

## CONTRACT RENEWAL

THIS CONTRACT RENEWAL, made and entered into this <sup>25<sup>th</sup></sup> day of June 2020, 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 published a Request for Proposals (RFP) in accordance with KRS 161.340(3), and consistent with the RFP and Contractor's response, contracted with Contractor for legal services during fiscal year 2018-2019 (original contract); and

WHEREAS, TRS by its Board of Trustees at a meeting held on the 15 day of June 2020, has renewed its contract with Contractor, in accordance with the authority granted in KRS 161.340(3) and KRS 161.370(1) and as provided in the RFP documents and the original contract; and

WHEREAS, the Contractor is a reputable, qualified and established law firm and has agreed to provide legal services to TRS in connection with the funds of the retirement system as described in KRS 161.420; 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; and

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 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, 2020, through June 30, 2021. 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 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 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 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 on 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 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. Harmon, CPA  
Executive Secretary  
Teachers' Retirement System of the State 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

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 25<sup>th</sup> day of June, 2020

Signature

Audra Ferguson-Allen

Name

Partner

Title

Ice Miller

Company

EXHIBIT I