsylvania Municipal Retirement System’s sub-custodian bank as of the last calendar day of each month.
- b. *Proration of Quarterly Payment.* If at any time, and for any reason, the ADVISOR performs services under this Contract for less than a full calendar quarter, then the Quarterly Fixed Fee Payment shall be prorated to the number of days that the ADVISOR performed services under this Contract for the BOARD during such calendar quarter.

- c. *Adjustment for Contributions to or Withdrawals from the Account.* The PMRS-determined market value of the Account for a month shall be adjusted for contributions to, or withdrawals from, the Account as follows.
- i. Contribution to Account. If the BOARD contributes additional Fund assets to the Account between the first and last day of a month, then the PMRS-determined market value of the Account will be adjusted by subtracting from the closing value of the Account on the last day of the month an amount equal to the product of (x) the quotient derived from dividing the dollar amount of the contribution by the number of days in the month multiplied by (y) the number of days from the first day of the month in which the contribution was made to the day before the transfer date. The transfer date is the date on which the contribution is available to the ADVISOR to invest pursuant to this Contract.
 - ii. Withdrawal from Account. If the BOARD withdraws money or assets from the Account between the first and last day of a month, then the PMRS-determined market value of the Account will be adjusted by adding to the closing value of the Account on the last day of the month an amount equal to the product of (x) the quotient derived from dividing the dollar amount of the withdrawal by the number of days in the month multiplied by (y) the number of days from the first day of the month in which the withdrawal was made to the day before the transfer date. The transfer date is the date on which the withdrawal was scheduled to be transferred out of the Account pursuant to written advice or instructions issued by the BOARD, or by the Secretary of the BOARD, or by the BOARD's or the Secretary's designee or proxy.
- d. The BOARD shall not pay any amount to the ADVISOR other than the Fixed Fee as compensation for work performed by the ADVISOR under this Contract including, but not limited to, postage or mailing fees, travel expenses, copying or scanning fees, or any other administrative or operational fee or cost incurred by the ADVISOR in the course of its performance of this Contract.

7. Cost Certification.

- a. The ADVISOR hereby certifies that:
 - i. the compensation to be paid by the BOARD to the ADVISOR under this Contract is based upon fees, costs, or pricing specifically negotiated by the ADVISOR in good faith with the BOARD; and
 - ii. the fees, costs, or pricing chargeable to the BOARD are equal to or less than the ADVISOR's established market prices, and do not exceed the fees, costs, or pricing charged by the ADVISOR under similar fee structures to any of its other clients for the same or similar services.
- b. If the ADVISOR charges lesser fees, costs, or pricing under similar fee structures to any other client for the same or similar services, then the ADVISOR shall notify the BOARD in writing within 30 days of the date the ADVISOR enters into a contract in which it charges such fees or costs. The ADVISOR shall, at the BOARD's option, adjust the fees, costs, or pricing it charges the BOARD pursuant to this Contract to be equal to such lesser fees, costs, or pricing effective as of and from the date that such lesser fees, costs, or pricing took effect or will take effect.
- c. The ADVISOR shall promptly provide such proofs in support of its certification of the contract price as the BOARD or the Commonwealth of Pennsylvania may reasonably request.
- d. The ADVISOR expressly acknowledges that any intentionally misleading representation made by the ADVISOR in this certification shall be punishable under Section 4904 of Title 18 of Pennsylvania Consolidated Statutes.

8. ADVISOR's Fidelity Bond and Liability Insurance.

- a. The ADVISOR shall maintain a fidelity bond and a fiduciary liability insurance policy that adequately safeguard the Account throughout the entire term of this Contract including any renewals, extensions, or amendments. The ADVISOR shall submit to the Secretary of the

BOARD a written statement that sets forth the basis on which the limits of liability under the bond and insurance coverage were established.

- b. As proof of such fidelity bond and fiduciary liability insurance coverage, the ADVISOR shall file a certificate with the Secretary of the BOARD which, at a minimum:
 - i. states the maximum limits of liability per incident and in the aggregate;
 - ii. states the amount of any deductible; and
 - iii. contains an endorsement that the bond or insurance coverage will not be cancelled or materially changed unless the ADVISOR has sent written notice to the Secretary of the BOARD in accordance with the notice provisions of this Contract not less than thirty (30) days prior to such cancellation or change. If the ADVISOR's insurer either (A) refuses to agree in writing to provide such notice to the BOARD after commercially reasonable efforts by the ADVISOR to obtain such an agreement, or (B) expressly disavows liability for its failure to provide such notice, then the ADVISOR shall bear the duty to provide notice of cancellation or change to the BOARD, as well as liability to the BOARD for losses resulting in ADVISOR's failure to provide such notice that could have been covered by the insurance or bond.
- c. The BOARD shall not allocate or deliver any of the Fund's assets to the ADVISOR pursuant to this Contract unless and until the Secretary of the Board has received delivery from the ADVISOR of the statement and the certificate required to be provided under this paragraph.
- d. The BOARD may, in its discretion, make such changes with respect to insurance coverage and bonding as it reasonably deems appropriate for the protection of the Fund by giving written notice of such changes to the ADVISOR at least 30 days in advance of the effective date for such changes.

9. Federal and Commonwealth Securities Laws Registrations.

- a. *Federal registration.* The ADVISOR represents, confirms, and certifies that it is duly registered and in good standing as an investment advisor under the federal Investment Advisers Act of 1940 (the “1940 Act”), as amended, or that it is exempt from the 1940 Act. Within 15 days of the effective date of this Contract, the ADVISOR shall deliver to the Secretary of the BOARD a true and correct copy of Part II of the ADVISOR’s current Form ADV which the ADVISOR has filed with the Securities and Exchange Commission pursuant to Section 203(c) of the Investment Advisers Act of 1940. The BOARD shall not allocate or deliver any of the Fund’s assets to the ADVISOR pursuant to this Contract unless and until the Secretary of the Board has received delivery from the ADVISOR of Part II of the ADVISOR’s Form ADV or the ADVISOR’s certification completed subject to 18 Pa.C.S. § 4904 that it is exempt from the 1940 Act as required by this paragraph.
- b. *Commonwealth registration.* The ADVISOR represents, confirms, and certifies that it is duly registered and in good standing as an investment advisor under the Pennsylvania Securities Act of 1972 (the “1972 Act”), as amended, or that it is exempt from the 1972 Act. Within 15 days of the effective date of this Contract, the ADVISOR shall deliver to the Secretary a true and correct copy of its written confirmation that it is registered as an investment advisor pursuant to the 1972 Act. The BOARD shall not allocate or deliver any of the Fund’s assets to the ADVISOR pursuant to this Contract unless and until the Secretary of the Board has received delivery from the ADVISOR of such written confirmation or the ADVISOR’s certification completed subject to 18 Pa.C.S. § 4904 that it is exempt from the 1972 Act as required by this paragraph.
- c. The ADVISOR shall maintain its registration under the 1940 Act, or under the 1972 Act, or both, in good standing during the entire term of this Contract. If the Securities and Exchange Commission, or the Pennsylvania Department of Banking and Securities, cancels, rescinds, or otherwise terminates the ADVISOR’s registration for any reason, or if either or both such registrations lapse for any reason, the ADVISOR shall notify the Secretary of the BOARD in writing of such termination or lapse within five (5) days of the occurrence of such termination or lapse.

- d. If the ADVISOR was exempt from either the 1940 Act or the 1972 Act on the effective date of this Contract but then becomes subject to the 1940 Act or the 1972 Act during the term of this Contract including any renewals, extensions, or amendments, the ADVISOR shall register under the 1940 Act or the 1972 Act as required by either law, and shall then deliver, as applicable, Part II of its Form ADV or proof of its registration with the Pennsylvania Department of Banking and Securities to the Secretary of the BOARD within 15 days of filing or receiving such forms or proof.
- e. If the ADVISOR was subject to either the 1940 Act or the 1972 Act on the effective date of this Contract but then becomes exempt from the 1940 Act or the 1972 Act during the term of this Contract including any renewals, extensions, or amendments, then the ADVISOR shall deliver written certification completed subject to 18 Pa.C.S. § 4904 that it has become exempt from either the 1940 Act or the 1972 Act to the Secretary of the BOARD within 15 days of the date that the ADVISOR becomes exempt from either act.

10. Notification of Events Affecting ADVISOR. The ADVISOR shall provide written notice to the BOARD in the manner provided for in this CONTRACT of the following events or items as follows:

- a. within 5 calendar days of the occurrence of:
 - i. a decision to modify the form of ADVISOR's business organization or method of incorporation; or
 - ii. the execution of an agreement to sell, or of an intent to sell, the controlling interest in the ADVISOR to another person or business entity; or
 - iii. a decision by ADVISOR or its shareholders to accept a tender offer made to ADVISOR or its shareholders for the purchase of the controlling stake of ADVISOR's voting shares of stock; or
 - iv. a decision to change the location of the ADVISOR's headquarters, or legal place of incorporation or business registration, or the location of ADVISOR's national tax situs; or

- v. ADVISOR learning or becoming aware that any of its representations and warranties made in this Contract are no longer true or correct; or
- vi. the service on ADVISOR of any litigation or administrative action alleging that the ADVISOR has committed negligence or fraud in its provision of investment or advisory services to one or more of its clients; or
- vii. any event or change that materially affects, limits, or impairs ADVISOR's ethical, legal, or business capability or fitness to fully perform all of the duties, and to provide all of the services, that it is required to perform for or provide to the BOARD under this Contract; or
- viii. the occurrence of any material change in ADVISOR's registration, accreditation, or licensing status with the Securities and Exchange Commission, the Commonwealth of Pennsylvania, or other any other governmental or private registration, accreditation, or licensing organization; or
- ix. the date on which ADVISOR learns that the Securities and Exchange Commission, the Commonwealth of Pennsylvania, or other any other governmental entity has instituted a complaint, petition, or any other legal process or action that could remove or change ADVISOR's registration, accreditation, or licensing status with the Securities and Exchange Commission, the Commonwealth of Pennsylvania, or other any other governmental entity; or
- x. the date on which ADVISOR learns of any formal allegations or actions that could lead to a change in ADVISOR's registration, accreditation, or licensing status with the Securities and Exchange Commission, the Commonwealth of Pennsylvania, or other any other governmental or private registration, accreditation, or licensing organization; or

- xi. the date on which ADVISOR learns that a criminal investigation of any kind has been instituted by any governmental authority into any actions or business transactions of the ADVISOR, or of its directors, officers, or employees.
- c. within 24 hours of the date and time that:
- i. a decision to change ADVISOR's directors, officers, or employees who exercise investment discretion over the BOARD's account; or
 - ii. ADVISOR files a petition in a bankruptcy court, or that any other person, law firm, or entity files such a petition for or on behalf of ADVISOR; or
 - iii. ADVISOR discovers or learns that any of its own computer, data, network, file storage, technology or other hardware or software systems, or any such systems which the ADVISOR uses or relies upon to perform services pursuant to this Contract (including but not limited to any outsourced cloud-based systems and to third-party systems to which the ADVISOR has access), have experienced any unauthorized intrusion or been accessed by any unauthorized persons or entities regardless of the duration of the unauthorized access; regardless of whether the intrusion was malicious or non-malicious; regardless of the activities undertaken or attempted to be undertaken by the intruders while they had unauthorized access to such systems; and, regardless of whether the intruders gained access to such systems by cracking passwords, phishing, viruses, malware, spooking, rootkits, trojan horses, key loggers, hardware or software alteration or manipulation, or via any other physical, human, computerized, or technological method.
- 11. Disclosure of Relationship with the BOARD's Investment Consultant.** The ADVISOR shall notify the BOARD in writing within thirty (30) days of making any payment to the BOARD's investment consultant ("Consultant") which notice shall state, at a minimum, the amount of each payment made by the ADVISOR (including amounts owing) to the Consultant, and, for each such payment, a description of the services or other consideration received by the ADVISOR from the Consultant. The ADVISOR and Consultant shall

include their respective subsidiaries for purposes of this provision. The BOARD reserves the right to request additional information from the ADVISOR on its relationship with the Consultant. The BOARD shall notify the ADVISOR in writing of the Consultant's identity within 30 days of the Effective Date of this Contract, upon the ADVISOR's request, and within 30 days of retaining a new or different Consultant during the term of this Contract.

12. Reporting of Political Contributions.

- a. *Pennsylvania Election Code.* The ADVISOR understands and acknowledges that it is subject to, and shall comply with, Pennsylvania's political contribution reporting requirements set out Section 1641 of Pennsylvania's Election Code, *codified at 25 P.S. § 3260a*. For the calendar year in which this Contract becomes effective, the ADVISOR shall file either a either DSEB-504 or DSEB-504B as applicable with the Secretary of the Commonwealth of Pennsylvania within 30 days of the Effective Date of this Contract, and shall deliver a copy of such report to the Secretary of the BOARD by the same date. For each year of this Contract following the first calendar year including any renewals or extensions, the ADVISOR shall file either a either DSEB-504 or DSEB-504B as applicable with the Secretary of the Commonwealth of Pennsylvania by February 15 of each such year, and shall deliver a copy of each such report to the Secretary of the BOARD by the same date.

- b. *Federal Law.* The ADVISOR shall comply with Securities and Exchange Commission's "Pay to Play" Rule set out at 17 C.F.R. § 275.206(4)-5 (the "Rule") including, but not limited to, the recordkeeping requirements for the Rule set out at 17 C.F.R. § 275.204-2. By January 31 of each year during the term of this Contract, the ADVISOR shall deliver a report to the Secretary of the BOARD of all Contributions made by the ADVISOR or any Covered Associate of ADVISOR to any member of the BOARD or to any Official of a Government Entity of the Commonwealth of Pennsylvania (as such capitalized terms are defined in the Rule and without accounting for any exceptions or exemptions under the Rule) during the immediately preceding calendar year.

13. Assignment, Subcontracting, and Delegation.

- a. ADVISOR is specifically and expressly prohibited from (a) assigning any of its rights under this Contract, (b) subcontracting any of its obligations or responsibilities under the Contract, and (c) delegating any of its duties under this Contract, to any other person or entity without having first received prior written approval from the Secretary of the BOARD for such assignment, subcontracting, or delegation before any such assignment, subcontracting, or delegation occurs.
- b. If ADVISOR attempts to assign any of its rights, subcontract any of its obligations or responsibilities, or delegate any of its duties under this Contract without having first received the Secretary of the BOARD's prior written approval, this Contract and all of its terms and conditions shall be fully, completely, and irrevocably terminated and extinguished as of the moment that ADVISOR makes any attempt to assign any of its rights, subcontract any of its obligations or responsibilities, or delegate any of its duties without having first received such written approval from the Secretary of the BOARD.
- c. In the event that the BOARD or the Secretary of the BOARD approves an assignment, subcontract, or delegation by ADVISOR, ADVISOR shall inform its assignee, subcontractor, or delegee of the existence of this Contract and shall bind its assignee, subcontractor, or delegee in writing to comply with all of the terms and conditions of this Contract and any extensions or amendments of this Contract.
- d. Notwithstanding any other provision of this Contract, ADVISOR may assign its rights, subcontract its obligations or responsibilities, or delegate its duties under this Contract to another entity without receiving the written approval of the Secretary of the BOARD required by this paragraph *provided that* at the time it makes the assignment, subcontracting, or delegation ADVISOR owns the exclusive controlling interest in the entity to which it makes the assignment, subcontract, or delegation; and *provided that* ADVISOR continues to own such controlling interest throughout the entire period of the assignment, subcontracting, or delegation; and *provided that* ADVISOR binds the entity to which it makes the assignment, subcontract, or delegation to comply with all of the terms and conditions of this Contract and any extensions or amendments of this

Contract; and *provided that* ADVISOR provides written notice with a description of the action to the BOARD of an assignment, subcontract, or delegation done pursuant to this subparagraph d. within 15 days of the date that such action occurs.

- e. Notwithstanding any other provision in this Contract, nothing in this Contract shall prohibit, restrict, or otherwise hinder or impede in any way the right and ability of the BOARD to assign any of its rights, to subcontract any of their obligations or responsibilities, or to delegate any of its duties under this Contract.

14. Form and Delivery of Notices. Any notice, demand, direction, instruction, or other communication required or permitted under this Contract shall be confirmed in writing and shall be sufficiently given for all purposes when sent by: certified or registered U.S. mail, postage prepaid; or, a nationally recognized courier service that maintains verification of actual delivery; or facsimile or email (provided that the notice is sent to the facsimile number or email address set out in this paragraph), with a copy of each communication sent to the address below by regular first-class U.S. mail (provided that if the date of sending is not a work day, then the facsimile or email shall be deemed to have been received by the addressee as of the opening of business on the next working day); or, delivery in-person, to the following addresses or to such other addresses as the parties may from time-to-time designate in writing:

- a. Notices to BOARD:

PENNSYLVANIA MUNICIPAL RETIREMENT BOARD
ATTN: Secretary of the Board
P.O. Box 1165
Harrisburg, Pennsylvania 17108-2315
Telephone: 717-787-2065; toll free: 800-622-7968
Fax: 717-783-8363
Email: XXXXXX@pa.gov

b. Notices to ADVISOR:

ADVISOR NAME

ADDRESS

Fax: XEmail: X**15. Contract Term; Effective Date; Start of Performance.**

- a. *Contract Term.* The term of this Contract shall commence on the Effective Date as defined herein and shall terminate on a date in accordance with the terms of this Contract. The Contract shall not be legally binding upon the BOARD or the ADVISOR unless and until the ADVISOR receives delivery of a copy of the fully executed Contract and a written notice to proceed from the BOARD.
- b. *Effective Date.* The Effective Date shall be the date on which the last signatory required by Commonwealth law and contracting procedures affixed his or her signature to the signature page.
- c. *Binding Effect.* This Contract inures to the benefit of and binds all parties hereto and their respective successors and assigns as of and from the Effective Date.
- d. *Length of Contract.* The term of this Contract shall end, and this Contract shall terminate, on the date that is five (5) years from the Effective Date unless this Contract has either been terminated earlier by either of the Parties as provided for herein, or has been extended by mutual agreement of the Parties via an amendment executed in accordance with this Contract.
- e. *Start of Performance by ADVISOR.* The ADVISOR shall not start the performance of any work under this Contract until the ADVISOR receives both a written Notice to Proceed from the BOARD or its designee and an original or a copy of this fully executed Contract. The BOARD shall not be liable to pay, and shall not pay, the ADVISOR for any service or work performed before the ADVISOR receives both the Notice to Proceed and the original or copy of the fully executed Contract. No agent or employee of the BOARD has the authority to verbally direct the commencement of any work under this Contract.

- 16. Termination.** The BOARD or the ADVISOR may terminate this Contract for the following reasons and by following the process set out in this paragraph.
- a. *Termination by BOARD.* The BOARD has the right to terminate this Contract before the end of the Term as defined in this Contract for any of the following reasons.
 - i. Termination for Convenience. The BOARD shall have the right to terminate the Contract for convenience. Termination of this Contract by the BOARD for convenience shall be effective upon the termination date specified by the BOARD in its written termination notice to ADVISOR.
 - ii. Availability of Funds. The BOARD's obligation to make payments to the ADVISOR in accordance with this Contract is subject to the availability and appropriation of funds from which the BOARD may make payments to the ADVISOR. If funds are not appropriated or otherwise available to the BOARD to support its continuation of this Contract, then the BOARD shall have the right to terminate the Contract.
 - iii. Termination for Cause. The BOARD shall have the right to terminate the Contract for the ADVISOR's default under Default Clause upon written notice to ADVISOR. The BOARD shall also have the right, upon written notice to ADVISOR, to terminate the Contract for other cause as specified in this Contract or by law. If it is later determined that the BOARD erred in terminating the Contract for cause, then, at the BOARD's discretion, the Contract shall be deemed to have been terminated for convenience under Subparagraph a.i.
 - b. *Termination by ADVISOR.* The ADVISOR may terminate this Contract for cause or convenience before the end of the Term as defined in this Contract by sending written notice to the BOARD in accordance with this Contract not less than ninety (90) days prior to the effective date of termination.

- c. *Procedure following termination.*
- i. If the ADVISOR or the BOARD terminates this Contract before the end of the Term as defined in this Contract, then the ADVISOR's fees for services under this Contract shall be prorated to the effective date of that termination in accordance with the terms of this Contract. Such termination shall not relieve the ADVISOR of any liability that may be incurred in connection with its investment activities on behalf of the Board, which liability shall survive termination.
 - ii. The ADVISOR shall furnish to the BOARD, within 30 days of the effective date of any termination of this Contract, a final written report on its investment activities and the status of the Fund's assets allocated to the ADVISOR. The BOARD may withhold any final payment of fees due to the ADVISOR until the BOARD receives that final report.
 - iii. The ADVISOR shall send to the BOARD, and to any recipient designated by the BOARD (if any), within thirty (30) days of the effective date of any termination of this Contract, all reports, projects, studies, or other documents and information (including the underlying data relating thereto) in the ADVISOR's possession that are related to the BOARD, the Fund, the Account, or the ADVISOR's investment activities on behalf of the BOARD.
- d. *Disposition of the Account following termination.* ADVISOR shall return to the BOARD any and all of the Account in the ADVISOR's possession on the effective date of any termination of this Contract within five (5) calendar days of the termination date or as soon thereafter as is practicable considering the ADVISOR's obligations to preserve and enhance the financial integrity of the Fund. If ADVISOR cannot return all of the Funds' assets within five (5) days of the termination, then ADVISOR shall so notify the BOARD and shall regularly consult with the Secretary of the BOARD regarding the return of the Fund's assets. ADVISOR's obligations to the BOARD and to preserve and enhance the financial integrity of the Fund shall not cease until the BOARD has received the return of all of the Fund's assets in ADVISOR's possession.

17. Reservation of Immunities. The BOARD reserves all immunities, defenses, rights, or actions arising out of its status as an instrumentality of the Commonwealth of Pennsylvania, and under the Eleventh Amendment of the United States Constitution. Nothing in this Contract or in the course of business between the BOARD and the ADVISOR shall constitute or imply a waiver of any such immunities, defenses, rights, or actions. No waiver of any such immunities, defenses, rights, or actions shall be implied or otherwise deemed to exist due to: the BOARD's entry into and execution of this Contract; any express or implied provision of this Contract; or, any actions or omissions to act by the BOARD or by any representative of the BOARD regardless of whether such action or omission was done pursuant to the Effective Date of this Contract, was done before or after the Effective Date of this Contract.

18. Investment Protection Provisions.

- a. By executing this Contract, the ADVISOR hereby certifies that it has not paid, and shall not pay, a finder's fee or placement fee, and has not entered into, and shall not enter into, a fee sharing arrangement or any similar fee arrangement with any third party in connection with this Contract. As used in this subparagraph, the term "third party" includes, but is not limited to, placement agents, any party acting for or through a placement agent, introducing brokers, marketing firms, consulting firms, and individuals.
- b. The ADVISOR shall disclose to the BOARD on a quarterly basis beginning with the first day of the calendar quarter following the Effective Date of this Contract any client relationship, including management of corporate 401(k) plans, in which the ADVISOR invests the Account in the securities of such clients that results in revenues to the Advisor in excess of one million dollars if such quarterly revenue amount were annualized.
- c. The ADVISOR must annually disclose to the BOARD by January 31 of the following year the manner in which its portfolio managers and research analysts are compensated, including but not limited to any compensation resulting from the solicitation or acquisition of new clients or the retention of existing clients.

- d. The ADVISOR shall report quarterly to the BOARD by the 30th day after the end of each quarter the amount of commissions the ADVISOR paid to broker-dealers.
- e. The ADVISOR, if it is affiliated with banks, investment banks, insurance companies or other financial services corporations, shall adopt safeguards to ensure that client relationships of any affiliate company do not influence investment decisions of the ADVISOR. The ADVISOR shall deliver a copy of its safeguards plan to the BOARD within 15 calendar days of the Effective Date of this Contract, and the ADVISOR shall annually certify to the Board by January 31 of the following year that such plan is being fully enforced.
- f. The ADVISOR shall annually complete and file a PMRB-30 form, *Disclosures*, with the Secretary of the BOARD by January 31 of the following year.

19. Independent Contractor. In performing the services required by this Contract, the ADVISOR is acting as an independent contractor and not as an employee or agent of the BOARD or of the Commonwealth. The ADVISOR will be responsible for all services in this Contract whether or not the ADVISOR provides them directly. Further, the ADVISOR is the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

20. Hold Harmless.

- a. In addition to the requirements of paragraph 8 of this Contract, the ADVISOR shall hold the BOARD, the Pennsylvania Municipal Retirement System, the Pennsylvania Municipal Retirement Fund, and the trustees, beneficiaries, directors, officers, agents and employees of the BOARD and said System harmless from and indemnify them against any and all third party claims, demands and actions based upon or arising out of any activities performed by the ADVISOR and its employees and agents under this Contract, provided the BOARD gives ADVISOR prompt notice of any such claim of which it learns. Pursuant to the Commonwealth Attorneys Act (71 P.S. § 732-101, et seq.), the Office of Attorney General (OAG) has the sole authority to represent the Commonwealth in actions brought against the BOARD. The OAG may, however, in its sole discretion and under such terms as it deems

appropriate, delegate its right of defense. If OAG delegates the defense to the BOARD, then the BOARD will cooperate with all reasonable requests of the ADVISOR made in the defense of such suits.

- b. Notwithstanding the above, neither party shall enter into any settlement without the other party's written consent, which consent shall not be unreasonably withheld. The Commonwealth may, in its sole discretion, allow the ADVISOR to control the defense and any related settlement negotiations.
- 21. Applicable Law.** This Contract shall be governed by, and interpreted and enforced in accordance with, the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts except when federal law controls the question. The ADVISOR consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal court in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The ADVISOR agrees that any such court shall have in personam jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania or federal law.
- 22. Integration Clause.** This Contract, including all appendices and referenced documents, constitutes the entire agreement between the BOARD and the ADVISOR. All appendices to this Contract are fully incorporated into this Contract by reference thereto. This Contract supersedes and replaces in full any and all prior contracts and undertakings, written or oral, between the BOARD and the ADVISOR regarding the subject matter of this Contract.
- 23. Events of Default.**
- a. The BOARD may, subject to the Force Majeure provisions of this Contract, and in addition to its other rights under the Contract, declare the ADVISOR in default by written notice thereof to the ADVISOR, and terminate (as provided in the Termination Provisions of this Contract) this Contract for any of the following reasons:
 - i. Failure to begin performance of this Contract within the time specified in the Contract;

- ii. Failure to perform services under this Contract with sufficient professionals, labor, equipment, or material to insure that the work is performed in accordance with the Contract terms;
 - iii. Unsatisfactory performance of the work;
 - iv. Failure to perform the work in conformance with the specifications referenced in the Contract;
 - v. Discontinuance of work without approval;
 - vi. Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
 - vii. Insolvency or bankruptcy;
 - viii. Breach of any provision of the Contract; or
 - ix. Failure to comply with applicable industry standards, customs, and practice.
- b. In the event that the BOARD terminates this Contract in whole or in part as provided in Subparagraph a. above, the BOARD may procure, upon such terms and in such manner as it determines, items similar or identical to those so terminated ,and the ADVISOR shall be liable to the BOARD for any reasonable excess costs for such similar or identical items included within the terminated part of the Contract.
- c. The rights and remedies of the BOARD provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- d. The BOARD's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the BOARD of its rights and remedies in regard to the event of default or any succeeding event of default.
- 24. Force Majeure.** Neither party to this Contract will incur any liability to the other if its performance of any obligation under this Contract is prevented or delayed by causes beyond its control and without the fault or negligence of

either party. Causes beyond a party's control may include, but are not limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

ADVISOR shall notify the BOARD orally within two (2) days and in writing within five (5) days of the date on which the ADVISOR becomes aware, or should have reasonably become aware, that such cause would prevent or delay his performance. Such notification shall (i) describe fully such cause(s) and his effect on performance, (ii) state whether performance under the contract is prevented or delayed, and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. ADVISOR shall have the burden of proving that such cause(s) delayed or prevented its performance despite his diligent efforts to perform and shall produce such supporting documentation as the BOARD may reasonably request. After receipt of such notification, the BOARD may elect either to cancel the Contract or to extend the time for performance as reasonably necessary to compensate for ADVISOR's delay.

In the event of a declared emergency by competent governmental authorities, the BOARD by notice to ADVISOR may suspend all or a portion of the Contract.

25. **Ownership Rights.** The BOARD shall have unrestricted authority to reproduce, distribute, and use any submitted electronic or hardcopy report, data, or material, and any associated documentation that is delivered to the BOARD as part of the performance of the Contract.
26. **Conflict of Interest.** ADVISOR, by signing this Contract, covenants that it has no undisclosed public or private interest, direct or indirect, and shall not acquire directly or indirectly any such interest which does or may conflict in any manner with the performance of the services or the obligations under this Contract. Any such conflicts shall be promptly disclosed to the BOARD and the BOARD shall determine whether such conflict is cause for termination of this Contract.
27. **Nondiscrimination/Sexual Harassment.** ADVISOR shall comply with all applicable provisions of state and federal constitutions, laws, regulations, and judicial orders pertaining to nondiscrimination, sexual harassment, and equal employment opportunity, including the provisions of the Nondiscrimination/

Sexual Harassment Clause, which is attached hereto as Appendix B and incorporated by reference.

28. **Integrity Provisions.** ADVISOR agrees to comply with the Integrity Provisions, which are attached hereto as Appendix C and incorporated by reference.
29. **Responsibility Provisions.** ADVISOR agrees to comply with the Responsibility Provisions, which are attached hereto as Appendix D and incorporated by reference.
30. ***The Americans With Disabilities Act.*** ADVISOR agrees to comply with *The Americans With Disabilities Act* provisions, which are attached hereto as Appendix E and incorporated by reference.
31. **Enhanced Minimum Wage Provisions.** ADVISOR agrees to comply with the *Enhanced Minimum Wage* Provisions, which are attached hereto as Appendix F and incorporated by reference.
32. **Audit Provisions.** The BOARD shall have the right, at reasonable times and at a site designated by the BOARD, to audit the books, documents, and records of the ADVISOR to the extent that the books, documents, and records relate to the ADVISOR's performance under this Contract. ADVISOR agrees to maintain records that will support the prices charged and costs incurred for the Contract. ADVISOR shall preserve such books, documents, and records that relate to costs or pricing data for the Contract period of three (3) years from date of final payment. ADVISOR shall give full and free access to all records to the BOARD, or the Commonwealth, or their authorized representatives, or all three.
33. **Offset Provision.** ADVISOR agrees that the BOARD may set off the amount of any state tax liability or other obligation that ADVISOR owes to the Commonwealth against any payments due ADVISOR under any contract with the Commonwealth.
34. **Contract Controversies.**
 - a. In the event of a controversy or claim arising from the Contract, the ADVISOR must, within six months after the cause of action accrues, file a written claim with the contracting officer for a determination.

The claim shall state all grounds upon which the ADVISOR asserts a controversy exists. If the ADVISOR fails to file a claim or files an untimely claim, the ADVISOR is deemed to have waived its right to assert a claim in any forum. At the time the claim is filed, or within sixty (60) days thereafter, either party may request mediation through the Commonwealth's Office of General Counsel Dispute Resolution Program.

- b. If the ADVISOR or the contracting officer requests mediation and the other party agrees, the contracting officer shall promptly make arrangements for mediation. Mediation shall be scheduled so as to not delay the issuance of the final determination beyond the required 120 days after receipt of the claim if mediation is unsuccessful. If mediation is not agreed to or if resolution is not reached through mediation, the contracting officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the contracting officer and the ADVISOR. The contracting officer shall send his/her written determination to the ADVISOR. If the contracting officer fails to issue a final determination within the 120 days (unless extended by consent of the parties), the claim shall be deemed denied. The contracting officer's determination shall be the final order of the purchasing agency.
 - c. Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the ADVISOR may file a statement of claim with the Commonwealth's Board of Claims. Pending a final judicial resolution of a controversy or claim, the ADVISOR shall proceed diligently with the performance of the Contract in a manner consistent with the determination of the contracting officer and the BOARD shall compensate the ADVISOR pursuant to the terms of the Contract.
- 35. Communications with the Media.** ADVISOR shall have no communication with any form of public media – newspaper, television, radio, or other form – concerning this Contract or its performance hereunder without the prior written consent of the BOARD.

36. Contract Provisions - Right to Know Law

- a. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, (“RTKL”) applies to this Contract.
- b. If the BOARD needs the ADVISOR’s assistance in any matter arising out of the RTKL related to this Contract, it shall notify the ADVISOR using the legal contact information provided in this Contract. The ADVISOR, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the BOARD.
- c. Upon written notification from the BOARD that it requires the ADVISOR’s assistance in responding to a request under the RTKL for information related to this Contract that may be in the ADVISOR’s possession, constituting, or alleged to constitute, a public record in accordance with the RTKL (“Requested Information”), the ADVISOR shall:
 - i. Provide the BOARD, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in the ADVISOR’s possession arising out of this Contract that the BOARD reasonably believes is Requested Information and may be a public record under the RTKL; and
 - ii. Provide such other assistance as the BOARD may reasonably request, in order to comply with the RTKL with respect to this Contract.
- d. If the ADVISOR considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the ADVISOR considers exempt from production under the RTKL, the ADVISOR must notify the BOARD and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of the ADVISOR explaining why the requested material is exempt from public disclosure under the RTKL.

- e. The BOARD will rely upon the written statement from the ADVISOR in denying a RTKL request for the Requested Information unless the BOARD determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the BOARD determine that the Requested Information is clearly not exempt from disclosure, the ADVISOR shall provide the Requested Information within five (5) business days of receipt of written notification of the BOARD's determination.
- f. If the ADVISOR fails to provide the Requested Information within the time period required by these provisions, the ADVISOR shall indemnify and hold the BOARD harmless for any damages, penalties, costs, detriment or harm that the BOARD may incur as a result of the ADVISOR's failure, including any statutory damages assessed against the BOARD.
- g. The BOARD will reimburse the ADVISOR for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.
- h. The ADVISOR may file a legal challenge to any BOARD decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, the ADVISOR shall indemnify the BOARD for any legal expenses incurred by the BOARD as a result of such a challenge and shall hold the BOARD harmless for any damages, penalties, costs, detriment or harm that the BOARD may incur as a result of the ADVISOR's failure, including any statutory damages assessed against the BOARD, regardless of the outcome of such legal challenge. As between the parties, the ADVISOR agrees to waive all rights or remedies that may be available to it as a result of the BOARD's disclosure of Requested Information pursuant to the RTKL.
- i. The ADVISOR's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as the ADVISOR has Requested Information in its possession.

37. Amendment of Contract.

- a. No modification, alteration, change, waiver of any provision, or other amendment to this Contract or any of its terms shall be valid or binding on the parties, or have any force and effect of law, unless it is in writing and has been executed by the parties to this Contract in the same manner as this Contract.
- b. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Contract.
- c. No agent, representative, employee, or officer of the BOARD or of the ADVISOR has authority to make, and has not made, any statement, agreement, or representation, oral or written, in connection with this Contract which may in any way be deemed to modify, add to, or detract from, or otherwise change or alter the terms and conditions of this Contract.

38. Counterparts. This Contract may be executed in two separate counterparts, each of which shall be deemed an original, and both of which taken together shall constitute a single written agreement.

39. Severability. If any one or more of the covenants, agreements, provisions, or terms of this Contract shall be held or found to be contrary to any express provision of law, or contrary to public policy although not expressly prohibited by law, or shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, or terms of this Contract and shall in no way affect the validity or enforceability of the remainder of this Contract or the rights of the parties hereto.

40. No Presumption Based upon Draftsmanship. For purposes of the interpretation and construction of this Contract and for the purpose of resolving any ambiguity herein, no inference or presumption shall be accorded to any party hereto in a court of law based upon draftsmanship.

- 41. Taxpayer Identification Number; Backup Withholding.** Execution of this Contract constitutes the ADVISOR's certification that:
- a. the ADVISOR's taxpayer identification number as it appears on the signature page is the ADVISOR's correct taxpayer identification number; and
 - b. the ADVISOR is not subject to backup withholding because (i) the ADVISOR is exempt from backup withholding; (ii) the ADVISOR has not been notified by the federal Internal Revenue Service (IRS) that it is subject to backup withholding as a result of a failure to report all interest or dividends; or, (iii) the IRS has notified the ADVISOR that it is no longer subject to backup withholding.
- 42. Headings.** The headings and captions in this Contract have been inserted only for convenience and reference, and shall not modify, restrict, amplify, or be used to interpret, and shall not have any effect on the understanding, interpretation, or application of, any provision in this Contract.

[This Contract continues on the next page.]

IN WITNESS WHEREOF, in consideration of the mutual agreements made herein, and intending to be legally bound hereby, the authorized officers for the Pennsylvania Municipal Retirement System and for [ADVISOR NAME] have executed this Contract as of the Effective Date.

ATTEST:

**PENNSYLVANIA MUNICIPAL
RETIREMENT BOARD**

By: Stephen W. Vaughn, AIF Date
Title: Secretary

By: Barry Sherman Date
Title: Chairman
Federal Tax ID: 23-7377753

ATTEST:

[ADVISOR NAME]

By: _____
Name: _____ Date
Title: _____

By: _____
Name _____ Date
Title: _____
Federal Tax ID: _____

APPROVED AS TO FORM AND LEGALITY:

Chief Counsel Date
PA Municipal Retirement System

Office of General Counsel Date

Office of Attorney General Date

APPENDIX A

**PENNSYLVANIA MUNICIPAL RETIREMENT BOARD'S
INVESTMENT GUIDELINES
AND
PROXY VOTING POLICY**

**[INSERT VERSION NUMBER & EFFECTIVE DATE
FOR EACH DOCUMENT]**

APPENDIX B
NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

The ADVISOR agrees:

1. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the ADVISOR, each subcontractor, or any person acting on behalf of the ADVISOR or subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the *Pennsylvania Human Relations Act* (PHRA) and applicable federal laws, against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
2. Neither the ADVISOR nor any subcontractor nor any person on their behalf shall in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract.
3. Neither the ADVISOR nor any subcontractor nor any person on their behalf shall in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, in the provision of services under the contract.
4. Neither the ADVISOR nor any subcontractor nor any person on their behalf shall in any manner discriminate against employees by reason of participation in or decision to refrain from participating in labor activities protected under the *Public Employee Relations Act*, *Pennsylvania Labor Relations Act* or *National Labor Relations Act*, as applicable and to the extent determined by entities charged with such Acts' enforcement, and shall comply with any provision of law establishing organizations as employees' exclusive representatives.

5. The ADVISOR and each subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their employees in writing of the policy. The policy must contain a provision that sexual harassment will not be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contracted services are performed shall satisfy this requirement for employees with an established work site.
6. The ADVISOR and each subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of PHRA and applicable federal laws, against any subcontractor or supplier who is qualified to perform the work to which the contract relates.
7. The ADVISOR and each subcontractor represent that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws, regulations and policies relating to nondiscrimination and sexual harassment. The ADVISOR and each subcontractor further represents that it has filed a Standard Form 100 Employer Information Report (“EEO-1”) with the U.S. Equal Employment Opportunity Commission (“EEOC”) and shall file an annual EEO-1 report with the EEOC as required for employers’ subject to *Title VII of the Civil Rights Act of 1964*, as amended, that have 100 or more employees and employers that have federal government contracts or first-tier subcontracts and have 50 or more employees. The ADVISOR and each subcontractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to their books, records, and accounts by the contracting agency and the Bureau of Diversity, Inclusion and Small Business Opportunities for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause.
8. The ADVISOR shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.

- 9.** The ADVISOR's and each subcontractor's obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the ADVISOR and each subcontractor shall have an obligation to inform the Commonwealth if, at any time during the term of the contract, it becomes aware of any actions or occurrences that would result in violation of these provisions.

- 10.** The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the ADVISOR in the Contractor Responsibility File.

APPENDIX C
INTEGRITY PROVISIONS

It is essential that those who seek to contract with the Commonwealth of Pennsylvania (“Commonwealth”) observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth contracting and procurement process.

1. **Definitions.** For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:
 - a. **“Affiliate”** means two or more entities where (a) a parent entity owns more than fifty percent of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the entities; or (c) the entities have a common proprietor or general partner.
 - b. **“Consent”** means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this contract.
 - c. As used in this Appendix C, **“Contractor”** means the ADVISOR that has entered into this Contract with the Commonwealth, Pennsylvania Municipal Retirement Board.
 - d. **“Contractor Related Parties”** means any affiliates of the Contractor and the Contractor’s executive officers, Pennsylvania officers and directors, or owners of 5 percent or more interest in the Contractor.
 - e. **“Financial Interest”** means either:
 - (1) Ownership of more than a five percent interest in any business; or
 - (2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.

- f.** “**Gratuity**” means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the *Governor’s Code of Conduct, Executive Order 1980-18*, the *4 Pa. Code §7.153(b)*, shall apply.
 - g.** “**Non-bid Basis**” means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.
- 2.** In furtherance of this policy, Contractor agrees to the following:
- a.** Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commonwealth.
 - b.** Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.
 - c.** Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer, or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive or any other published standard of the Commonwealth in connection with performance of work under this contract, except as provided in this contract.

- d.** Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material under this contract, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor's submission of the contract signed by Contractor.
- e.** Contractor certifies to the best of its knowledge and belief that within the last five (5) years Contractor or Contractor Related Parties have not:

 - (1)** been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;
 - (2)** been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;
 - (3)** had any business license or professional license suspended or revoked;
 - (4)** had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and
 - (5)** been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

If Contractor cannot so certify to the above, then it must submit along with its bid, proposal or contract a written explanation of why such certification cannot be made and the Commonwealth will determine whether a contract may be entered into with the Contractor. The Contractor's obligation pursuant to this certification is ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to immediately notify the Commonwealth in writing if at any time during the term of the contract it becomes aware of any event which would cause the Contractor's certification or explanation

to change. Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause if it learns that any of the certifications made herein are currently false due to intervening factual circumstances or were false or should have been known to be false when entering into the contract.

- f.** Contractor shall comply with the requirements of the *Lobbying Disclosure Act (65 Pa.C.S. §13A01 et seq.)* regardless of the method of award. If this contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the *Section 1641 of the Pennsylvania Election Code (25 P.S. §3260a)*.
- g.** When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor’s Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or the Office of the State Inspector General in writing.
- h.** Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the Commonwealth in writing of any actions for occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor’s compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor’s suspension or debarment.

- i.** Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining subcontractor compliance with this provision. The incorporation of this provision in a subcontract shall not create privity of contract between the Commonwealth and any such subcontractor, and no third party beneficiaries shall be created thereby.
- j.** For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these Provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

APPENDIX D
RESPONSIBILITY PROVISIONS

For the purposes of this Appendix D, the term “consultant” is defined as the ADVISOR and the term “subconsultant” includes any person, including, but not limited to, a bidder, offeror, loan recipient, grantee or lessor, who has furnished or performed or seeks to furnish or perform, goods, supplies, services, leased space, construction or other activity, under or in connection with this Contract, or pursuant to a grant, lease, purchase order or reimbursement agreement with the Commonwealth of Pennsylvania (Commonwealth). The term consultant includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

1. The Consultant certifies, in writing, for itself and its subconsultants required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this Bid/Contract, that neither the Consultant, nor any such subconsultants, are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Consultant cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.
2. The Consultant also certifies, in writing, that as of the date of its execution of this Bid/Contract it has no tax liabilities or other Commonwealth obligations, or has filed a timely administrative or judicial appeal if such liabilities or obligations exist, or is subject to a duly approved deferred payment plan if such liabilities exist.
3. The Consultant's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Consultant shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or, to the best knowledge of the Consultant, any of its subconsultants are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.

4. The failure of the Consultant to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.
5. The Consultant agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Consultant's compliance with the terms of this or any other agreement between the Consultant and the Commonwealth that results in the suspension or debarment of the consultant. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Consultant shall not be responsible for investigative costs for investigations that do not result in the Consultant's suspension or debarment.
6. The Consultant may obtain a current list of suspended and debarred Commonwealth consultants by either searching the Internet at **<http://www.dgs.state.pa.us/>** or contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No: (717) 783-6472
FAX No: (717) 787-9138

APPENDIX E
THE AMERICANS WITH DISABILITIES ACT PROVISIONS

For the purpose of this Appendix E, the term contractor is defined as the ADVISOR and any person, including, but not limited to, a bidder, offeror, supplier, or grantee, who will furnish or perform or seeks to furnish or perform, goods, supplies, services, construction or other activity, under a purchase order, contract, or grant with the Commonwealth of Pennsylvania (Commonwealth).

During the term of this agreement, the contractor agrees as follows:

1. Pursuant to federal regulations promulgated under the authority of the *Americans with Disabilities Act*, 28 C. F. R. § 35.101 et seq., the contractor understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in this agreement or from activities provided for under this agreement. As a condition of accepting and executing this agreement, the contractor agrees to comply with the "*General Prohibitions Against Discrimination*," 28 C. F. R. § 35.130, and all other regulations promulgated under *Title II* of the *Americans with Disabilities Act* which are applicable to the benefits, services, programs, and activities provided by the Commonwealth through contracts with outside contractors.
2. The contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth as a result of the contractor's failure to comply with the provisions of paragraph 1.

APPENDIX F
ENHANCED MINIMUM WAGE PROVISIONS

For the purposes of this Appendix F, the term “Contractor/Lessor” is defined as the ADVISOR.

- 1. Enhanced Minimum Wage.** Contractor/Lessor agrees to pay no less than \$12.00 per hour to its employees for all hours worked directly performing the services called for in this Contract/Lease, and for an employee’s hours performing ancillary services necessary for the performance of the contracted services or lease when such employee spends at least twenty per cent (20%) of their time performing ancillary services in a given work week.
- 2. Adjustment.** Beginning July 1, 2019, and annually thereafter, the minimum wage rate shall be increased by \$0.50 until July 1, 2024, when the minimum wage reaches \$15.00. Thereafter, the minimum wage rate would be increased by an annual cost-of-living adjustment using the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for Pennsylvania, New Jersey, Delaware, and Maryland. The applicable adjusted amount shall be published in the Pennsylvania Bulletin by March 1 of each year to be effective the following July 1.
- 3. Exceptions.** These Enhanced Minimum Wage Provisions shall not apply to employees:
 - a.** exempt from the minimum wage under the Minimum Wage Act of 1968;
 - b.** covered by a collective bargaining agreement;
 - c.** required to be paid a higher wage under another state or federal law governing the services, including the Prevailing Wage Act and Davis-Bacon Act; or
 - d.** required to be paid a higher wage under any state or local policy or ordinance.
- 4. Notice.** Contractor/Lessor shall post these Enhanced Minimum Wage Provisions for the entire period of the contract conspicuously in easily-accessible and well-lighted places customarily frequented by employees at or near where the contracted services are performed.

5. **Records.** Contractor/Lessor must maintain and, upon request and within the time periods requested by the Commonwealth, furnish all employment and wage records necessary to document compliance with these Enhanced Minimum Wage Provisions.
6. **Sanctions.** Failure to comply with these Enhanced Minimum Wage Provisions may result in the imposition of sanctions, which may include, but shall not be limited to, termination of the contract or lease, nonpayment, debarment or referral to the Office of General Counsel for appropriate civil or criminal referral.
7. **Subcontractors.** Contractor/Lessor shall include the provisions of these Enhanced Minimum Wage Provisions in every subcontract so that these provisions will be binding upon each subcontractor.