

## CONTRACT RENEWAL

THIS CONTRACT RENEWAL, made and entered into this 28<sup>th</sup> day of June 2023, by and between the Teachers' Retirement System of the State of Kentucky, 479 Versailles Road, Frankfort, Kentucky 40601, hereinafter referred to as "TRS," and MulloyBorland, LLC, 111 West Washington Street, Suite 400, Louisville, Kentucky 40202, hereinafter referred to as the "Consultant."

WHEREAS, TRS published a Request for Proposals (RFP) in accordance with KRS 161.340(3), and consistent with the RFP and Consultant's response, contracted with Consultant to assist with communications to persons and groups for the benefit of the members and beneficiaries of the retirement system during fiscal year 2018-2019 (original contract); and

WHEREAS, TRS by its Board of Trustees at a meeting held on the 20<sup>th</sup> day of March 2023, has renewed its contract with Consultant, in accordance with the authority granted in KRS 161.340(3) and as provided in the RFP documents and the original contract; and

WHEREAS, TRS has determined that the Consultant meets TRS's requirements for the requested services; and

NOW THEREFORE, it is hereby mutually agreed as follows:

1. Scope of Services.

(a) Consultant shall provide services described as follows:

- (1) Assist with developing effective informational communications to members and beneficiaries, elected officials, executive and legislative staff, various education groups and others regarding the retirement system and its programs as required by law and board policy. Particular deliverables may include, but shall not be limited to, reviewing and editing TRS's summary plan description, employer handbook, law book, website, booklets, pamphlets, business and retirement communications, health benefits communications, newsletters, presentations, speeches and other materials for form, content and clarity.
- (2) Assist with developing a master communications plan after assessing all printed and graphical material already produced in-house by TRS.
- (3) Assist with facilitating the publication of informational communications in local, national and specialty media.
- (4) Assist with monitoring media and other communications about TRS and assist with developing effective informational responses to those communications.

- (5) Assist with assessing the effectiveness of communication efforts.
  - (6) Be available in person, by telephone or by other means, to discuss or consult on matters, as requested by TRS.
- (b) The services outlined in Section 1(a)a above shall not be construed to give the Consultant any discretionary authority or discretionary responsibility in the management or administration of TRS or its programs. Consultant shall not communicate with any members or beneficiaries, elected officials, executive or legislative staff, education groups or vendors on behalf of TRS, unless Consultant is specifically authorized in writing by TRS to make such communication.
2. Fees. For the services to be rendered by Consultant under paragraph 1(a)(1)-(6), TRS shall pay Consultant \$8,500 monthly during the term of the contract. TRS shall not reimburse Consultant's travel nor other expenses incurred in providing communication services set forth in the contract.
3. Duration of Contract. The period in which subject services are to be performed is July 1, 2023, through June 30, 2024. However, termination or cancellation may be effected at any time by TRS upon 30 days written notice of its intent to terminate prior to such termination served on the Consultant by personal delivery or 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. 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.
4. Conflict of Interest. Consultant 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 services provided to TRS, without TRS's informed written consent. Consultant 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 the services provided to TRS, without TRS's informed written consent. In addition, Consultant agrees to act without conflict of interest concerning TRS in regard to any payments, fees or other things of value nevertheless received from a third party in relation to providing services to TRS, unless the Consultant's acceptance and retention of such item was fully disclosed to and approved by TRS in writing. Consultant agrees to exercise independent professional judgment, without conflict of interest, in providing services to TRS. Consultant 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. Consultant hereby certifies that Consultant is legally entitled to enter into the subject contract with the Commonwealth of Kentucky and certifies that Consultant 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 Consultant 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 Consultant hereby certifies that it has not knowingly violated any of the Executive Branch Ethics provisions nor the campaign finance laws of the commonwealth, and the award of a contract to it will not violate any of the Executive Branch Ethics provisions, the campaign finance laws of the commonwealth, nor the TRS Conflict of Interest and Confidentiality Policy.

5. Relationship of the Parties. Consultant warrants that all work performed by Consultant under this contract is and shall be performed as an independent contractor. Consultant shall be responsible for compliance with all laws, rules and regulations by his 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 Consultant and TRS.
6. Amendments and Renewal. Written modifications, amendments or additions to this contract shall be effective only when signed by both parties.
7. Notices of Material Changes. Consultant shall notify the Board of Trustees in writing within five business days of any material changes concerning providing the services identified herein, significant legal actions instituted against Consultant or any significant investigations, examinations or other proceedings commenced by any governmental agency. Notices required in this section shall be served on TRS by registered or certified mail.
8. Assignment. This contract may not be assigned by Consultant without the written consent of TRS. Further, the obligations of Consultant under this contract shall be considered personal obligations of Consultant, performable solely by the Consultant and Consultant may not delegate his duties hereunder to any entity other than an employee of Consultant without the express written consent of TRS.
9. 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. Consultant 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 Consultant 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, Consultant, to the extent it may effectively do so, irrevocably agrees not to claim, and it hereby waives, same.
10. Access to Confidential Information. The Consultant (its employees, agents or subcontractors) may have access to confidential information maintained by TRS to the extent necessary to carry out its responsibilities under the contract. The Consultant shall


presume that all information received pursuant to this contract is confidential unless otherwise designated by TRS. The Consultant shall provide to TRS a written description of its policies and procedures to safeguard confidential information. The Consultant 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 Consultant shall provide physical and logical protection for all TRS written and electronic information. Electronic information shall be encrypted during transport and at rest. The Consultant shall remain the responsible authority in charge of all information collected, used or disseminated by the Consultant in connection with the performance of this contract. The Consultant 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 Consultant shall be considered the property of TRS. The Consultant 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 Consultant for records containing confidential information, the Consultant 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 Consultant shall immediately report to TRS any unauthorized disclosure of confidential information. TRS will manage the disclosure in accordance with our established policies.
  - (d) Survives Termination. The Consultant'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.
11. Ownership of Materials. All materials submitted or developed by Consultant for TRS and any other tangible work product produced by Consultant specifically on behalf of TRS during the term of this agreement (collectively, "Materials"), shall, as between Consultant and TRS, be deemed TRS's property exclusively (subject, however, to any licensed third party rights retained therein), provided that TRS pays for such Materials. All such Materials belonging to TRS which are eligible for copyright protection in the United States or elsewhere shall be deemed works made for hire. If any such Materials are deemed for any reason not be a work made for hire, Consultant, without further consideration, assigns all such rights, title and interest in the copyright of Materials to TRS, and Consultant agrees, at the request and expense of TRS, to execute and deliver

such documents and instruments as shall be necessary to evidence TRS's ownership and copyright interest therein. The foregoing shall not apply to the extent that Materials or works created or prepared by Consultant on behalf of TRS consist of material that was owned by, or licensed to, Consultant, prior to its execution of this Contract and any computer software or elements thereof that may have been developed by Consultant in connection with its services hereunder, which shall remain Consultant's property.

12. 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.
13. Authorized Signature. The undersigned, Tim Mulloy, is a partner of Consultant and is duly authorized to sign this contract and his signature, therefore, binds Consultant to the provisions of this contract.
14. 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.
15. Principal Contact. Tim Mulloy shall be the principal contact for the Consultant for the implementation of the services set forth in this contract.
16. 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

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

MulloyBorland, LLC

Tim Mulloy, Partner  
MulloyBorland, LLC  
111 West Washington Street, Suite 400  
Louisville, Kentucky 40202  
In behalf of Consultant

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

Robert B. Barnes  
Deputy Executive Secretary Operations and  
General Counsel

## BOARD GOVERNANCE MANUAL

### APPENDIX 7

## 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;

- 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

**TEACHERS' RETIREMENT SYSTEM  
OF THE STATE OF KENTUCKY**

**EXTERNAL SERVICE PROVIDER  
CONFLICT OF INTEREST STATEMENT**

I, Tim Mulloy, in my role as CONSULTANT  
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 28 day of JUNE, 2023

Signature

Name

Title

Company

EXHIBIT 1