

CONTRACT

THIS CONTRACT, made and entered into this ___ day of June 2017, by and between the Teachers' Retirement System of the State of Kentucky, 479 Versailles Road, Frankfort, Kentucky, 40601, hereinafter referred to as "TRS", and **Reinhart Boerner Van Deuren, s.c.**, 22 East Mifflin Street, Madison, WI 53701-2018, hereinafter referred to as the "Contractor".

WHEREAS, TRS by its Board of Trustees at a meeting held on the 20 day of March, 2017, has by order pursuant to authority granted in KRS 161.340(3) and KRS 161.370(1) selected the Contractor to provide legal services in connection with the funds of the retirement system as described in KRS 161.420; and

WHEREAS, the Contractor is a reputable, qualified and established law firm, and has agreed to provide legal services to TRS; and

WHEREAS, the Board of Trustees is the trustee of all funds of the system and responsible for the General Administration and Management of all funds of the system hereinbefore mentioned and desires to avail itself of the services of the Contractor to safeguard and defend the interests of the TRS's members and the Board of Trustees;

NOW THEREFORE, it is hereby and herewith mutually agreed as follows:

1. Scope of Services

Upon request by the TRS Executive Secretary, Deputy Executive Secretaries, Chief Investment Officer, staff legal counsel or their designees, the Contractor will provide to TRS, through staff legal counsel, the services as follows:

- a. Advise TRS legal and investment staff and Executive Secretary and Deputy Executive Secretaries on matters related to securities litigation, including assisting TRS in analyzing its interest in both pending and potential securities holdings, and exposure during the relevant periods, including the identification of the specific benefit(s) to TRS in pursuing litigation, verification of loss calculations, risk and value assessments, damage estimates, as well as recovery projections;
- b. Recommend, on a timely basis, where requested, legal action or other alternatives for TRS, including but not limited to, whether to move for lead or co-lead plaintiff status or to pursue a separate legal action;
- c. Advise TRS, as requested, during the course of any legal actions undertaken pursuant to TRS litigation strategy, however, Contractor shall not be eligible to represent TRS in any legal actions undertaken, nor, without express written consent of TRS, to advise the actual counsel selected to represent TRS in any legal actions undertaken;
- d. Reviewing litigation strategy and making appropriate recommendations;

- e.** Provide on-going advice and access to securities litigation claim review and evaluation resources as requested by TRS, and provide occasional special research and analysis on related questions or issues that may arise;
- f.** Annually provide a written report on the state of global securities litigation trends, practices, and factors that may affect TRS securities litigation strategy, quarterly provide a summary evaluation or overview of TRS's pending and potential securities litigation cases reviewed or monitored by Contractor which may or may not be of benefit to TRS;
- g.** At TRS's request, annually attend an educational workshop for the TRS Board of Trustees and staff, where Contractor shall make a presentation on securities litigation and related issues;
- h.** At TRS's request, occasionally attend meetings of the TRS Board of Trustees, the TRS Investment Committee, or other meetings with TRS staff as needed;
- i.** Provide legal consultation to TRS, as requested, regarding investment matters including transactions and contracts, private market funds, management agreements, custodian and service providers, fiduciary, tax compliance, and corporate governance;
- j.** Provide legal consultation to TRS when questions arise regarding securities that may be held by TRS or when TRS may be considering the acquisition of securities that require contractual agreements, legal reviews, or analysis of litigation risk;
- k.** Provide training and education sessions upon request by TRS, and upon such terms as the parties may mutually agree, for continuing education on securities litigation, fiduciary issues, and such other matters as may be of interest to TRS, including compliance with other relevant federal laws;
- l.** Determine compliance with federal laws relating to specifically identified pension or investment issues;
- m.** Identify potential inconsistencies in provisions of federal, state and local laws, and if necessary, assist in resolving such inconsistencies to enable TRS to pursue its business-related objectives, provided Contractor determines it has appropriate resources to provide the requested services;
- n.** Assist in determining, in consultation with TRS's staff, potential problems in business processes or business operations and identify corrections to such potentially problematic processes and operations provided to Contractor; and
- o.** Provide other legal services as requested by TRS for which Contractor determines it has appropriate resources.

2. **Fees.** For the services rendered by the Contractor hereunder, TRS shall pay the rates set forth in the schedule below:

Senior Shareholder	\$375 per hour
Shareholder	\$375 per hour
Senior Associate	\$270 per hour
Associate	\$245 per hour
Paralegal	\$105 per hour

The Contractor shall invoice TRS at the end of each calendar month for all services rendered during the month. The invoice shall itemize the number of hours worked and a brief description of each task performed during the month.

The Contractor will be reimbursed all necessary and reasonable out-of-pocket expenses, including travel expenses to meet with TRS Staff, the Board of Trustees and/or a committee of the Board of Trustees, and for court appearances. However, travel time is specifically excluded from being a chargeable service.

For all services rendered by the Contractor, TRS shall pay a fee not to exceed \$25,000.00 during the contract period.

3. **Serve as Witness.** If Contractor is required to produce documents or appear as a witness as a result of this representation in connection with any litigation, arbitration, mediation, investigation or regulatory proceeding involving TRS, TRS agrees to pay costs and expenses (including attorney and staff time at then scheduled rates) reasonably incurred by Contractor in connection with such a requirement. This provision shall apply even if the requirement arises after Contractor's representation of TRS has been concluded.

4. **Training/Seminars.** In the event the Contractor conducts seminars, training sessions or similar events which are generally made available to the Contractor's clients receiving similar services, TRS shall be invited to attend upon the same terms and conditions as such other clients. If the Contractor offers to pay the cost of such events and/or expenses incurred by the clients in such events, the Contractor shall pay for such expenses by TRS on the same basis as the Contractor pays for its other clients.

5. **Duration of Contract.** The period in which subject services are to be performed is July 1, 2017, through June 30, 2018. At the expiration of its term, this contract may, at the option of the parties hereto, be renewed by negotiation for further periods not to exceed twelve (12) months for each such renewal.

6. **Termination or Cancellation.** Termination or cancellation of this contract may be effected at any time by either party upon thirty (30) days advance written notice of its intent to terminate. The notice of termination shall be served on the other party by registered or certified mail. Upon such termination, TRS will only pay such fees as had been incurred until the date of termination as specified in the notice of termination.

7. **Conflict of Interest.** Contractor hereby certifies that it has not and will not pay or cause to be paid any money, fees, political contributions or other things of value to any third party as result of or in relation to legal advice provided to TRS, without TRS's informed written consent. Contractor hereby certifies that it has not and will not accept any money, fees, or other things of value from any third party as a result of or in relation to legal advice provided to TRS, without TRS's informed written consent. In addition, Contractor agrees to act as a fiduciary to TRS in regard to any payments, fees or other things of value nevertheless received from a third party in relation to providing legal advice to TRS, unless the Contractor's acceptance and retention of such item was fully disclosed to and approved by TRS in writing. Contractor agrees to exercise independent professional judgment, without conflict of interest, in providing independent legal advice to TRS. Contractor shall certify as to its compliance with this section and the TRS Conflict of Interest and Confidentiality Policy by executing the TRS External Service Provider Conflict of Interest Statement. The TRS Conflict of Interest and Confidentiality Policy and External Service Provider Conflict of Interest Statement are attached hereto and incorporated herein as Exhibit 1. Contractor hereby certifies that Contractor is legally entitled to enter into the subject contract with TRS and certifies that Contractor is not and will not be violating any conflict of interest statute (KRS 121.056 or any other applicable statute) or principle by the performance of this contract. The Contractor shall not engage directly or indirectly in any financial or other transaction with a trustee or employee of TRS which would violate standards of the Executive Branch Ethics provisions, as set forth in KRS Chapter 11A. Further, the Contractor certifies that neither the firm, nor its employees, have knowingly violated any of the Executive Branch Ethics provisions or the campaign finance laws of the Commonwealth, and the award of a contract to the firm will not violate any of the Executive Branch Ethics provisions or the campaign finance laws of the Commonwealth or the TRS Conflict of Interest and Confidentiality Policy

8. **Relationship of the Parties.** Contractor warrants that all work performed by Contractor under this contract is and shall be performed as an independent contractor. Contractor shall be responsible for compliance with all laws, rules and regulations by its respective employees, including, but not limited to, employment of labor, hours of labor, health and safety, working conditions, workers' compensation insurance, and payment of wages. This contract shall not be construed so as to create a partnership or joint venture between Contractor and TRS.

9. **Amendments and Renewal.** Written modifications, amendments or additions to this contract shall be effective only when signed by both parties.

10. **Notices of Material Changes.** Contractor shall notify the Board of Trustees in writing within five (5) business days of any material changes in senior officers providing or overseeing the services identified herein, significant legal actions instituted against Contractor, or any significant investigations, examinations, or other proceedings commenced by any governmental agency including, but not limited to, investigations by any bar association, relating to the kinds of services identified herein. Notices required in this section shall be served on TRS by registered or certified mail.

11. Assignment. This contract may not be assigned by Contractor without the written consent of TRS. Further, the obligations of Contractor under this contract shall be considered personal obligations of Contractor, performable solely by the Contractor and Contractor may not delegate its duties hereunder to any entity other than an employee of Contractor without the express written consent of TRS. TRS, upon its determination of need for certain distinctive services related to any legal matter or business operations matter, and by providing written authorization to Contractor, may authorize Contractor to obtain services from non-legal professionals to satisfy TRS's need for such distinctive services.

12. Liability. If malpractice occurs in Contractor's representation of TRS, TRS is protected by Contractor's malpractice insurance policy as well as the assets of the firm. In addition, the firm attorney who represents the client may be personally liable to the client for any negligence in his or her representation as well as that of any attorney or staff member whom he or she supervises. As Contractor is a limited liability entity, TRS may not look to the personal assets of other attorneys in the firm who were not involved in representing TRS.

13. Retention of Contractor's Privilege. Should Contractor determine in its own discretion during its course of representation of TRS that it is either necessary or appropriate to consult with Contractor's counsel (either internal counsel or outside counsel), Contractor may do so and Contractor's continued representation of TRS will not serve as a waiver of Contractor's attorney-client privilege that Contractor may have to protect the confidentiality of its communications with its counsel.

14. Controlling Law; Jurisdiction and Venue; Waiver. All questions as to the execution, validity, interpretation, construction, and performance of this contract shall be construed in accordance with the laws of the Commonwealth of Kentucky, without regard to conflicts of laws principles thereof. Contractor hereby consents to the jurisdiction of the courts of the Commonwealth of Kentucky and further consents that venue shall lie in Franklin Circuit Court located in Franklin County, Kentucky. To the extent that in any jurisdiction Contractor may now or hereafter be entitled to claim for itself or its assets immunity from suit, execution, attachment (before or after judgment) or other legal process, Contractor, to the extent it may effectively do so, irrevocably agrees not to claim, and it hereby waives, same.

15. Auditing. The Contractor agrees that TRS shall have reasonable access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review.

16. Access to Confidential Information. The Contractor's employees, agents and subcontractors may have access to confidential information maintained by TRS to the extent necessary to carry out its responsibilities under the contract. The Contractor shall presume that all information received pursuant to this contract is confidential and subject to the provisions of KRS 161.585 unless otherwise designated by TRS. The Contractor shall provide to TRS a written description of its policies and procedures to safeguard confidential information. The Contractor shall provide TRS updates or changes to these policies in a timely manner. Policies of confidentiality shall address, as appropriate, information conveyed in verbal, written, and electronic formats. The Contractor shall provide physical and logical protection for all TRS

written and electronic information. Electronic information shall be encrypted during transport and at rest. The Contractor shall remain the responsible authority in charge of all information collected, used, or disseminated by the Contractor in connection with the performance of this contract. The Contractor shall provide adequate supervision and training to its agents, employees and subcontractors to ensure compliance with the terms of this contract. The private or confidential information shall remain the property of TRS at all times.

- a. **No Dissemination of Confidential Information.** No confidential information collected, maintained, or used in the course of the contract shall be disseminated except as authorized by law and with the written consent of TRS either during the period of the contract or thereafter. Any information supplied to or created by the Contractor shall be considered the property of TRS. The Contractor must return any and all information collected, maintained, created or used in the course of the performance of the contract in whatever form it is maintained promptly at the request of TRS.
- b. **Subpoena.** In the event that a subpoena or other legal process is served upon the Contractor for records containing confidential information, the Contractor shall promptly notify TRS and cooperate with TRS in any lawful effort to protect the confidential information, at TRS's expense.
- c. **Reporting of Unauthorized Disclosure.** The Contractor shall immediately report to TRS any unauthorized disclosure of confidential information. TRS will manage the disclosure in accordance with our established policies. The Contractor, at the sole discretion of TRS, shall provide no cost credit monitoring services for TRS' members that are deemed to be part of a potential disclosure. The Contractor shall bear the cost of notification to TRS's members that are involved in a potential disclosure event, including individual letters and/or public notice.
- d. **Survives Termination.** The Contractor's obligations under this section regarding the security, confidentiality, and ownership of information as set forth in this section shall survive termination of this contract.

17. **Authorized Signature.** The undersigned, Gary L. Harbin, CPA, is Executive Secretary of TRS and as such has been duly authorized by the Board of Trustees of TRS to sign this contract in behalf thereof, therefore, binding TRS to the provisions of this contract.

18. **Authorized Signature.** The undersigned, Keith L. Johnson, is a senior shareholder of the Contractor and is duly authorized to sign this contract on behalf of the Contractor and his signature, therefore, binds Contractor to the provisions of this contract.

19. **Severability.** The provisions of this contract shall be deemed severable, and the unenforceability of any one or more provisions shall not affect the enforceability of any of the other provisions. In addition, if any provision of this contract, for any reason, is declared to be unenforceable, the parties shall substitute an enforceable provision that, to the maximum extent

possible in accordance with applicable law, preserves the original intentions and economic positions of the parties.

20. Principal Contact. Keith L. Johnson shall be the principal contact for the Contractor for the implementation of the services set forth in this contract.

21. Principal Contact. Robert B. Barnes, Deputy Executive Secretary of Operations and General Counsel, shall be the principal contact for TRS for the implementation of the services set forth in this contract.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY

BY: _____
Gary L. Harbin, CPA
Executive Secretary
Teachers' Retirement System of Kentucky
479 Versailles Road
Frankfort, Kentucky 40601
In behalf of TRS

REINHART BOERNER VAN DEUREN

BY: _____
Keith L. Johnson
Senior Shareholder
Reinhart Boerner Van Deuren, s.c.
22 East Mifflin Street
Madison, WI 53703
In behalf of Contractor

Approved as to Form and Legality:
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY

Robert B. Barnes
Deputy Executive Secretary Operations and
General Counsel