

CONTRACT

THIS CONTRACT, made and entered into this, 30th day of June 2018, by and between the Teachers' Retirement System of the State of Kentucky, 479 Versailles Road, Frankfort, Kentucky, 40601, hereinafter referred to as "TRS", and Ice Miller, LLP, One American Square, Suite 2900, Indianapolis, Indiana, 46282-0200, hereinafter referred to as the "Contractor".

WHEREAS, TRS by its Board of Trustees at a meeting held on the 18 day of June, 2018, 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

- a. Provide legal consultation to TRS, as requested, regarding investments, benefits, and other matters concerning the administration of the TRS pension and health benefits plans;
- b. Provide legal consultation to TRS when questions arise on the interpretation of the Internal Revenue Code or other tax related matters;
- c. Provide training and education sessions upon request by TRS, and upon such terms as the parties may mutually agree, for continuing education on fiduciary issues, investment issues, and such other matters as may be of interest to TRS;
- d. Determine compliance with federal laws;
- e. 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;
- f. Appear and testify before the legislature or legislative committees as requested by TRS; and
- g. Provide other legal services as requested by TRS.

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

Partners (including Senior Counsel, Of Counsel, and Actuary)	\$ 450 per hour
Associates (including Staff Attorneys)	\$ 275 per hour
Paralegals	\$ 215 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 travel expenses consistent with the Commonwealth of Kentucky travel regulations for its employees. However, travel time is specifically excluded from being a chargeable service. Other necessary and reasonable expenses, such as filing fees, will be reimbursed based upon actual cost incurred.

For all services rendered by the Contractor, TRS shall pay a fee not to exceed \$85,000.00 during the contract period.

3. **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.

4. **Duration of Contract.** The period in which subject services are to be performed is July 1, 2018, through June 30, 2019. 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.

5. **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.

6. **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 a result of or in relation to legal services 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 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.

7. 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.

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

9. 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.

10. 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.

11. **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.

12. **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.

13. **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 is responsible for ensuring that they have reviewed all policies and policy updates provided to it. 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's 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.

14. **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.

15. **Authorized Signature.** The undersigned, Audra Ferguson-Allen, is a Partner of the Contractor and is duly authorized to sign this contract on behalf of the Contractor and her signature, therefore, binds Contractor to the provisions of this contract.

16. **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.

17. **Principal Contact.** Audra Ferguson-Allen shall be the principal contact for the Contractor for the implementation of the services set forth in this contract.

18. **Principal Contact.** Gary L. Harbin, CPA, 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



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

ICE MILLER, LLP



Audra Ferguson-Allen
Partner
Ice Miller, LLP
One American Square
Suite 2900
Indianapolis, Indiana 46282-0200
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

TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF KENTUCKY

CONFLICT OF INTEREST AND CONFIDENTIALITY POLICY

INTRODUCTION

1. Adoption of Conflict of Interest and Confidentiality Policy

Pursuant to the provisions of KRS 161.250, the Board of Trustees (board) of the Teachers' Retirement System of the State of Kentucky (TRS) is vested with the responsibility for the general administration and management of the retirement system. The board may adopt procedures necessary to conduct the business of the retirement system as needed. The law shall control if any inconsistency exists between the law and this policy.

2. Statement of Conflict of Interest and Confidentiality Policy

TRS recognizes the need to maintain the public's confidence and trust in the integrity of TRS and the Commonwealth of Kentucky. Individuals associated with TRS must not engage in activities that have the potential to become a conflict of interest in their association with TRS. Likewise, individuals associated with TRS must not release information about TRS or any of its members that would breach any duty to protect such information. TRS recognizes the need to establish procedures to prevent such conflicts or breaches.

3. Purpose

The purpose of this Conflict of Interest and Confidentiality Policy is to: establish which individuals are subject to TRS's conflict of interest provisions; establish the specific standards of conduct with regard to conflict of interest; establish standards with regard to the confidentiality of information; and establish procedures for obtaining written conflict of interest statements and confidentiality agreements from certain individuals.

4. Procedures Regarding Conflicts of Interest and Confidentiality

A. Application of Policy

- 1) This policy shall apply to all individuals who have a statutory, contractual or working relationship with TRS.
- 2) Individuals affected by this policy shall include, but are not limited to:
 - a) Employees of TRS;
 - b) The board;
 - c) Independent contractors of TRS;

EXHIBIT 1

- d) Vendors of TRS;
- e) Employees or officers of the Commonwealth of Kentucky providing legal or expert advice at the request of TRS; and
- f) Any person acting in a fiduciary capacity for TRS.

B. Standards of Conduct Regarding Conflicts of Interest

- 1) Individuals have an obligation to diligently identify, disclose, avoid and manage conflicts of interest.
- 2) Potential conflicts of interest exist when an individual or an individual's family may be directly or indirectly financially impacted, whether favorably or detrimentally, by a decision made by TRS in which the individual participates.
- 3) Individuals and their family members should not enter into any contract with TRS or any agency doing business with TRS for financial gain, apart from an employment contract, without full disclosure and satisfactory management of any potential conflict of interest in accordance with the Executive Branch Code of Ethics and this policy.
- 4) Individuals should not be involved in the decision to hire or in the supervision of any member of their family as defined by the Executive Branch Code of Ethics.
- 5) Individuals should not conduct business or participate in decisions with a company or agency in which the individual or family member is employed or is actively seeking employment.
- 6) Individuals should not accept campaign contributions, gifts, loans, gratuities, discounts, services or other compensation under circumstances from which it could reasonably be inferred that a major purpose of the donor is to influence the individual in the performance of their duties for TRS.
- 7) Individuals must avoid all conduct that in any way might lead the public to believe that the individual is using his or her position with TRS to further a professional, political or private interest.
- 8) Individuals not covered by the conflict of interest provisions under KRS Chapter 11A must not violate any conflict of interest statute or principle by the performance of their duties with TRS. These individuals must not engage directly or indirectly in any financial or other transaction with a trustee or employee of TRS that would violate the standards of the Executive Branch Ethics provisions, as set forth in KRS Chapter 11A.

Standards of Conduct Regarding Confidentiality

- 1) Individuals associated with TRS may be granted access to confidential information in the course of being a TRS employee, board member or contractor.
- 2) This information may include, but is not limited to, investment trade data; individual member information, including but not limited to, Social Security numbers, names, addresses, phone numbers, birth dates, beneficiaries, health insurance information, member numbers; documents; records; programs; files; scientific or technical information; and other information made available to individuals for purposes of completing their obligations to TRS.
- 3) These individuals have a duty to keep confidential the information to which they are granted access as a result of their association with TRS.
- 4) TRS and these individuals shall also recognize that confidential member information is protected under KRS 161.585.

5. Written Statements of Conflict of Interest and Confidentiality

- A. On an annual basis, the executive secretary, deputy executive secretaries, chief investment officer, chief financial officer, the members of the board, independent contractors, vendors of TRS and other persons identified in Section 2 (2) shall file a written conflict of interest statement on the form(s) provided by TRS and adopted by the board.
- B. Upon proposal for contract and continuing on an annual basis, any independent contractors and vendors of TRS shall file a written confidentiality agreement on the form provided by TRS and adopted by the board. This form may be amended to conform to specific needs of the individual vendor or contractor as deemed necessary by general counsel or designee.
- C. Other employees of TRS also may be requested to file a written conflict of interest statement as needed or requested by the board.
- D. An individual who abstains from involvement in an official decision because of a personal or private interest must disclose that fact in writing to the executive secretary.

6. Ethics and Confidentiality

Individuals as set forth above shall conform to the Executive Branch Code of Ethics with regard to conflicts of interests as set forth in KRS Chapter 11A; applicable provisions of KRS 161.430 and KRS 161.460; and this policy. Individuals as set forth above shall conform to the confidentiality requirements of KRS 161.585.

Adopted March 16, 2009; amended September 19, 2016 and June 20, 2018

EXHIBIT 1

TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF KENTUCKY

EXTERNAL SERVICE PROVIDER
CONFLICT OF INTEREST STATEMENT

I, Audra Ferguson-Allen, in my role as Outside Counsel
for the Teachers' Retirement System of the State of Kentucky
(TRS), recognize the need to maintain the public's confidence and trust in the integrity of TRS
and the Commonwealth of Kentucky.

I understand that I have the obligation to diligently identify, disclose, avoid and manage conflicts
of interest that may arise through my relationship with TRS.

I will conduct my activities with TRS so that I do not advance or protect my own interests or the
private interests of others with whom I have a relationship in a way that is detrimental to the
interests of TRS.

In every instance in which I am acting on behalf of TRS, I will conduct my activities in a manner
to best promote the interests of TRS.

I agree not to attempt to influence TRS in disregard of the public interest at large.

In all matters where an official decision must be made that may favorably or detrimentally
impact my own financial interests or the financial interests of other individuals or organizations
with whom I have a relationship, I will reveal that relationship and abstain from involvement in
the official decision.

When a conflict of interest arises, or when a potential conflict of interest arises, I will disclose
that conflict or potential conflict to my contact person at TRS and seek resolution of that issue.

I agree not to violate any conflict of interest statute or principle by the performance of my duties
with TRS, including the TRS Conflict of Interest and Confidentiality Policy (policy). I will not
engage, directly or indirectly, in any financial or other transaction with a trustee or employee of
TRS that would violate the Executive Branch Ethics law (as set forth in KRS Chapter 11A);
applicable provisions of KRS 161.430; or the policy.

Agreed this the 2nd day of July, 2018

Signature

Audra Ferguson-Allen

Name

Partner

Title

Ice Miller LLP

Company