

CONTRACT FOR LEGAL SERVICES

This Contract for Legal Services (“Contract”), entered into as of this 21st day of June, 2021, by and between Pillsbury Winthrop Shaw Pittman LLP, hereinafter called the “Law Firm” and the Commonwealth of Pennsylvania, Public School Employees’ Retirement Board (“PSERS Board”) t/b/a/ the Commonwealth of Pennsylvania, Public School Employees’ Retirement System, hereinafter called “PSERS”.

WHEREAS, PSERS Board has a need for professional and specialized legal services to represent PSERS in matters described in Appendix A; and

WHEREAS, the Law Firm has represented that it is qualified to and has agreed to perform such professional and specialized legal services.

NOW, THEREFORE, PSERS and the Law Firm, with the intention of being legally bound, hereby agree as follows:

1. Definitions. The following definitions shall apply when used in this Contract:
 - a. “Effective Date” shall mean: a) the date the Contract has been fully executed by the Law Firm and by PSERS and all approvals required by Commonwealth of Pennsylvania (“Commonwealth”) contracting procedures have been obtained; or b) the date referenced in the Contract, whichever is later. The Contract shall not be a legally binding contract until after a copy of the fully-executed Contract has been sent to the Law Firm.
 - b. “Guidelines” shall mean PSERS’ Retention Guidelines for Outside Counsel, as set forth in the attached Appendix K, which is incorporated into this Contract as if set forth fully herein. In case of a conflict between this Contract and the Guidelines, the Contract shall control.
2. Services. The Law Firm shall perform the services described in Appendix A of this Contract.
3. Compensation. The Law Firm shall be compensated by PSERS for the services contracted on an hourly basis, in accordance with the provisions established in Appendices B and C of this Contract. The Law Firm shall notify PSERS Board in writing upon PSERS incurring Law Firms fees and costs in the total amount of \$75,000 (the “Billing Increment”) and every time thereafter when the Billing Increment is reached. Such notice to PSERS Board shall include the time period said fees and costs were incurred and a brief description of the work completed.
4. Term of Contract.
 - a. The term of this Contract shall commence on the Effective Date and shall end on December 31, 2022, subject to the other provisions of this Contract.

b. Except as otherwise specifically provided for herein, PSERS shall not be liable to pay the Law Firm for any services or work performed or expenses incurred before the Effective Date of the Contract.

c. PSERS and the Law Firm may agree in writing to extend the term of this Contract for a period of up to two (6) months at any time during the term of the Contract or to any renewals or extensions thereof pursuant to Paragraph 9 of this Contract.

d. If the services to be provided by the Law Firm hereunder have been approved by the Executive Director of PSERS as an emergency procurement until full execution of this Contract, the Law Firm may provide these services based upon such emergency approval. Upon full execution of this Contract, all services provided during the period between the date of emergency approval and the Effective Date of the Contract shall be merged into and covered by the terms of this Contract.

5. Billing. The Law Firm shall submit monthly invoices to PSERS for services performed during each billing period. To the extent this provision conflicts with any other term in the Agreement, this provision shall control. Invoices shall be forwarded to the following contact and address:

Jackie W. Lutz, Chief Counsel
Public School Employees' Retirement System
5 N. 5th Street
Harrisburg, PA 17101

a. Each invoice shall be under cover of a letter on law firm letterhead and itemized listing the services performed by attorney or legal assistant by date, by hours worked, and by rate, and shall generally follow the format appearing in Appendix D of this Contract. The following information must be included on all invoices. Failure to include this information will result in return of the invoice and a request for a new invoice:

- (1) Funds Commitment Number;
- (2) Invoice Date;
- (3) Service Dates (i.e., start and end dates for services covered by invoice);
- (4) Invoice Number;
- (5) Gross/Total Amount.

b. The amount shown on each invoice for labor costs shall be in accordance with the rates set forth in Appendix B of this Contract.

c. The invoices shall also list non-labor costs such as those incurred for travel, food, and lodging, as described in Appendix C of this Contract.

d. PSERS agrees to pay the Law Firm for travel, meal costs, and lodging costs for which supporting documentation is provided, in reasonable amounts incurred in connection with performance of services under the Contract, as described in Appendix C of this Contract.

e. PSERS will use its best effort to make payments on invoices within 45 days of their receipt, in final form.

f. All invoices shall contain a statement that reads substantially as follows:

The Law Firm hereby certifies that the services supplied and expenses incurred as stated in the attached invoice have met all required standards set forth in the Contract for Legal Services.

g. All invoices or accompanying letters of transmittal shall be signed by the Law Firm and shall set out the Law Firm's federal employer identification number.

6. Consultation. The Law Firm shall consult with and keep PSERS Board fully informed as to the progress of all matters covered by this Contract. The Law Firm shall consult and cooperate with, and shall be responsible directly to, PSERS Board on all matters of strategy and tactics. The duty of the Law Firm shall be to advise, counsel, and recommend actions to PSERS Board and to carry out to the best of its ability PSERS Board's directions. The Law Firm will not make any offer, settlement, or compromise without the written consent of PSERS Board. The Law Firm shall offer PSERS Board the opportunity to review court documents and briefs prior to filing. The Law Firm shall promptly furnish PSERS Board with copies of all correspondence and all court documents and briefs prepared in connection with the services rendered under this Contract and such additional documents as may be requested. Upon notification of its availability by PSERS Board, the Law Firm shall make all of its work product prepared in connection with the services rendered under this Contract, and other parties' pleadings, discovery, correspondence, and other relevant documents and materials, available to PSERS in PDF or other format acceptable to PSERS.

7. Subcontracting, Key Personnel, and Experts. Subcontracting, assignment, or transfer of all or part of the interest of the Law Firm in this Contract or in the work covered by this Contract is prohibited without the prior written approval of PSERS. In the event such consent is given, the terms and conditions of this Contract shall apply to and bind the party or parties to whom such work is subcontracted, assigned, or transferred as fully and completely as the Law Firm is hereby bound and obligated and the Law Firm shall obtain written acknowledgement thereof from all subcontractors and experts so engaged. William M. Sullivan, Jr. ("Key Person") shall have day-to-day supervision of the Law Firm's representation of PSERS Board. During the term of this Contract, the Key Person shall be primarily responsible for the Law Firm's activities under this Agreement. Notwithstanding the foregoing, it is understood and agreed that the Key Person may delegate some responsibilities to other qualified Law Firm employees provided that the Key Person remains primarily responsible for the Law Firm's activities and services. In the event that the Key Person shall cease to be employed by the Law Firm or shall cease to be primarily responsible for the Law Firm's representation of PSERS (hereinafter referred to as "Key-Person Event"), the Law Firm shall provide immediate written notice to PSERS Board. Upon a Key-Person Event, the Law Firm, will consult with PSERS Board with respect to any replacement of the Key Person. PSERS Board's consent to the proposed assignment is required. The Law Firm agrees that if, a Key-Person Event occurs, neither the Law Firm nor the surviving principals shall be relieved of their

obligations to complete performance hereunder. Notwithstanding the foregoing, the Law Firm may, with the prior written approval of PSERS Board, engage experts in various fields related to the subject matter of this Contract to assist the Law Firm in the performance of its services under this Contract. The hourly rates, fees, or other compensation to be paid to such experts shall also be subject to the approval of PSERS Board. Approved compensation of such experts, as incurred, shall be included in the Law Firm's invoices presented pursuant to the provisions of Paragraph 5 of this Contract, without addition, surcharge, or increase by the Law Firm of the actual fees billed to the Law Firm by such experts. The terms and conditions of this Contract including, but not limited to, the provisions of Appendices C and D, shall apply to and bind the subcontractors or experts engaged as fully and completely as the Law Firm is hereby bound and obligated and the Law Firm shall obtain written acknowledgement thereof from all subcontractors or experts so engaged.

8. Ownership Rights. All documents, data, and records produced by the Law Firm and any experts in carrying out the obligations and services hereunder, without limitation and whether preliminary or final, are and shall become and remain the property of PSERS.

a. PSERS shall have the right to use all such documents, data, and records without restriction or limitation and without additional compensation to the Law Firm and any experts and the Law Firm and any experts shall have no right or interest therein.

b. Upon completion of the services hereunder or at the termination of this Contract, all such documents, data, and records shall, if requested by PSERS, be appropriately arranged, indexed, and delivered to PSERS by the Law Firm.

c. Any documents, data, and records given to or prepared by the Law Firm and any subcontractors or experts under this Contract shall not be made available to any individual or organization by the Law Firm or any subcontractors or experts without the prior approval of PSERS Board. Any information secured by the Law Firm and any subcontractors or experts from the Commonwealth or PSERS in connection with carrying out the services under this Contract shall be kept confidential unless disclosure of such information is approved in writing by PSERS Board or is directed by a court or other tribunal of competent jurisdiction.

d. Notwithstanding the provisions of Paragraph 8 of this Contract, the Law Firm may retain copies of documents delivered to PSERS and PSERS Board.

9. Modification or Changes. PSERS and the Law Firm may make modifications to this Contract at any time during the term of the Contract or any renewals or extensions thereof. Changes regarding the estimated amount of the Contract as set forth in paragraph 3 or a change in Contract length may be accomplished by a letter of mutual consent signed by PSERS and the Law Firm. All other changes to contract terms, including changes in the scope of work, must be incorporated into a formal written amendment to this Contract, signed by both parties, and executed in the same manner as this original Contract and in accordance with applicable law.

10. Conflict of Interest. It is further understood that if an existing Law Firm client becomes adverse to PSERS, but the Law Firm is not representing that existing client in the adverse matter,

no waiver shall be sought or required, and the Law Firm shall not be required to withdraw from representing that existing client. The Law Firm shall give PSERS advance notice of any proposed representation of another client where the Commonwealth or its other Agencies may be adverse so that PSERS can assess the circumstances to make a determination as to any potential conflict as appropriate. When there is a disagreement between the parties to this Contract as to whether the Law Firm's proposed representation of another client poses a conflict of interest, PSERS' determination shall be final and dispositive of the issue. PSERS will not unreasonably withhold its consent to a waiver reasonably requested by Law Firm, and the Law Firm has stated that it would not have entered into this engagement without this acknowledgement. PSERS shall not be liable to the Law Firm for an amount greater than ten percent of the fees paid by PSERS to the Law Firm for the calendar year in which the consent to the waiver was sought by the Law Firm nor shall PSERS be liable for any punitive, special damages, consequential damages, or the like resulting to the Law Firm from any unreasonable failure by PSERS to provide the consent to the waiver sought by the Law Firm.

11. Reserved.

12. License to Appear. The Law Firm represents and warrants that attorneys involved in this representation are duly licensed and in good standing to practice before the judicial forum, court, board, or tribunal before which they will appear or practice on behalf of the Commonwealth. The Law Firm, subject to approval by PSERS Board, may obtain a subcontractor to act as co-counsel where appearance by PSERS is required in a forum or jurisdiction where its attorneys are not licensed to practice, provided, however, that the firm's use of the subcontractor in that circumstance is subject to Paragraph 7 of this Contract.

13. Independent Contractor. In performing the services required by this Contract, the Law Firm will act as an independent contractor and not as an employee or agent of PSERS or the Commonwealth.

14. Termination Provisions. PSERS Board has the right to terminate this Contract for any of the following reasons. Termination shall be effective upon written notice to the Law Firm.

a. Termination for Convenience. PSERS Board shall have the right to terminate this Contract for its convenience if PSERS Board determines termination to be in its best interest. The Law Firm shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Law Firm be entitled to recover loss of profits.

b. Non-Appropriation. PSERS' obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, PSERS Board shall have the right to terminate this Contract. The Law Firm shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under this Contract. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid from any appropriations available for that purpose.

c. Termination for Cause. PSERS Board shall have the right to terminate this Contract for Law Firm default upon written notice to the Law Firm. PSERS Board shall also have the right, upon written notice to the Law Firm, to terminate the Contract for other cause as specified in this Contract or by law. If it is later determined that PSERS erred in terminating the Contract for cause, then, at PSERS Board's discretion, the Contract shall be deemed to have been terminated for convenience under Subparagraph 14.a.

15. Integration Clause. This Contract, including all referenced documents, constitutes the entire agreement between the parties. Terms used in appendices hereto shall have the same meanings as are ascribed thereto in this Contract unless otherwise defined therein. No agent, representative, employee, or officer of either PSERS or the Law Firm has authority to make, or has made, any statement, agreement, or representation, oral or written, in connection with the Contract, which in any way can be deemed to modify, add to, detract from, or otherwise change or alter its terms and conditions. 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. No modifications, alterations, changes, or waiver to the Contract or any of its terms shall be valid or binding unless accomplished pursuant to Paragraph 9 of this Contract.

16. Nondiscrimination/Sexual Harassment. The Law Firm 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 F and incorporated herein by reference.

17. Integrity Provisions. The Law Firm agrees to comply with the Contractor Integrity Provisions, which are attached hereto as Appendix G and incorporated herein by reference.

18. Responsibility Provisions. The Law Firm agrees to comply with the Contractor Responsibility Provisions, which are attached hereto as Appendix H and incorporated herein by reference.

19. The Americans With Disabilities Act. The Law Firm agrees to comply with the Americans With Disabilities Act provisions, which are attached hereto as Appendix I and incorporated herein by reference.

20. Right-to-Know Law. The Law Firm acknowledges that PSERS is an administrative agency of the Commonwealth of Pennsylvania (the "Commonwealth") and may be required by law, including 24 Pa.C.S. § 8502(e) and 65 P.S. §§67.101-67.3104 (Right-to-Know Law), to disclose to the public certain information that may be considered confidential under the Agreement. The Law Firm agrees to comply with the Right-to-Know Law provisions, which are attached hereto as Appendix J and incorporated herein by reference.

21. Audit Provisions. PSERS or any other department or representatives of the Commonwealth of Pennsylvania shall have the right, at reasonable times and at a site designated by PSERS, to audit the books, documents, and records of the Law Firm to the extent that the books,

documents, and records relate to fees, costs, or pricing data for this Contract. The Law Firm agrees to maintain records that will support the fees charged and costs incurred for this Contract.

The Law Firm shall preserve books, documents, and records that relate to fees, costs, or pricing data for this Contract for a period of four years from the date of final payment hereunder. The Law Firm shall give full and free access to all records to the Commonwealth and/or its authorized representatives.

22. Offset Provision. The Law Firm agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of the Law Firm or its subsidiaries to the Commonwealth against any payments due the Law Firm under any contract with the Commonwealth.

23. Indemnity.

a. The Law Firm shall hold the Commonwealth and PSERS harmless from and indemnify and defend the Commonwealth and PSERS against any and all claims, demands, actions, liabilities, losses, costs, and expenses, including but not limited to reasonable attorneys and other fees, asserted by third parties (“Claims”), which Claims are caused by or arise from injuries or damages sustained by such third parties resulting or arising from any negligent act or omission or intentionally wrongful act of the Law Firm or any of its officers, agents, employees and/or representatives in relation to professional services provided to PSERS by the Law Firm under this Contract. This indemnity provision shall not apply to Claims for which payment is available under the Law Firm’s professional liability insurance policies.

b. Pursuant to the Commonwealth Attorneys Act (71 P.S. Section 732-101, et seq.), the Office of Attorney General (“OAG”) has the sole authority to represent the Commonwealth and PSERS in actions brought against the Commonwealth and/or PSERS. 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 Law Firm, the parties for which the law firm is defending (the Commonwealth and/or PSERS) will cooperate with all reasonable requests of the Law Firm made in the defense of such suits.

c. Notwithstanding the above, neither party shall enter into any settlement without the other party's written consent, which shall not be unreasonably withheld. The Commonwealth may, in its sole discretion, allow the Law Firm to control the defense and any related settlement negotiations.

24. Insurance. The Law Firm represents and warrants that it carries malpractice insurance in the amount usual and customary for firms of its size and practice areas, subject to normal deductibles, and covenants that it will maintain such coverage throughout its representation of PSERS.

25. Notice. Any written notice to PSERS Board under this Contract shall be deemed sufficient if delivered to PSERS Board personally, or by facsimile, telecopy, electronic or digital

transmission (provided such delivery is confirmed), or by a recognized overnight courier service (e.g., UPS, FedEx, etc.), with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, sent to the address set forth below or to such other address as such party may designate by notice given pursuant to this section:

Jackie W. Lutz, Chief Counsel
Public School Employees' Retirement System
5 N. 5th Street
Harrisburg, PA 17101-1905

Any written notice to the Law Firm under this Contract shall be deemed sufficient if delivered to the Law Firm personally, or by facsimile, telecopy, electronic or digital transmission (provided such delivery is confirmed), or by a recognized overnight courier service (e.g., UPS, FedEx, etc.), with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, sent to the address set forth below or to such other address as such party may designate by notice given pursuant to this section:

William M. Sullivan, Jr.
Pillsbury Winthrop Shaw Pittman LLP
1200 Seventeenth Street, NW
Washington, DC 20036

26. Contract Controversies. Any legal proceeding involving any contract claim arising from this Contract may only be brought before and subject to the exclusive jurisdiction of the Board of Claims of the Commonwealth of Pennsylvania pursuant to 62 Pa.C.S. §§1721-1726. Pending a final judicial resolution of a controversy or claim, the Law Firm shall, at PSERS' request, proceed diligently with the performance of this Contract and PSERS shall compensate the Law Firm pursuant to the terms of this Contract.

27. 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. The Law Firm consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Law Firm agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by Pennsylvania law.

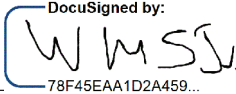
29. Information Security. With regard to data protection and information security, the Law Firm shall at all times comply with the requirements of PSERS' Information Security Addendum, which is attached hereto as Appendix L and incorporated herein by reference.

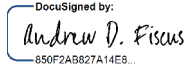
[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Commonwealth of Pennsylvania, Public School Employees' Retirement System, and Pillsbury Winthrop Shaw Pittman LLP have caused this Contract to be executed on the date and year first above written.

**PILLSBURY WINTHROP SHAW
PITTMAN LLP**

**COMMONWEALTH OF PENNSYLVANIA,
PUBLIC SCHOOL EMPLOYEES'
RETIREMENT SYSTEM**

By: 
William M. Sullivan, Jr.
Partner

By: 
Andrew D. Fiscus
Director of Investment Accounting

Date: 6/2/2021

Date: 6/4/2021

Federal Employer ID #: 

By: 
Jennifer A. Mills
Deputy Executive Director
Director of Defined Contribution
Investments

Date: 6/4/2021

FISCAL APPROVAL BY COMPTROLLER OPERATIONS

This document is approved for fiscal responsibility and budgetary appropriateness, the availability of funds.



Digitally signed by Qunsheng Z.
Luo
Date: 2021.06.21 15:12:58 -04'00'

Comptroller Operations

Date

APPENDIX A
DESCRIPTION OF SERVICES

The Law Firm shall advise, counsel, and represent PSERS Board in matters relating to the investigation by the United States Attorneys' Office identified with case number [REDACTED] [REDACTED] United States District Court, Eastern District of Pennsylvania, and any collateral issues related thereto as directed by the PSERS Board.

**APPENDIX B
BILLING RATE INFORMATION**

PROFESSIONAL LEVEL	STANDARD HOURLY RATE	PSERS' HOURLY RATE
William M. Sullivan, Jr.	\$1,430	\$925
Thomas Hill	\$1,230	\$800
Patrick Hovakimian	\$1,000	\$650
Katherine Danial	\$820	\$533
David Grossman	\$780	\$494

APPENDIX C COMPENSATION

PSERS shall pay the Law Firm for the services under this Contract and reimbursement of the Law Firm's eligible costs. Payments of additional amounts may be made, and continued performance by the Law Firm will be required pursuant to Paragraph 9 of this Contract.

1. The Law Firm shall be reimbursed for all reasonable, actual, direct labor costs incurred in fulfilling the terms of this Contract in accordance with the rates established in Paragraphs 3 and 5 and Appendices B, C, and K of this Contract.

2. The Law Firm shall be reimbursed for all reasonable, actual, ordinary, and necessary direct non-labor costs incurred in fulfilling the terms of this Contract, subject to specific limitations such as those set forth in the Guidelines and Paragraph 5 of this Contract including, but not limited to, the following:

a. Reasonable, actual, ordinary, and necessary expenses for travel, meals, and lodging incurred by the Law Firm to fulfill the Law Firm's obligations under this Contract. The Law Firm shall retain all receipts thereof and shall provide copies to PSERS if requested. Mileage reimbursement shall be limited to the Internal Revenue Service's applicable rate for the use of personally owned motor vehicles. Expenses for lodging and meals shall be reimbursed at rates limited to the single-occupancy rate at the nearest Holiday Inn or other major moderately priced hotel or motel chain and the amount of reimbursement for meals shall be limited to the price of a moderately-priced meal at that hotel or motel. No reimbursement shall be allowed for any alcoholic beverages.

b. Reasonable, actual, ordinary, and necessary expenses for:

(1) Communications, including telephone, facsimile transmissions, telegraph, postage, parcel post, and freight and package express;

(2) Photocopies made by the Law Firm "in house," to be reimbursed at the maximum rate of \$.15 per page;

(3) Other reproduction costs (including, but not limited to, photographs, photocopies, prints, and offset work); and

(4) Document control and analysis contracted for with outside firms.

The Law Firm shall retain all receipts thereto and shall, upon request of PSERS, provide any necessary documentation.

c. Reasonable, actual, ordinary, and necessary expenses for other specific materials required for and used solely in the fulfillment of this Contract. The Law Firm shall retain all receipts thereto and shall, upon request of PSERS, provide any necessary documentation.

3. Travel, meals, lodging, and other direct non-labor costs which the Law Firm expects to incur under this Contract outside of the Commonwealth of Pennsylvania, with the exception of telephone, mailing, and other similar communication expenses, shall require the prior approval of PSERS Board, which approval shall not be unreasonably withheld. Prior approval by PSERS Board of travel to be undertaken by the Law Firm outside of the Commonwealth of Pennsylvania as an incident of the Law Firm's performance of services under this Contract shall constitute approval for the Law Firm to incur reasonable, actual, ordinary, and necessary expenses for travel, meals, lodging, and other ordinary and necessary direct non-labor costs. The Law Firm shall retain all receipts and shall, upon request of PSERS Board, provide any necessary documentation.

4. The Law Firm shall require approval by PSERS Board before incurring any extraordinary or unusual expenses.

**APPENDIX D
INVOICE FORMAT
(SUMMARY)**

LAW FIRM: (LAW FIRM)
ADDRESS: (ADDRESS)

PHONE: (PHONE)

COMMONWEALTH OF PENNSYLVANIA,
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (CLIENT #): (MATTER #)
5 N. 5th STREET
HARRISBURG, PA 17101 DATE:(DATE)

(FUNDS COMMITMENT #) INVOICE NO.: (INVOICE#)

ATTN:(NAME OF CHIEF COUNSEL OR ATTORNEY MONITORING THE SERVICES
PERFORMED)

REGARDING: (MATTER)

TOTAL FEES FOR PROFESSIONAL SERVICES RENDERED FROM
(DATE) THROUGH (DATE)
\$(TOTAL FEES)

TOTAL EXPENSE ADVANCES MADE TO YOUR ACCOUNT FROM
(DATE) THROUGH (DATE)
\$(TOTAL EXPENSE ADVANCES)

BALANCE DUE: \$(GRAND TOTAL)

FEDERAL EMPLOYER I.D. NO. (FEDERAL I.D. NUMBER)

(RESPONSIBLE ATTORNEY AT LAW FIRM) on behalf of (LAW FIRM) hereby certifies that
the services supplied and expenses incurred as stated in the attached invoice have met all of the
required standards set forth in the Contract for Legal Services.

(SIGNATURE)

**APPENDIX D
INVOICE FORMAT
(TIME DETAIL)**

LAW FIRM: (LAW FIRM)
ADDRESS: (ADDRESS)

PHONE: (PHONE)

COMMONWEALTH OF PENNSYLVANIA,
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (CLIENT #): (MATTER #)
5 N. 5th STREET
HARRISBURG, PA 17101 DATE:(DATE)

(FUNDS COMMITMENT #) INVOICE NO.: (INVOICE#)

ATTN:(NAME OF CHIEF COUNSEL OR ATTORNEY MONITORING THE SERVICES PERFORMED)

REGARDING: (MATTER)

TOTAL FEES FOR PROFESSIONAL SERVICES RENDERED FROM (DATE) THROUGH (DATE)

DATE	HOURS	DESCRIPTION OF SERVICES	NAME AND LEVEL OF PROFESSIONAL

**APPENDIX D
INVOICE FORMAT
(TIME SUMMARY)**

LAW FIRM: (LAW FIRM)
ADDRESS: (ADDRESS)

PHONE: (PHONE)

COMMONWEALTH OF PENNSYLVANIA,
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (CLIENT #): (MATTER #)
5 N. 5th STREET
HARRISBURG, PA 17101 DATE:(DATE)

(FUNDS COMMITMENT #) INVOICE NO.: (INVOICE#)

ATTN:(NAME OF CHIEF COUNSEL OR ATTORNEY MONITORING THE SERVICES PERFORMED)

REGARDING: (MATTER)

TOTAL FEES FOR PROFESSIONAL SERVICES RENDERED FROM (DATE) THROUGH (DATE)

NAME AND LEVEL OF PROFESSIONAL	RATE	HOURS	TOTAL
		TOTAL:	

**APPENDIX D
INVOICE FORMAT
(COSTS)**

LAW FIRM: (LAW FIRM)
ADDRESS: (ADDRESS)

PHONE: (PHONE)

COMMONWEALTH OF PENNSYLVANIA,
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (CLIENT #): (MATTER #)
5 N. 5th STREET
HARRISBURG, PA 17101 DATE:(DATE)

(FUNDS COMMITMENT #) INVOICE NO.: (INVOICE#)

ATTN:(NAME OF CHIEF COUNSEL OR ATTORNEY MONITORING THE SERVICES PERFORMED)

REGARDING: (MATTER)

TOTAL FEES FOR PROFESSIONAL SERVICES RENDERED FROM (DATE) THROUGH (DATE)

DATE	DESCRIPTION OF EXPENSE ADVANCES	AMOUNT
	TOTAL:	

APPENDIX E
PSERS' CONFLICT WAIVER PROCEDURE

1. PSERS' standard Contract for Legal Services requires the lawyer or law firm (hereinafter "law firm") to disclose promptly any conflicting representation, unless it has been otherwise waived, pursuant to Section 10 therein. Failure to disclose a conflict or undertaking a conflicting representation without obtaining a waiver is cause for termination of the contract.
2. The law firm's request for a waiver shall be submitted in writing to the contact and address identified in Section 25 of the Contract. Requests shall be in letter form, but may be sent electronically in PDF format.
3. The waiver request shall:
 - a. Identify all existing representations of PSERS and other Commonwealth agencies;
 - b. Describe the nature of the conflict;
 - c. Set forth the measures the law firm will take to protect PSERS, and PSERS' officials or employees from any prejudice or detriment if the conflict is waived; and
 - d. State that the other party the law firm represents or seeks to represent has granted a waiver (or a waiver has been sought, and if sought, a second written notice of the granting of such waiver shall be provided).
4. PSERS will make all waiver decisions and issue a letter to the law firm approving or disapproving the waiver request.
5. A file for each waiver request and the resolution of each request will be maintained by PSERS.

APPENDIX F
NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE
(BOP-1204, dated 02/06/18)

During the term of this Contract, the Law Firm agrees as follows:

- a. 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 Law Firm, each subcontractor, or any person acting on behalf of the Law Firm 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.
- b. Neither the Law Firm 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.
- c. The Law Firm 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.
- d. The Law Firm 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.
- e. The Law Firm and each subcontractor represents 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 Law Firm 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 Law Firm 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.
- f. The Law Firm 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.

- g. The Law Firm'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 Law Firm 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.
- h. 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 Law Firm in the Contractor Responsibility File.

APPENDIX G
CONTRACTOR INTEGRITY PROVISIONS
(BOP-1204, dated 02/06/18)

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. “Contractor” means the individual or entity, that has entered into this contract with the Commonwealth.

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 H
CONTRACTOR RESPONSIBILITY PROVISIONS
(BOP-1204, dated 02/06/18)

For the purpose of these provisions, the term contractor is defined as 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 a contract, grant, lease, purchase order or reimbursement agreement with the Commonwealth of Pennsylvania (Commonwealth). The term contractor includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

- a. The Contractor certifies, in writing, for itself and its subcontractors required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any such subcontractors, are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.
- b. The Contractor 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.
- c. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Contractor 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 Contractor, any of its subcontractors 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.
- d. The failure of the Contractor 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.
- e. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of 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. 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 Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
- f. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors 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 I
AMERICANS WITH DISABILITIES ACT
(BOP-1204, dated 02/06/18)

- a. 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 it shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of the disability. As a condition of accepting this contract, 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 all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.

- b. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor’s failure to comply with the provisions of subparagraph a above.

APPENDIX J
RIGHT-TO-KNOW LAW
(BOP-1204, dated 02/06/18)

- a. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, (“RTKL”) applies to this Contract. For the purpose of these provisions, the term “the Commonwealth” shall refer to the contracting Commonwealth agency.
- b. If the Commonwealth needs the Contractor’s assistance in any matter arising out of the RTKL related to this Contract, it shall notify the Contractor using the legal contact information provided in this Contract. The Contractor, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.
- c. Upon written notification from the Commonwealth that it requires the Contractor’s assistance in responding to a request under the RTKL for information related to this Contract that may be in the Contractor’s possession, constituting, or alleged to constitute, a public record in accordance with the RTKL (“Requested Information”), the Contractor shall:
- 1) Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in the Contractor’s possession arising out of this Contract that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
 - 2) Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Contract.
- d. If the Contractor 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 Contractor considers exempt from production under the RTKL, the Contractor must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of the Contractor explaining why the requested material is exempt from public disclosure under the RTKL.
- e. The Commonwealth will rely upon the written statement from the Contractor in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, the Contractor shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth’s determination.
- f. If the Contractor fails to provide the Requested Information within the time period required by these provisions, the Contractor shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor’s failure, including any statutory damages assessed against the Commonwealth.
- g. The Commonwealth will reimburse the Contractor 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 Contractor may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, the Contractor shall indemnify the Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, the Contractor agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.

i. The Contractor's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as the Contractor has Requested Information in its possession.

APPENDIX K PSERS' RETENTION GUIDELINES FOR OUTSIDE COUNSEL

The Commonwealth of Pennsylvania, Public School Employees' Retirement System ("PSERS") expects to have a productive, professional and cost-effective relationship with outside counsel. These Guidelines apply to all engagements for services between PSERS and your law firm, regardless of the law firm office from which those legal services are performed. Any exception must be approved in advance by PSERS.

I. MATTER MANAGEMENT AND REPORTING

A. The Contract for Legal Services

Your firm has been retained by PSERS to perform legal services as set forth in the Contract for Legal Services ("Contract"). The Contract shall define the scope of services covered by the matter which is the subject of the Contract; a "matter" may consist of a single representation or the provision of legal services in connection with a relatively routine, high volume practice area (e.g., workers' compensation). For high volume matters, a third party administrator also may have a defined role in managing the work. You are expected to keep PSERS informed of all significant developments that arise, as well as seek his or her direction on strategy and tactics.

Throughout the course of your representation, you must be mindful of conflict issues and disclose promptly any conflicting representation. The Conflict Waiver Procedure that is a part of the Contract for Legal Services sets forth the process for such disclosure. Failure to disclose a conflict or undertaking a conflicting representation without obtaining a waiver from PSERS is cause for termination of the contract.

B. Effective Utilization of Personnel

PSERS generally expects a single outside lawyer to be primarily responsible for each matter. Outside counsel should discuss with PSERS the staffing requirements for each matter, including the number of attorneys and staff that may work on the matter. We encourage the use of law clerks and paralegals for those aspects of any matter that do not need to be performed by an attorney. Staffing should reflect management practices that are consistent with the delivery of the appropriate level and type of legal services required in order to achieve effective results and resource efficiency.

PSERS generally expects one lawyer to attend all relevant depositions, meetings, hearings, trial, and other proceedings. In more complex matters, additional lawyers may be necessary to represent PSERS.

In concert with the Commonwealth's commitment to workforce diversity, PSERS expects each law firm it engages to use its best efforts to: (1) consider persons from diverse backgrounds for assignment to its PSERS engagements; and (2) actively promote full and equal participation of women, racial and ethnic minority groups, and all other persons of diverse backgrounds in the legal profession, as evidenced by the firm's employment practices.

C. Communications with PSERS' Office of Chief Counsel

PSERS expects regular communications with its counsel. You are expected to keep PSERS advised of the status of the matter, including all material developments, planned courses of action, and reports of any meetings, hearings, depositions, or any other relevant event. Communications with PSERS should be sent to the following contact and address:

Jackie W. Lutz, Chief Counsel
Public School Employees' Retirement System
5 N. 5th Street
Harrisburg, PA 17101

D. Correspondence and Pleadings

No significant correspondence or pleading should be sent or filed without prior approval from PSERS. In general, outside counsel should keep PSERS fully informed of all developments on a timely basis and consult with him or her on all matters of strategy, planning and proposed disposition by motion, trial or settlement.

- Correspondence:* Copies of all correspondence received or sent on PSERS' behalf by your firm to opponents or other third parties should be sent to PSERS.
- Pleadings:* Copies of all pleadings received or filed on PSERS' behalf by your firm should be sent to PSERS.

PSERS should have the opportunity to discuss the preparation of pleadings with your firm sufficiently in advance of filing deadlines to determine who will perform the work. PSERS may elect to prepare draft answers, motions, request for discovery and other pleadings. In such instances, such items will be forwarded to you either in final form for filing or in draft form, and you are expected to place them in final form in accordance with local rules.

E. Discovery

All discovery, electronic or otherwise, should be coordinated with PSERS. PSERS personnel are not to be contacted directly without prior approval by PSERS' Office of Chief Counsel.

The Commonwealth and PSERS may prefer to be present during the preparation for and deposition of any Commonwealth or PSERS personnel. PSERS believes its knowledge of the Commonwealth's and PSERS' business can be beneficial to you in preparing the witness and in the course of questioning by opposing parties. You are not permitted to waive the right of any Commonwealth or PSERS personnel to review and sign their depositions and must not enter into any stipulations to the contrary.

All discovery requests should be forwarded to PSERS' Office of Chief Counsel immediately, indicating the response date. PSERS can better assist in preparing responses if outside counsel can, preliminarily, identify objectionable questions and indicate these questions for which information is requested, as well as a recommended approach for completing the response. Outside counsel must consult with PSERS regarding anticipated electronic discovery (e-discovery) requests and use of any e-discovery computer programs, whether owned by the firm or provided by third-party vendors. PSERS will not pay for any such programs without advance approval.

Many internal Commonwealth and PSERS documents are confidential or protected by privilege. Accordingly, PSERS may require that a Confidentiality Agreement and/or Protective Order be secured to insure that the confidential nature of the information is maintained.

F. Expert Witnesses or Consultants

Where outside counsel determines that an expert witness or a special consultant is necessary for any matter, PSERS must be consulted prior to any engagement, and prior written approval must be obtained. In making such recommendation, outside counsel should provide PSERS with a written description of the study or testimony the expert is expected to provide, the expert's qualifications, the rationale for using an expert in the matter and an estimate of the expert's fees and expenses. As with your firm's staffing and time on any matter, PSERS expects that recommendations concerning the use of expert witnesses and consultants will be at appropriate levels for the risk and exposure involved in the matter.

G. Negotiations, Settlements and Appeals

The decision to try, settle or appeal a case rests solely with PSERS. All settlement opportunities and demands must be brought promptly to the attention of PSERS, along with your recommendations. Under no circumstances should your firm agree to settle any case on PSERS' behalf, enter into a consent decree or stipulation, release any substantial right, or otherwise commit the Commonwealth or PSERS on any issue without PSERS' prior approval.

II. BILLING REQUIREMENTS

A. In General

Billing invoice requirements have been developed to clearly advise you as to how PSERS would like the bills submitted. Specific provisions are set forth in your Contract for Legal Services, and the format that should be used in invoice preparation is set forth at Appendix D to that document. These requirements must be followed with respect to all bills unless PSERS has pre-authorized another arrangement.

PSERS expects that any firm retained to perform services on behalf of PSERS will accomplish its goals and objectives in a manner that maximizes value and minimizes expense without sacrificing quality. Compensation arrangements are set forth in the Contract for Legal Services.

If PSERS inadvertently pays an invoice, which on review does not comply with the Guidelines, PSERS retains the right to obtain reimbursement of such payment.

B. Rates

Unless a different billing arrangement is provided in the Contract for Legal Services, PSERS will pay specified hourly rates, as set forth in the Contract for professional services by attorneys and paralegals. In matters where fees are based upon hourly rates, actual time in units of 1/10 hour is the maximum acceptable time unit to be used in billing. No changes

in billing methodology or hourly rates will be made without the express written approval of PSERS' Office of Chief Counsel.

C. Billing Cycle

Bills for legal services should be submitted on a monthly basis, for services through the last day of the month in which services are performed. Departments will use best efforts to make payments on invoices within 45 days of receipt of an acceptable invoice, in final form with requisite documentation.

D. Billing Format

Specific billing instructions are set forth in the Contract for Legal Services. At a minimum, a copy should be directed to PSERS, as provided in Section 5 of the Contract.

All billing statements should include:

- Date task performed
- Identification of attorney/paralegal performing the task with full name and title listed on the statement
- Specific task description
- Time being billed per task
- Hourly rate being charged by the attorney/paralegal
- A summary of the total time and amount charged for each attorney/paralegal
- A specific description of all expenses incurred including the rate charged for copying as limited by the Contract for Legal Services. This description of services should be as specific as possible.

E. Disbursements/Expenses

We expect the hourly billing rate to include overhead and internal charges associated with the law firm's practice. The Law Firm shall require written approval by PSERS before incurring any extraordinary or unusual expenses. Functions such as photocopying must be billed at cost and may not be profit centers.

PSERS **will not pay** separate charges for the following expenses:

- Electronic/database research
- Word processing
- Overtime charges (including overtime local transportation and meal charges)
- Secretarial/clerk time or functions such as collating, scheduling, indexing, creating files or typing, opening or closing files, data entry, updating pleading binders or retrieval of documents from files
- File organization
- Basic overhead charges (local telephone charges, local fax charges, ordinary postage, courier services to PSERS)
- Books, subscriptions or educational expenses
- Professional association memberships
- Office supplies
- Preparation and review of bills
- Mark-ups for computerized databases (such as Westlaw and Lexis)

- Storage charges
- Re-education of a new attorney if a file is transferred
- Cellular phone charges
- Training on and maintenance of computer systems

PSERS **will pay** for the following when incurred specifically for PSERS matters:

- Filing fees
- Court reporter fees
- Expert witness fees, if approved in advance by PSERS
- Long distance telephone charges and long distance fax charges
- Air freight/express mail deliveries, where necessary to meet applicable deadlines, or as may otherwise be approved by PSERS**
- Outside photocopying, binding and printing services, if approved in advance by PSERS
- Outside messenger services**

** While PSERS may pay for messenger and express service where warranted, as a general matter, PSERS encourages use of e-mail and regular U.S. mail service whenever possible.

F. Travel

Reasonable, actual, ordinary, and necessary expenses for travel, meals, and moderately-priced lodging incurred by the law firm to fulfill its obligations under the Contract will be permitted as set forth in the Contract for Legal Services. Prior approval is needed for any air travel and only coach air rates will be reimbursed. Prior approval is needed for any overnight stay. Local travel expenses, such as taxis and trains, are reimbursable. Reimbursement related to personal auto travel will be limited to the Internal Revenue Service's applicable rate for the use of personally owned motor vehicles. You are expected to expense only reasonable amounts for meals and non-alcoholic beverages. PSERS also does not pay for minibar expenses, sundries, in-hotel movies or similar entertainment charges. The Law Firm shall retain all receipts and shall, upon request, provide any necessary documentation to PSERS.

G. Legal Research

Counsel should know the legal aspects of PSERS' business for which it has been retained, particularly the areas in which the case or transaction arises, and should keep abreast of developments in the law that may impact its engagement with PSERS. All research completed on a PSERS matter is the property of PSERS and a copy of all significant research projects should be submitted to PSERS.

H. Phased, Budget-Based Billing

The Law Firm shall provide phased, budget-based billing, premised upon the completion of certain projects or tasks. The Law Firm shall provide to the Chief Counsel in writing an estimated phased budget for the scope of work set forth in Appendix A herein three weeks prior to the initial PSERS Board meeting occurring after the Effective Date. The Law Firm shall provide to the Chief Counsel in writing an updated phased budget and progress report no later than three weeks prior to every subsequent PSERS Board Meeting

occurring during the term of the Contract and upon request by PSERS Board or Chief Counsel.

I. Confidentiality and Media Coverage

PSERS expects absolute confidentiality regarding legal matters handled by each outside counsel. In addition, no statement may be made to the press or any other media – on or off the record - unless prior express written approval is secured from PSERS. Under no circumstances should a firm use PSERS representation in firm promotional or other informational material without the prior approval of PSERS.

APPENDIX L

Information Security Addendum

This Information Security Addendum (“Addendum”) made as of the Effective Date, by and between the Commonwealth of Pennsylvania, Public School Employees’ Retirement System (“PSERS”) and Pillsbury Winthrop Shaw Pittman LLP (“Contractor”) sets forth additional terms and conditions with respect to information security applicable to the Contract For Legal Services (the “Agreement”). The terms and conditions agreed to in this Addendum are the minimum required for the Agreement and shall take precedence over any term of the Agreement that attempts to reduce, waive or remove these terms and conditions.

WHEREAS, PSERS wishes to disclose certain information to Contractor, and Contractor is authorized to collect and/or use certain information, pursuant to the terms of the Agreement; and

WHEREAS, PSERS and Contractor intend to protect the privacy and provide for the confidentiality of such information.

NOW THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, and the mutual promises and undertakings hereinafter set forth, and the exchange of information pursuant to the Agreement and this Addendum, the parties agree as follows:

I. Definitions.

- A. Authorized Persons. Authorized Persons include Contractor’s employees and contractors who have appropriate PSERS’ clearance and a specific need for such access in order to perform Contractor’s services for PSERS.
- B. Industry Standards. Industry Standards include National Institute of Standards and Technology (NIST) 800 Series, NIST Cybersecurity Framework and ISO 27001/2, or their generally recognized equivalents.
- C. PSERS Data. PSERS Data is any data or information that Contractor creates, obtains, accesses, receives (from PSERS or on behalf of PSERS), hosts or uses in the course of its performance of the Agreement.
- D. Public Data. Public Data means any specific information or data, regardless of form or format, that PSERS has actively and intentionally disclosed, disseminated, or made available to the public.
- E. Multi-Factor Authentication: The use of two or more of the Authentication Methods listed below. Two-factor would employ two of the methods; three-factor would employ one each of all three methods.
 - i. Something you know (e.g. PIN, password, shared information)
 - ii. Something you possess (e.g. token, smart card, digital certificate)
 - iii. Something you are (biometrics – e.g. fingerprint, voice, iris, face).
- F. Services. The services pursuant to the Agreement and any Statement of Work (“SOW”).

- G. Documentation. All documentation related to the Services, including but not limited to the SOW.
- H. PSERS Confidential Information. PSERS Data that is not Public Data, including but not limited to information containing personally identifiable information (“PII”) protected health information (“PHI”) and electronic protected health information (“ePHI”) as defined in HIPPA regulations, investment portfolio information and trade secrets. (For the avoidance of doubt, trade secrets include but are not limited to limited partnership agreements, side letters, private placement memoranda and similar information.)

II. Data Security.

- A. Compliance. Contractor shall comply with the Information Technology (“IT”) standards and policies issued by the Governor’s Office of Administration, Office for Information Technology (OA/OIT) (located at: <http://www.oa.pa.gov/Policies/Pages/itp.aspx>), including the accessibility standards set out in IT Bulletin ACC001, IT Accessibility Policy. The Contractor shall ensure that Services procured under this Contract comply with the applicable standards. In the event such standards change during Contractor’s performance, and the Commonwealth requests that Contractor comply with the changed standard, then any incremental costs incurred by Contractor to comply with such changes shall be paid for pursuant to a change order to the Contract.
- B. Data Protection. To the extent that Contractor is charged with creating, accessing, transmitting, maintaining, hosting or using PSERS’ Data under the Agreement, Contractor shall preserve the confidentiality, integrity and availability of PSERS’ Data by implementing and maintaining administrative, technical and physical controls that conform to Commonwealth of Pennsylvania IT Policies and Industry Standards. Implemented security controls shall provide a level of security which is commensurate with the sensitivity of the data to be protected.
- C. Data Use and Access. Contractor shall use PSERS’ Data only and exclusively to support the performance of services for PSERS under the Agreement and not for any other purpose. With the exception of Public Data, absent PSERS’ prior written consent, Contractor shall not at any time during or after the term of the Agreement disclose PSERS’ Data to any person, other than Authorized Persons and PSERS personnel in connection with the performance of the services (except as required by law). If such disclosure is required by law, Contractor shall notify PSERS prior to such disclosure, unless such notification is prohibited by law.
- D. Data Backup. Where appropriate to protect the integrity and availability of PSERS’ Data, Contractor shall maintain (and cause any third-party hosting company that it uses to maintain) a means to backup and recover PSERS’ Data in the event that PSERS’ Data is lost, corrupted or improperly destroyed. PSERS shall have the right to establish backup security for PSERS’ Data and to keep backup PSERS’ Data and PSERS’ Data files in its possession if it chooses.
- E. Return of PSERS’ Data. Contractor shall ensure that, upon request, PSERS can retrieve PSERS’ Data in the event the Contractor is unable to continue providing

the services under the Agreement due to termination of the Agreement or otherwise. In the event of a termination and upon PSERS' request, the Contractor will provide PSERS' Data in a mutually acceptable format.

- F. Destruction of PSERS' Data. Contractor shall erase, destroy, and/or render unrecoverable all PSERS' Data in Contractor's possession that is no longer required for the performance of its duties under the Agreement. Upon request, Contractor shall certify in writing that these actions have been completed within seven (7) days of PSERS' request.
- G. Effect of Termination. Unless directed otherwise by PSERS, upon termination of the Agreement for any reason, Contractor shall maintain PSERS' Data and continue to extend the protections of the Agreement and this Addendum to such information for a period of six months at which point it shall return and destroy all PSERS' Data received from PSERS (or created or received by Contractor on behalf of PSERS) regardless of form, and shall retain no copies of PSERS' Data. If return or destruction of PSERS' Data is not feasible, Contractor shall continue to extend the protections of the Agreement and this Addendum to such information and limit further use of PSERS' Data to those purposes that make the return or destruction of PSERS' Data infeasible.

III. Contractor Security.

- A. Information Security Program. For the term of the Agreement, Contractor agrees that it has and will maintain a formal information security program which is appropriate for the types of services that it provides. Such program is and will be consistent with Industry Standards.
- B. Contractor Personnel. Contractor agrees that it shall only use highly qualified personnel and contractors in performing the Agreement and, to the extent not prohibited by applicable law, shall require each to pass a background check.
- C. Acceptance of Acceptable Use Policy. Contractor shall ensure that all Contractor personnel, including employees and contractors, who access PSERS' network as a part of performing the Agreement, will agree to PSERS' Acceptable Use Policy as found in Management Directive 205.34, as it may be amended from time to time.
- D. Multi-Factor Authentication. For services exposed to the Internet, where sensitive information is stored, processed or transmitted, Contractor will provide Multi-Factor Authentication for user authentication to the web application via workstation and mobile browsers. If the service is provided via mobile application as well, that application must also be protected by Multi-Factor Authentication.
- E. Security Awareness Training. Contractor shall ensure its personnel and partners are provided cybersecurity awareness education and are adequately trained to perform their information security-related duties and responsibilities consistent with Commonwealth of Pennsylvania IT Policies.

IV. Security Incident and Breach Notification.

- A. Contractor agrees to notify PSERS upon learning of: (i) unauthorized access, loss, alteration, theft or corruption of PSERS' Confidential Information; (ii) any event

that creates a substantial risk to the confidentiality, integrity or availability of PSERS' Data; (iii) a breach of any of Contractor's security obligations under this Addendum; or (iv) any other event requiring notification under applicable law. In such an instance, Contractor agrees to:

- i. Take such action as may be necessary to preserve forensic evidence and eliminate the cause of the risk or breach within Contractor's reasonable control. As soon as practicable after discovery, Contractor shall undertake a thorough forensic investigation of any compromise or improper use and provide PSERS all information necessary to enable PSERS to fully understand the nature and extent of the compromise or improper use to the extent known.
- ii. And, notify PSERS by telephone at 717-720-4699 and 717-720-4678 and by e-mail at RA-PSISO@pa.gov regarding such an event without undue delay and in any event within 24 hours of discovery, and
- iii. To the extent that the breach or incident was the fault of Contractor:
 - a) assume the cost of informing all such affected individuals in accordance with applicable law, and
 - b) indemnify, hold harmless and defend PSERS and its trustees, officers, and employees from and against any claims, damages, or other harm related to such incident or breach.

B. Security Incident Investigations.

Contractor agrees to cooperate with PSERS in investigating a security incident, as declared by PSERS, and provide the name and contact information, of at least two (2) security contacts who will respond to PSERS in a timely manner, dependent on criticality, in the event that PSERS must investigate a security incident. The current security contacts are as follows:

■ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

■ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

V. Maintenance of Safeguards.

- A. Contractor shall maintain and follow Industry Standards with respect to any of PSERS' Confidential Information in Contractor's possession or control and protect such information against any loss, alteration, theft or corruption.

- B. At PSERS' request, Contractor shall provide PSERS with copies of its information security policies, processes, and procedures. Contractor will notify PSERS of any changes to its policies, processes or procedures that relate to the security of PSERS' Confidential Information in Contractor's possession.

VI. Information Security Audit.

- A. PSERS shall have the right to review Contractor's information security program prior to the commencement of Services and from time to time during the Term of the Agreement. During the performance of the Services, on an ongoing basis annually and immediately in the event of a security incident, PSERS, including its professional advisors and auditors, at its own expense, shall be entitled to perform, or to have performed, an on-site assessment of Contractor's information security program.
- B. PSERS shall have the right to review Contractor's information security program through Contractor's annual submission to PSERS of its current SOC2 report. The report must document an assessment conducted by a qualified, independent third party. Assessment scope must address the services provided to PSERS, including but not limited to related people, process and technology.
- C. Upon PSERS' request, Contractor agrees to complete, within forty-five (45 days) of receipt of PSERS' request, an assessment questionnaire provided by PSERS regarding Contractor's information security program, including artifacts for a subset of controls.

VII. Application Security.

In the event the Contractor conducts application software development for PSERS, Contractor will either make source codes available for review by PSERS or will conduct source code scanning using a commercial security tool. Scans must be conducted annually and at any time significant code changes are made. Scan reports will be made available to PSERS within two weeks of execution. Contractor must disclose remediation timelines for high, medium and low risk security code defects. Scans must occur before code is implemented in production. High risk security code defects may not be implemented in production without written approval from either PSERS' Executive Director, Deputy Executive Director or Assistant Executive Director.

VIII. Compliance with Applicable State and Federal Law.

Contractor shall comply with all applicable federal, state, and local laws concerning data protection and privacy when handling PSERS' Data.

IX. Enforcing Compliance.

Contractor shall enforce and be responsible for compliance by all its personnel and contractors with the provisions of this Information Security Addendum and all other confidentiality obligations owed to PSERS.

X. Accommodation of Additional Protections.

Contractor agrees to comply with such additional protections as PSERS shall reasonably request.

XI. Termination.

A breach by Contractor of any provision of this Addendum, as reasonably determined by PSERS, shall constitute a material breach of the Agreement and shall provide grounds for immediate termination of the Agreement by PSERS pursuant to the Agreement.

XII. Indemnification.

Contractor shall indemnify, hold harmless and defend PSERS from and against all claims, losses, liabilities, damages, judgments, costs and other expenses, including PSERS' costs and attorney fees, incurred as a result of, or arising directly or indirectly out of or in connection with Contractor's failure to meet any of its security obligations under this Addendum; and (ii) any claims, demands, awards, judgments, actions and proceedings made by any person or organization arising out of or in any way connected with Contractor's performance under this Addendum. Limitations on Contractor's liability, regardless of conflicting language elsewhere in the Agreement, shall not apply to claims related to Contractor's breach of the information security sections of this Addendum.

XIII. Intellectual Property Infringement Indemnification.

Contractor shall indemnify, defend and hold PSERS harmless from any and all claims brought against PSERS alleging that the Services and/or Documentation or PSERS' use of the Services and/or Documentation constitutes a misappropriation or infringement of intellectual property ("IP") of any Third Party. Contractor agrees to be responsible for all costs or expenses, to include reasonable attorneys' fees awarded or resulting from any claim. PSERS shall, after receiving notice of a claim, advise Contractor of such notification. Limitations on Contractor's liability, regardless of conflicting language elsewhere in any Agreement, shall not apply to claims related to Contractor's misappropriation or infringement of another's intellectual property.

XIV. Contractor Liability Insurance.

Contractor shall procure, and maintain for the duration of the contract, insurance against claims and damages which may arise from or in connection with the performance of its work to include IP infringement and privacy or data breaches coverage. Coverage shall have limits of no less than \$5,000,000.00 per occurrence and \$10,000,000.00 aggregate.

XV. Survival; Order of Precedence.

The provisions of this Addendum shall survive expiration or termination of the Agreement.

XVI. Entire Agreement.

The Agreement, including any exhibits and/or schedules thereto, and this Addendum contain the entire understanding of the Parties with respect to the subject matter hereof

and supersedes all prior agreements, oral or written, and all other communications between the Parties relating to such subject matter.

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CONTRACTOR RESPONSIBILITY VERIFICATION

Document No. _____

LAW FIRM

This Contract has been reviewed and the Law Firm has been determined to be responsible in accordance with the procedures outlined in Management Directive 215.9 Amended, dated April 16, 1999.

Designated Senior Manager

Date

DEPARTMENT