

**TABLE OF CONTENTS**

	<u>Page</u>
I. APPOINTMENT AND TERM.....	2
III. FIDUCIARY STATUS OF MANAGER; STANDARD OF CARE.....	5
IV. INDEMNITY .....	6
VI. FEES .....	8
VII. REGISTERED INVESTMENT ADVISER .....	9
VIII. TERMINATION.....	10
IX. DUTIES UPON CONTRACT TERMINATION .....	10
X. MEASURE OF DAMAGES .....	11
XI. DERIVATIVES .....	12
XII. NOTICES.....	12
XIII. ASSIGNMENT.....	13
XIV. BROKERAGE/SOFT DOLLARS.....	13
XV. CUSTODY.....	15
XVI. INCORPORATION OF DOCUMENTS.....	15
XVII. CONFIDENTIALITY.....	16
XVIII. QUALIFIED INSTITUTIONAL BUYER REPRESENTATION .....	18
XIX. OWNERSHIP AND LICENSE .....	18
XX. DATA SECURITY PROTOCOLS.....	18
XXII. NO THIRD-PARTY BENEFICIARIES.....	18
XXIII. PLACEMENT AGENT PAYMENT DISCLOSURE POLICY.....	18
XXIV. SOVEREIGN IMMUNITY .....	19
XXV. PROHIBITED TRANSACTIONS .....	19

XXVI.	DISCLOSURE.....	19
XXVII.	NO WAIVER OF THE PLAN'S LEGAL RIGHTS .....	20
XXVIII.	SOLICITATION OF CONTRIBUTIONS .....	20
XXIX.	SEXUAL HARASSMENT POLICY .....	21
XXX.	NON-DISCRIMINATION CLAUSE.....	22
XXXI.	APPLICABLE LAW, SEVERABILITY, INTERPRETATION AND ENFORCEMENT .....	22
XXXII.	CONTRACT AMENDMENTS.....	23
XXXIII.	INVESTIGATIONS AND COMPLAINTS .....	23
XL.	FINAL EXECUTION AND SIGNATORIES OF CONTRACT .....	25

SAMPLE

## CONTRACT

This Contract No. ##### (“**Contract**”) is made and entered into as of April 1, 2020 (“**Effective Date**”) by and between [Manager Name], a limited liability company (“**Contractor**”) and the Board of Administration of the Los Angeles City Employees’ Retirement System (“**Board**”) on behalf of the Los Angeles City Employees’ Retirement System (“**Plan**”), and constitutes an agreement between the Contractor and the Plan with respect to the following:

## RECITALS

**WHEREAS**, The Plan, a Department of the Municipal Corporation of the City of Los Angeles (“**City**”), was created by the City Charter (“**Charter**”), and the exclusive control of the administration and investments of the Plan is vested in the Board; and

**WHEREAS**, pursuant to its authority to contract for professional services in support of the investment of the assets of the Plan, the Board has allocated a portion of the Plan’s assets to [asset class/strategy] ; and

**WHEREAS**, the Contractor represents that it meets all qualifications required of investment advisers required by law including without limitation the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended (“**Advisers Act**”), and 15 U.S.C. sections 80b-1, *et seq.*, as amended; and

**WHEREAS**, the Contractor represents that it has the professional experience and expertise to perform all of the services described in this Contract and is willing to provide such assistance, and further that the Contractor shall notify the Board promptly in writing of any changes in the Contractor’s organization or legal status which may affect its willingness, qualifications, or capability to act effectively as the Board's investment advisor; and

**WHEREAS**, the Board is authorized to enter into contractual arrangements with qualified investment advisers and hereby retains the Contractor for management of [asset class/strategy] equity portfolio with regard to the Plan, and the Contractor hereby accepts its retention as such upon the terms and conditions hereinafter set forth; and

**WHEREAS**, the Contractor acknowledges that the Plan is a governmental entity singularly headquartered, situated and administered in the City and that Contractor has engaged in contacts with the Plan in the City as a material part of the negotiations with the Board to enter into, as well as perform, this Contract.

**NOW, THEREFORE**, in consideration of the covenants and conditions in this Contract, and other good and valuable consideration as provided herein, the parties incorporate by reference into the terms of this Contracts the recitals listed above and further agree as follows:

## I. APPOINTMENT AND TERM

The Board hereby retains the Contractor as a fiduciary and full discretion manager to provide investment advisory and asset management services contingent upon the Board's approval to commit to Contractor's management the Plan assets as described in Schedule 1 attached hereto, together with all interest, earnings, accruals, and capital growth thereon ("Portfolio"). The Contractor accepts this appointment and assumes full responsibility for the investment and management of the assets in the Portfolio according to the terms, conditions, and standards as set forth in this Contract and under law. Subject to the provisions of paragraphs VIII and IX herein, the term of this Contract shall be effective for a period of three (3) years commencing on [TBD] and concluding [TBD].

## II. SERVICES

A. The Contractor shall perform the services described herein with respect to the Portfolio. .

B. The Contractor shall exercise all investment related decisions in connection with the Portfolio in a reasonably prudent manner consistent with the Fiduciary Standard and, in addition, shall manage the Portfolio in a manner consistent with the investment policy ("**Investment Policy**") and investment guidelines applicable to Contractor ("**Guidelines**") that are adopted by the Board. The parties agree that Contractor has been provided with the current Investment Policy and the Guidelines, which are attached hereto as **Appendix A**. The Board may amend the Investment Policy and the Guidelines from time to time, and the Plan shall notify the Contractor in writing of any changes in the Investment Policy or the Guidelines. In addition, the Contractor agrees to be bound by all such changes upon receipt of the same; provided, that the Contractor shall have fifteen (15) days to bring the Accounts into compliance and make any changes to the Portfolio that may be required as the result of any such changes to the Investment Policy or the Guidelines. As part of the services, which Contractor is obligated to perform in connection with this Contract, Contractor shall perform those duties required of investment managers as set forth in the Investment Policy and the Guidelines.

C. At the Plan's request, the Contractor shall assist the Plan in the development of the Plan's Investment Policy and Guidelines applicable to the Contractor by furnishing the Plan with such information, recommendations, and advice as the Plan may from time to time request or may, in the opinion of the Contractor, be desirable or necessary for the formulation of the Investment Policies and Guidelines consistent with prudent and effective portfolio management by a public pension trustee.

D. The investment objectives and performance measurement benchmarks for the Contractor shall consist of managing the Portfolio to outperform the benchmark referenced in the Guidelines over a full market cycle in accordance with the Guidelines, and at all times compliance with the Contractor's Code of Ethics, Fiduciary Policies, and Trading Policies, attached hereto as **Appendix B** and incorporated by reference herein. The Contractor understands and acknowledges that its performance will be measured in

accordance with the investment objectives and performance measurement benchmarks provided in the Guidelines although the failure of the Portfolio to meet such investment objectives and performance measurement benchmarks will not constitute a breach of this Contract. The Contractor shall provide the Plan with notice of any material changes to the Contractor's Code of Ethics, Fiduciary Policies, and Trading Policies, and the Plan shall have at least thirty (30) days after receipt of such notice for any changes to apply to the Plan.

E. The Contractor shall make such recommendations and render such advice with respect to the purchase and sale of securities, and the allocation of funds, as the Plan may request or may, in the prudent judgment of the Contractor, be necessary for the investment or re-investment of the Plan's assets in a manner compatible with the Investment Policy.

F. At the Plan's request, the Contractor shall make recommendations to the Plan relative to the placement in short-term securities of those funds which have been allocated to the Contractor for investment in equity securities, but as to which such investment is not immediately contemplated.

G. The Contractor shall purchase and sell equity securities and other assets in compliance with the Investment Policy and the Guidelines, the terms and conditions of this Contract, and the law. Without the Board's prior consent to each such transaction, the Contractor shall have discretionary authority as agent in the Plan's name, with respect to the Portfolio, to (a) buy, sell, hold, exchange, convert or otherwise manage the Portfolio assets as permitted under the Investment Policy and the Guidelines; (b) place orders for the execution of such Portfolio assets and other transactions with or through such brokers, dealers, counterparties, issuers, agents or arrangers as the Contractor may reasonably select; (c) execute, on behalf of the Plan, such brokerage, and other agreements and documents as the Contractor deems necessary or appropriate in connection with the Plan's investment activities; (d) negotiate, enter into, make and perform any other contracts, agreements or other undertakings it may deem advisable in connection with the performance of the Contractor's duties hereunder; and (e) reasonably exercise any voting rights incident to the Portfolio assets (including, without limitation, conversions, exchanges, mergers, stock splits, rights offerings, recapitalizations, reorganizations, amendments, modifications or waivers, rights or remedies), excepting proxy voting rights as set forth in subparagraph II.N., below.

H. At the Plan's request, the Contractor shall, from time to time, appraise and analyze the Plan's investment portfolio and render written reports thereon to the Plan concerning its findings and conclusions.

I. The Contractor shall supervise and direct the investment and reinvestment of the Assets solely as part of the Portfolio, under which the Contractor acts with full investment authority. The investment policies, fees, proxy voting policies and expenses of the Portfolio (including any applicable purchase premiums or redemption fees payable directly to the Portfolio) shall be governed exclusively by the Investment Policy and Guidelines

relating to the Portfolio, in effect from time to time, and the Contractor's other obligations and duties under this Contract and under law.

J. The Contractor shall provide the Board with appropriate monthly and quarterly reports regarding each Account such as, but not limited to:

1. Monthly statements of all investments and portfolio evaluation, detailing all purchase and sale of securities.
2. Receipts, cash transfers (including without limitation dividends and interest payments, and any other cash or other distributions), and disbursements to each Account as of the close of business of each month.
3. Quarterly account statements.
4. Monthly reconciliations with Custodian's records, certified by the Contractor.
5. Such other statements or reports that may be required by the Board from time to time.
6. Response to the Quarterly Compliance Questionnaire, which shall be submitted promptly after receipt.

K. The Contractor shall be provided authority to work directly with the Custodian for appropriate and efficient electronic access to the Portfolio for the prudent investment of the Assets. The Plan authorizes the Contractor to give the Custodian trade related instructions to settle the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the Plan.

L. The Contractor shall maintain appropriate certified monthly reconciliations with the Custodian for the Accounts.

M. The Contractor shall execute trades (including any foreign exchange currency ("FX") transactions) efficiently, through competent brokers selected by the Contractor on the basis of their ability to perform quality execution, at a reasonable, explicit and implicit cost, and consistent with applicable laws for the Accounts. The Contractor shall seek Best Execution in performing all of its trading services. "**Best Execution**" means a duty to use reasonable practices to obtain the most advantageous terms and to preserve value for the Plan. Best Execution includes the Fiduciary Standard and requires evaluation and management of probabilistic factors on a trade-by-trade basis. All FX trades must be made using negotiated/competitive bids. Contractor shall execute trades of Assets on an agency basis only and may not act as a principal on such trades. The Contractor may aggregate sales and purchase orders of securities and other investment instruments for clients with similar simultaneous orders for other accounts managed by Contractor or its affiliates. Contractor will only aggregate orders if the Contractor reasonably believes such



aggregation will result in an overall economic benefit to its clients, consistent with its commitment to seek Best Execution. The Contractor represents and agrees that aggregated orders are allocated among its clients in a manner designed to ensure that all clients are treated on a fair and equitable basis, and that the interests of some clients are not favored over those of others. All securities transactions for the Accounts, including any aggregated orders, shall be consistent with the Contractor's obligation to seek Best Execution.

N. The Contractor shall allow the Board's proxy service provider to vote all proxies associated with the Accounts. If the Contractor receives proxy voting information from issuers of securities held in the Accounts, Contractor shall make commercially reasonable efforts to forward such proxy voting information and other similar materials to the Board's proxy service provider in a timely fashion. The Contractor will inform the Plan regarding any legal proceedings, including bankruptcies or class actions, involving the securities held in the Accounts and the issuers of those securities.

O. The Contractor agrees to participate in the Plan's Commission Recapture program by directing a portion of the Contractor's equity securities transactions in the Account to its Commission Recapture vendor and/or its correspondent brokers.

P. The Contractor shall attend meetings designated by the Plan on a mutually agreed upon schedule. Contractor shall be available to answer questions from the Board or its staff from time to time, without additional charge.

### III. FIDUCIARY STATUS OF MANAGER; STANDARD OF CARE

The Contractor acknowledges and agrees that this Contract places it in a fiduciary relationship with the Board on behalf of the Plan with respect to the performance of services under this Contract. As a fiduciary, the Contractor shall discharge each of its duties and exercise each of its powers under this Contract solely in the interest of the participants and beneficiaries of the Plan with the competence, care, skill, prudence and diligence under the circumstances then prevailing that a prudent person who is acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, in conformance with the California Constitution, Article XVI, Section 17 and with the customary standard of care of a professional investment manager providing services for a U.S. public pension system. The Contractor further acknowledges and agrees that it is a fiduciary under the Advisers Act and agrees that it shall carry out its fiduciary duties with respect to the Portfolio in accordance with the fiduciary standards applicable to investment advisers registered with the Securities and Exchange Commission pursuant to the Advisers Act. The duties and obligations set forth in this paragraph are referred to as the "**Fiduciary Standard**" in this Contract. The Contractor shall cause any and all of its employees, directors, sub-advisors, agents and representatives providing services in connection with this Contract ("**Agents**") to exercise the same Fiduciary Standard for the benefit of the Plan. The Contractor shall be liable to the Board and the Plan for any Claim (as defined in Section IV(A)) which arises from or relates to any failure by the Contractor or any of its Agents to exercise such Fiduciary Standard.

#### IV. INDEMNITY

The Contractor shall indemnify, hold harmless and, at the option of the indemnitee, defend the Board, the Plan, the City, and any and all of the Board's, the Plan's and the City's officers, agents, employees, assigns, successors in interest, agents and fiduciaries (excluding the Contractor), from and against all claims, damages, losses, liabilities, suits, costs, charges, expenses (including, but not limited to, reasonable attorneys' fees and court costs), judgments, fines and penalties, of any nature whatsoever ("Claims") arising from or relating to the acts, omissions, errors or misconduct related to the performance of services under this Contract by the Contractor or any of its employees, officers, directors, affiliates, agents, or sub-contractors of any tier, except for any Claims caused by the gross negligence or willful misconduct of the person seeking defense and/or indemnity. This indemnification and defense obligation shall survive the expiration or termination of this Contract. This indemnity paragraph shall supersede references to the same within **Appendix C** – Standard Provisions for City Contracts.

#### V. INSURANCE

A. In General. The Contractor shall provide evidence of insurance that conforms to the insurance requirements of the Contractor's bid/proposal and this Contract, from insurers acceptable to the City, within thirty (30) days of the date of the award of this Contract. Such insurance shall be procured at Contractor's sole expense and shall be maintained throughout the Term of the Contract. The specified insurance shall also, through policy provisions or endorsements, include the Board, the Plan, and the City, and all of their officers, members, employees, agents, successors and assigns, as additional insureds with respect to the Contractor's acts or omissions in performance of this Contract. Such insurance may not limit or qualify the liabilities, obligations, or duties assumed by Contractor under this Contract.

B. Severability of Interests and Cross Liability. Each specified insurance policy (General Liability and Excess or Umbrella) shall contain a Severability of Interest and Cross Liability clause and a Contractual Liability Endorsement which shall also apply to liability assumed by the Contractor under this Contract.

C. Primary and Non-Contributory Insurance. All insurance shall be Primary and Noncontributing with any other insurance held by the City or the Plan where liability arises out of or results from the acts or omissions of the Contractor, its agents, employees, officers, representatives or assigns, or any person acting on behalf of the Contractor. Any insurance carried by the City or the Plan which may be applicable shall be deemed excess insurance and the Contractor's insurance shall be deemed primary for all purposes notwithstanding any conflicting provisions in insurance policies to the contrary.

D. Notice of Renewal. At least ten (10) days after the expiration date of any of the policies required of the Contractor, the Contractor shall file with the City documentation demonstrating that the insurance coverage has been renewed.



E. Acceptable Proof of Insurance. Contractor shall provide proof of all required insurance to the City Risk Manager by use of the City's endorsement form(s) or by other written evidence acceptable to the Risk Manager and the Office of the City Attorney. Said proof shall contain, at a minimum, the applicable policy number, the inclusive dates of policy coverages, the date the protection begins for the Plan and others protected by the terms of this Contract, the limits of the policies, and the insurance carrier's name. It shall provide that such insurance shall not be subject to cancellation, material reduction in coverage or non-renewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) calendar days prior to the effective date thereof at the following address: 202 West First Street, Suite 500, Los Angeles, CA 90012-4401.

F. Claims-Made Insurance Conditions. Should any portion of the required insurance be on a "claims made" policy, the Contractor shall provide evidence that the policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended discovery period has been purchased on the expiring policy.

G. Failure to Maintain Coverage. Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a material breach of the Contract and the Plan may terminate the Contract for this breach.

H. Sub-Contractor Compliance. The Contractor shall be responsible for all sub-contractors' compliance with the insurance requirements of the Contract consistent with the scope of work performed by each sub-contractor.

I. Insurance Coverages and Limits. The Contractor shall procure and maintain, at its sole cost and expense, the following insurance in force during the term of this Contract with limits no less than:

1. Professional Liability (Errors and Omissions): In the amount of at least \$50 million, with a discovery period of twelve months after completion/termination of this Contract, whichever occurs first.
2. General Liability: In the amount of at least \$10 million.
3. Fiduciary Liability: In the amount of at least \$10 million.
4. Fidelity Bond/Financial Crime: In the amount of at least \$10 million.
5. Directors & Officers: In the amount of at least \$5 million.
6. Cyber Risk: In the amount of at least \$1 million per occurrence, and aggregate of \$2 million.

J. Workers' Compensation: In compliance with California statute, the Contractor agrees to provide Workers' Compensation coverage for its employees (if any) as applicable throughout the term of this Contract.

K. Underlying Insurance: The Contractor shall be responsible for requiring indemnification and insurance as it deems appropriate from its employees receiving mileage allowances, agents, and subcontractors, if any, to protect the Contractor's and the Plan's, the Board's and the City's interests, and for ensuring that such persons comply with any applicable insurance statutes.

The Insurance provisions, as herein established, shall supersede references to the same within **Appendix C** – Standard Provisions for City Contracts.

## VI. FEES

A. The Board shall pay the Contractor an annual fee calculated as follows:

- 75 Basis Points (0.75%) on the first \$50 million of assets
- 70 Basis Points (0.70%) on the next \$50 million of assets
- 65 Basis Points (0.65%) on the next \$100 million of assets
- 60 Basis Points (0.60%) on assets in excess of \$200 million in the Account

The fees shall be computed for each calendar quarter on the basis of the market value of the assets in the Account, as reported by LACERS' Custodian, at the end of each calendar quarter.

B. The Contractor represents and warrants that the management fees specified herein shall not result in payment by the Plan of management fees and any other related fees or expenses exceeding those that would be payable for management of assets of equal or lesser value to those of the Portfolio by any other direct advisory clients whom the Contractor or its affiliates provides the same or similar services to the [asset class/strategy] portfolio ("**Same or Similar Services**"). In the event that the Contractor enters into a future agreement with any other direct advisory client to provide the Same or Similar Services that would produce a lower fee for investing assets of equal or lower value to those of the Portfolio, Contractor shall so notify the Plan and said lower fee shall automatically apply to this Contract and shall supersede the fees set forth herein. For the avoidance of doubt, the foregoing shall not apply to any sub-advisor arrangement with the Contractor.

C. The Contractor shall bill 1/4<sup>th</sup> of the fees above every quarter and in arrears.

D. The quarter ending market value is to be used for the initial contribution period and then prorated based on the actual number of days the assets are managed during the quarter. Subsequently, if assets are added to or withdrawn from the Account during the quarter and the cumulative net addition to or withdrawal from the Account is 10% or greater than market value of the assets in the Account at the beginning of the quarter, an

adjustment to the market value shall be applied by weighting the cash flow by the number of actual days the assets are held in the account for the quarter, divided by the total number of actual days in the quarter. Such a proportionate adjustment to the market value will not be made in the event that the cumulative net addition to or withdrawal from the Account is less than 10% of the market value of the assets in the Account at the beginning of the quarter. For the purpose of this calculation, adjustment to the market value will be calculated as follows:

- Contributions: Quarter end market value – (Contribution x (non-active days/total days in quarter))
- Withdrawals: Quarter end market value + (Withdrawal x (active days/total days in quarter))

Contributions and Withdrawals of assets exclude: management fee, interest, dividend and/or other income sweep. In the event of termination, expiration, and/or resignation of this Contract, the fee payable shall be prorated to the date of such termination, expiration, and/or resignation.

E. The annual fees shall be the sole compensation paid to the Contractor by the Board for the services provided and expenses incurred by the Contractor hereunder. No additional amounts shall be due the Contractor for overhead, out-of-pocket or other expenses incurred in connection with this agreement.

F. If the Contractor is providing the same or similar investment products or services for either or both of the two other City pension plans, the Los Angeles Fire and Police Pensions (“LAFPP”) and the Los Angeles Water and Power Employees’ Retirement, Disability and Death Benefits Plan (“WPERP”), the Contractors shall provide a 15% discount of the annual fee calculated on a quarterly basis. If the Contractor is providing investment products or management services to either or both of LAFPP or WPERP, but these are not the same as or similar to the products or services provided to the Plan, the Contractor shall provide a 10% discount of the annual fee calculated on a quarterly basis.

This Fee Schedule may be modified only by mutual written agreement of the parties.

## VII. REGISTERED INVESTMENT ADVISER

A. The Contractor represents and warrants that it is a duly registered investment adviser under the Investment Advisers Acts of 1940, and agrees that it shall maintain registration at all times during the term of this agreement.

B. The Board acknowledges that it has received Part 2.A. and Part 2.B. of the current Form ADV of the Contractor before entering into this Contract. The Contractor shall maintain on file with the Plan a current copy of Contractor’s Form ADV, and shall provide to the Plan a copy of any updates without further written request.

## VIII. TERMINATION

- A. The Board may terminate this Contract with or without cause, at any time upon thirty (30) calendar days' prior written notice to the Contractor.
- B. The Contractor may resign at any time from its obligations under this Contract by giving to the Plan sixty (60) calendar days' prior written notice.
- C. The Board and the Contractor may terminate this Contract at any time by written mutual consent.
- D. The Board may terminate this Contract immediately upon the Plan's written notice to the Contractor of the Board's determination, in its reasonable discretion, that the Contractor has engaged in negligence, willful misconduct, a lack of good faith, a violation of applicable law, a material breach of this Contract, or a breach of the Contractor's fiduciary duties or the Fiduciary Standard of this Contract. The Board may also terminate this Contract immediately and without notice to Contractor if (i) Contractor files for bankruptcy, is placed into involuntary bankruptcy, or becomes insolvent; (ii) Contractor or any of its employees is subject to criminal investigation, indictment or conviction, or is found liable by a trial court, jury or administrative body for breach of trust, breach of fiduciary duty, theft, or fraud; or (iii) if Contractor attempts or purports to assign this Contract (or any part thereof) without obtaining the Plan's prior written consent.
- E. The Board may, upon written notice to Contractor, direct the Contractor to immediately cease all trading activities on behalf of the Plan without breach of this Contract and without penalty to the Board or the Plan. Upon receipt of such notice, Contractor shall comply with such directions.
- F. The Contractor shall promptly notify the Board in writing of any change in the key personnel of the firm and any change of greater than 25% of its ownership structure.

## IX. DUTIES UPON CONTRACT TERMINATION

In the event of any termination of this Contract, all of the terms and conditions herein shall continue to apply through the effective termination date and through any period following such date, during which Contractor shall continue to perform any services required under this Contract in order to (i) complete any transactions pending on the effective termination date and (ii) facilitate an orderly and efficient transition to a successor manager ("**Transition Period**"). Such Transition Period shall not exceed three (3) months after the effective date of termination. The following provisions shall also apply to any termination of this Contract.

- A. Post-Termination Responsibilities. If either party terminates this Contract, and unless otherwise expressly directed by the Plan, Contractor shall take all necessary steps to stop services under this Contract on the effective termination date consistent with its duties during the Transition Period.

B. Termination Invoice. Following the effective termination date of this Contract and the completion of the Transition Period, Contractor shall submit to the Board, in the form and with any reasonable certifications as may be prescribed by the Plan, Contractor's final invoice ("**Termination Invoice**"). The Termination Invoice shall prorate Contractor's fees for work already performed but for which Contractor has not been compensated through the end of the Transition Period in accordance with Contractor's then current fee level, by multiplying said fees by a fraction, the numerator of which is the number of days in the invoice period that Contractor managed the Portfolio and the denominator of which is the total number of days in the invoice period. Contractor shall submit such Termination Invoice no later than thirty (30) days after the end of the Transition Period. Upon Contractor's failure to submit its Termination Invoice within the time allowed, the Board may determine, on the basis of information available to it, the amount, if any, due to Contractor and such determination shall be deemed final.

C. Payment Withheld for Default. The Plan shall not authorize and shall withhold payment for services provided if the Plan terminates this Contract pursuant to Article VIII.D above.

D. Excusable Default. If, after either party issues a notice of termination for default to the other party, the issuing party determines for any reason that the other party was not in default, or that such default was excusable, then the rights and obligations of the parties shall be the same as if such a notice had not been issued.

E. Good Faith Transfer. Upon any termination of this Contract by either party and to the extent directed by the Plan, Contractor shall continue to serve as a manager hereunder at the then existing compensation level for the duration of the Transition Period. Contractor shall cooperate with the Plan in good faith to effect a smooth, efficient and orderly transfer of such services and all applicable records. Within 30 days of termination of this Contract, Contractor shall return to the Plan all records, reports, data, and other information compiled by the Contractor in the performance of this Contract from the commencement of the Contract through the date of any such expiration, termination or resignation, which have not been previously provided to the Plan (except as prohibited by the recordkeeping requirements of the Advisers Act).

F. Cumulative Nature of Rights and Remedies. The rights and remedies of the parties provided by this Article IX are not exclusive, but cumulative and in addition to any other rights and remedies provided by law, in equity or under any of the provisions of this Contract.

This Article IX shall survive the termination of this Contract.

## X. MEASURE OF DAMAGES

A. Damages arising from any default, act or omission under this Contract shall be determined under the laws of the State of California.

B. If any payment required to be made to a party hereto by the other party is not paid in full when due, including fees payable to Contractor, the amount due shall include an amount equal to the average Federal Funds rate as published daily in the Wall Street Journal (“**Fed Funds Rate**”), and compounded to the extent permitted under applicable law from the due date until the date on which payment is made.

This Article X shall survive the termination of this Contract.

## XI. DERIVATIVES

In the event that the Contractor determines to enter into, on behalf of the Portfolio, futures contracts, security futures contracts, futures agreements, forward foreign currency exchange contracts, options on securities, options on futures contracts, options on indices, options on foreign currency and other foreign currency transactions, swaps, options on swaps, forward rate agreements and other similar types of investment instruments, as permitted under, and subject to any limitations in, the Investment Guidelines (collectively, “**Derivatives**”), the Contractor shall be permitted to execute, on behalf of the Portfolio, such brokerage, derivatives (including, without limitation, ISDA documentation), subscription and other agreements and documents (“**Derivatives Documentation**”) as the Contractor deems necessary or appropriate. To the extent that the Contractor enters into (or offers to enter into) any Derivatives on behalf of the Plan, the Contractor represents and agrees that it (a) has sufficient knowledge to evaluate the Derivative transaction and its risks, (b) is not subject to any statutory disqualification, (c) is independent of the swap dealer or major swap participant(s) with which it will enter into Derivative transactions (if applicable), (d) shall conform to the Fiduciary Standard in entering into the transaction, (e) will make appropriate and timely disclosures to the Board, (f) will evaluate fair pricing and the appropriateness of the Derivative transaction, and (g) will comply with applicable restrictions on political contributions and other activities imposed by the Commodities Futures Trading Commission, the SEC, any self-regulatory organization subject to the jurisdiction of the SEC or similar regulatory bodies, or the Plan. The Contract will also ensure that any Derivatives Documentation do not (i) result in liabilities or losses that exceed the value of the assets of the Portfolio or that cannot be satisfied solely from the assets of the Portfolio, (ii) waive the Plan’s right to exercise all immunities, defenses, rights or actions arising out of its sovereign status or under the Eleventh Amendment to the United States Constitution, (iii) waive the Plan’s right to a jury trial, (iv) provide for venue and/or jurisdiction outside of Los Angeles, California, and (v) require the applicability of any law other than New York law, if the Contractor is unable to negotiate the applicability of California law. The Contractor shall obtain the Plan’s written consent prior to executing any Derivatives Documentation if any of the terms are inconsistent with the requirements in subsections (i) through (v) above.

## XII. NOTICES

Unless otherwise provided herein, all notices, instructions, or directions permitted or required under this Contract will be deemed to have been properly given if couriered or sent by first class, postage prepaid, addressed as follows:



To the Board at:

Los Angeles City Employees' Retirement System (the Plan)  
202 W. First Street, Suite 500  
Los Angeles, CA 90012 - 4401  
Attention: Rodney L. June, Chief Investment Officer  
Telephone: (213) 473-7280  
Facsimile: (213) 473-7226

To the Contractor at:

[Manager Name]  
[Address]

Attention: [Name, Title]  
Telephone: [(###) ###-####]  
Facsimile: [(###) ###-####]

### **XIII. ASSIGNMENT**

Without the prior written consent of the Board, the Contractor shall not (a) assign or otherwise alienate its rights under this Contract, or (b) assign, delegate, or subcontract its duties under this Contract. Any purported assignment or transfer without the prior written approval of the Board shall not relieve the Contractor from its obligations and liabilities under this Contract. For the avoidance of doubt, Contractor may, at its own expense, employ agents to advise or assist in the Contractor's performance of its administrative duties or activities that support of the provision of investment management services under this Contract. Notwithstanding any such hires, Contractor shall remain fully responsible for the provision of services pursuant to the terms and conditions of this Contract and Contractor may not delegate to, or employ, any agents to perform any of its investment management responsibilities under this Contract.

### **XIV. BROKERAGE/SOFT DOLLARS**

A. The Contractor shall use its best efforts to meet the specified pro-rata portion of the soft dollar commitments which the Plan establishes and determines to be in the best interest of the Plan when such transactions can be done without jeopardizing Best Execution. Contractor shall provide the Plan with a quarterly statement of the total commissions paid to each broker/dealer for each Account, in addition to such other statements and reports as detailed below. If, and to the extent, Contractor engages in any soft dollar programs Contractor shall disclose the same in writing to the Plan. If, and to the extent, the Contractor participates in a "soft dollar and directed brokerage arrangement" (as defined in §6930 of the California Government Code), it shall do so in accordance with Sections 6930-6934 of the California Government Code.

B. In accordance with Section 28(e) of the Securities and Exchange Act of 1934, as amended, the Contractor is expressly authorized to consider the fact that a broker or dealer has furnished statistical, research, or other information or services which enhance the Contractor's investment research and portfolio management capability generally. It is further understood that the Contractor may negotiate with and assign to a broker a commission which may exceed the commission which another broker would have charged for effecting the transaction if the Contractor determines in good faith that the amount of commission charged was reasonable in relation to the value of brokerage and/or research services provided by such broker.

C. The following provisions are required pursuant to California Government Code Sections 6931 and 6932:

1. Each securities transaction or brokerage agreement carried out by the Contractor pursuant to a soft dollar and directed brokerage arrangement shall be executed at the lowest responsible transaction cost available.
2. The Contractor shall maintain complete and detailed records of all billed services provided pursuant to soft dollar and directed brokerage arrangements.
3. The services provided by a broker/dealer pursuant to soft dollar and directed brokerage arrangements shall be for specific services, listed below, which from time to time may be amended, as provided to Contractor: computer services, investment consulting services, capital market information systems, investment management fees, and custodial fees.
4. The Contractor shall disclose all of the following:
  - i. A list of all billed services provided pursuant to soft dollar and directed brokerage arrangements with respect to investment transactions for Contractor.
  - ii. The justification for providing each of those services.
  - iii. The maximum percentage of the investment transactions of Contractor planned for use in soft dollar and directed brokerage arrangements.
  - iv. An annual statement of all billed services provided during the previous year under soft dollar and directed brokerage arrangements with respect to investment transactions for the Plan.
  - v. A determination of whether each service provided under soft dollar and directed brokerage arrangements with respect to investment transactions for the Plan is proprietary or is being shared by other clients of the Contractor.

D. To the extent that the Plan is the source to which Contractor would reasonably look to obtain certain information required to be disclosed by Contractor under paragraphs (a)(2) and (a)(4) of this Article XIII, the Contractor shall indicate in its disclosure to the Plan that Contractor has not disclosed such information because such information is in the possession of the Plan. Unless the Plan notifies the Contractor within thirty (30) days after its receipt of the disclosure that the Plan does not possess such information, the Contractor shall be deemed to have provided that information to the Plan.

E. Notwithstanding the foregoing, the Plan and the Contractor acknowledge that Article XIV.C above is intended to address the requirements of California Government Code §6932 and of necessity references the term *soft dollar and directed brokerage arrangement* inasmuch as it is a defined term for purposes of §6932, and (ii) this Contract does not provide for a directed brokerage arrangement.

## XV. CUSTODY

A. Ownership of the assets in the Portfolio (“**Assets**”) shall remain with the Plan. The Contractor shall under no circumstances act as custodian of the Assets or otherwise have custody, possession, title, ownership or physical control of the Assets. The Plan has selected The Northern Trust Company as the custodian (“**Custodian**”). Contractor shall not have the right to have any securities in any of the Accounts registered in its own name or the name of its nominee, nor shall Contractor in any manner acquire a right to any income or proceeds distributable by reason of holding, selling, or managing any Assets. The Plan shall promptly notify Contractor if it selects a successor or replacement Custodian.

B. The Plan shall instruct the Custodian to (i) establish an account for each of the Retirement Plan and the Benefits Fund in Contractor’s name (individually, an “**Account**” and collectively, the “**Accounts**”), and (ii) maintain the Accounts in a manner than enables Custodian to separately account for the Assets and transactions thereto. The Plan shall deposit the Assets into the Accounts or cause the Custodian to do so. Each Account will be identical in structure and holdings (to the extent practicable). The Plan may deposit additional assets into the Accounts in the sole discretion of the Plan upon prior written notice to the Contractor and execution of an additional schedule to this Contract identifying these assets. The Board acknowledges that the Contractor shall not be liable for any acts or omissions of the Custodian as they relate to the Assets.

## XVI. INCORPORATION OF DOCUMENTS

This Contract, the Appendices, and the Exhibits represent the entire integrated agreement of the parties and supersedes all prior written or oral representations, discussions, and agreements. The following documents are incorporated and made a part hereof by reference. In the event of an inconsistency between any of the provisions of the body of this agreement and its attachment, the order of precedence shall be (1) the provisions in the body of this agreement, (2) Appendix C, (3) Appendix A, (4) Appendix B.

Appendix A: Investment Manager Guidelines

Appendix B: Contractor's Code of Ethics, Fiduciary Policies and Trading Policies

Appendix C: Standard Provisions for City Contracts (Rev. 10/17) - This agreement is subject to all the provisions of the Standard Provisions for City Contracts with exemptions applicable to Investment Contracts for provisions: PSC-26 Equal Benefits Ordinance; PSC-28 Living Wage Ordinance; PSC-31 Contractor Responsibility Ordinance; PSC-33 Slavery Disclosure Ordinance; and as otherwise expressly stated in the body of the Contract.

Exhibits - Required Compliance Documents as part of the contract:

- Exhibit 1: Proof of Insurance (Certificate of Liability Insurance)
- Exhibit 2: Completed Gender Equity Disclosure Form
- Exhibit 3: Copy of Los Angeles Business Tax Certificate
- Exhibit 4: Completed IRS W-9 Form

## **XVII. CONFIDENTIALITY**

A. For purposes of this Contract, all information and advice furnished by the other party to it pursuant to this Contract shall generally be treated as confidential and the parties shall not disclose such information to third parties during the term of this Contract and thereafter except as provided in this Section XVII.

B. Confidential information shall consist of any information disclosed by either party to the other relating to the Account, the Portfolio or this Contract that is clearly marked “confidential and proprietary” and that constitutes a trade secret or is otherwise protected from public disclosure by California law (“**Confidential Information**”). For the avoidance of doubt, Confidential Information shall include all Portfolio or Account-specific reports created by the Contractor for the Board and/or the Plan under this Contract. Any such Portfolio or Account-specific reports shall be the property of the Board and shall be subject to the confidentiality provisions contained herein. Furthermore, all information furnished by the Board or the Plan to the Contractor under this Contract shall be regarded as Confidential Information by the Contractor, unless written authority to the contrary has first been secured from the Board or the Plan, as applicable, and the Contractor shall maintain the confidentiality of such Confidential Information according to all applicable federal, state, county and local laws, regulations, ordinances and directives relating to confidentiality. Information that (a) was or becomes generally available to the public, other than as a result of disclosure by the other party; (b) was or becomes available to the other party on a non-confidential basis from a source other than the party, which source is not known to be bound by any obligations of confidentiality; or (c) is independently developed by the other party without reference to or reliance on information or advice furnished pursuant to this Agreement, will not be considered confidential for purposes of this paragraph. The Contractor shall inform all employees performing services under the Contract of the confidentiality provisions of this Contract.

C. In addition, except as required by law or regulatory authorities:

1. The Contractor agrees to maintain in strict confidence all personal and financial information regarding the Plan that the Plan furnishes to the Contractor (except that the Plan may consent to disclose its identity as a client of the Contractor through written request by the Contractor), and

2. The Plan agrees to maintain in strict confidence all investment advice and information the Contractor furnishes to the Plan, and shall not use any of this advice or information to manage any assets other than the Assets in the Portfolio.

D. The Contractor shall not disclose any Confidential Information to any third parties (including other clients), except (i) to affiliates of the Contractor under the same duty of non-disclosure as the Contractor; (ii) to the Portfolio's custodian; (iii) to brokers and dealers that are counterparties with respect to transactions effected by the Contractor for the Portfolio, but only to the extent necessary to effectuate such transactions; (iv) to futures commission merchants, but only to extent necessary in executing or clearing transactions with these merchants in connection with the Portfolio; (v) to third parties providing services under this Contract provided they are under the same duty of non-disclosure as the Contractor; (vi) as required by law, subpoena, court order or other regulatory authority; (vii) as requested by regulatory or governmental authorities or auditors; and (viii) as otherwise requested in writing by the Plan. For the avoidance of doubt, reports regarding the Portfolio, its performance and the Contractor's management of the Portfolio may be provided to those charged with overseeing the Portfolio (e.g. the Board, the Plan's investment staff, the Plan's authorized investment consultants and auditors) or to those as required by law or regulation upon prior written notice to the Board. Further, Contractor may disclose that the Plan is a client of Contractor upon written consent of the Plan.

E. With the exception of reports provided by the Contractor to the Board for discussion during public session of the Investment Committee meeting or the Board meeting at which the Contractor and/or the Plan's investment consultant presents, all Confidential Information furnished by the Contractor to the Board and/or the Plan hereunder, including Confidential Information furnished to the Plan's agents and employees, shall not be disclosed to third parties, except as required by law, court order, subpoena or other regulatory authority, as requested by regulatory or governmental authorities or auditors, or as otherwise agreed to in writing by the Contractor. Notwithstanding the foregoing, the Contractor hereby acknowledges that the Plan is a public agency subject to state laws, including, without limitation, (i) the California Public Records Act (California Government Code §6250, *et seq.*) (the "**Public Records Act**"), which provides generally that all records relating to a public agency's business are open to public inspection and copying unless otherwise exempted under the Public Records Act; and (ii) the Ralph M. Brown Act (California Government Code §54950, *et seq.*) ("**Brown Act**") (collectively, "**Open Records Laws**"), which provides generally for open meetings for local legislative bodies, and that, as a result, the Plan may be required by law to disclose certain documents and information publicly. The Contractor consents in advance to disclosures required under the



Public Records Act and/or the Brown Act as determined by the Board with respect to the Contract and any such disclosure shall not constitute a breach hereof.

### **XVIII. QUALIFIED INSTITUTIONAL BUYER REPRESENTATION**

The Board represents that, as of the date of this Contract, the Plan is a “qualified institutional buyer” as that term is defined in Rule 144A of the Securities Act of 1933, and agrees to furnish the Contractor with such public record financial information as it may request to confirm its status (or continuing status) as a qualified institutional buyer and to inform the Contractor promptly if it loses its status as a qualified institutional buyer.

### **XIX. OWNERSHIP AND LICENSE**

Notwithstanding the provisions of PSC-23 of the Standard Provisions for City Contracts, Work Product shall be limited to records relating to the purchase and sale of assets, holdings information, corporate actions and proxy voting with respect to the Portfolio. For clarification, all other property including but not limited to credit analysis, models, systems, programs, software, intellectual property and methodologies shall belong to the Contractor and be its sole and exclusive property.

### **XX. DATA SECURITY PROTOCOLS**

The Contractor represents that it has adopted data security protocols, policies, and procedures that meet or exceed financial industry best practices for ensuring the safety and security of all confidential and proprietary information in its possession, whether that information exists in tangible or electronic forms. The Contractor further represents that these policies and procedures include the appropriate handling of material, non-public information consistent with guidance issued by the Securities and Exchange Commission. The Contractor represents and warrants that these protocols, policies, and procedures will be regularly updated and revised in response to evolving best practices. The Contractor shall provide a copy of any or all of these protocols, policies, and procedures, upon the Plan’ request, subject to reasonable safeguards to ensure their confidentiality.

### **XXII. NO THIRD-PARTY BENEFICIARIES**

Neither party intends for this Contract to benefit any third party not expressly named in this Contract.

### **XXIII. PLACEMENT AGENT PAYMENT DISCLOSURE POLICY**

The Contractor hereby represents that no fees, bonuses or other compensation of any kind is being paid by or on behalf of the Contractor to any placement agent, finder or other individual or entity in connection with the Plan’s investment of the Assets in the Portfolio. The Contractor further represents that no fee or other compensation of any kind or value has been paid or given by the Contractor, any affiliate, employee, consultant or agent to any of the Plan’s consultants or advisors (including their affiliates) for the purpose (or with the effect) of obtaining (i) an



introduction to the Plan or any of their officers or employees in connection with the Plan's investment of Assets in the Portfolio, or (ii) a favorable recommendation with respect to the Plan's investment of Assets in the Portfolio.

#### **XXIV. SOVEREIGN IMMUNITY**

The Contractor acknowledges that the Plan reserves all immunities, defenses, rights or actions arising out of its status as a sovereign state or state entity, including those under the Eleventh Amendment to the United States Constitution. No waiver of such immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by reason of the Plan investing its Assets in the Portfolio, by any express or implied provision thereof, or by any actions or omissions to act by the Plan or any representative or agent of the Plan, whether taken or omitted to be taken.

#### **XXV. PROHIBITED TRANSACTIONS**

The Contractor shall not, nor cause the Portfolio, to knowingly transact with any Person which, at the time of such transaction, is (i) a Person named on the Specially Designated Nationals and Blocked Persons List administered by the Office of Foreign Assets Control (“OFAC”) of the United States Department of the Treasury, any other relevant anti-money laundering legislation or regulations, regulation or order administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, including Subtitle B, Chapter V of Title 31 of the U.S. Code of Federal Regulations, in each case as amended from time to time, (ii) any other Person with whom a transaction is prohibited by Executive Order 13224, the USA Patriot Act, the Trading with the Enemy Act or the foreign asset control regulations administered by OFAC, in each case as amended from time to time, (iii) a Person, with whom a transaction is prohibited by a U.S. person, and who is known by the Contractor to be owned or controlled by any Person described in the foregoing items (i) or (ii) (with ownership of 20% or more of outstanding voting securities being presumptively a control position), or (iv) a Person having its principal place of business, or the majority of its business operations (measured by revenues), located in any country, in which a U.S. person is prohibited from engaging in a transaction pursuant to the laws, regulations and Executive Orders described in the foregoing item (ii). For purposes of the foregoing, the Contractor's reliance on a representation or warranty made by a counterparty at or prior to the time of an investment or transaction shall constitute reasonable inquiry. The Contractor also agrees that neither it nor the Portfolio shall knowingly make any payment to any Person in violation of the U.S. Foreign Corrupt Practices Act (as amended from time to time), United Kingdom Bribery Act of 2010, or any applicable anti-corruption, anti-bribery and any applicable anti-money laundering statute or regulation. The Contractor confirms that the term “Person” includes governments, territories and other political entities.

#### **XXVI. DISCLOSURE**

A. The Contractor will promptly contact and provide a written statement to the Board whenever there are material changes in its financial condition or whenever there are significant changes in its business, including, but not limited to, ownership and key personnel responsible for the management of the Accounts or the Portfolio.

B. The Contractor will promptly notify the Board in writing of any material litigation or regulatory proceedings commenced by it or to which the Contractor is a named party that could have a material impact on the Accounts or the Portfolio.

C. The Contractor shall submit a copy of its most recent annual consolidated financial report within ten (10) days of the signing of this Contract and every year thereafter, within thirty (30) days of the publication of its annual consolidated financial report, for the duration of this Contract.

D. The Contractor shall provide the Plan with its written policy addressing its investment professionals and other key personnel trading practices concerning investing for personal benefit.

E. The Contractor agrees to promptly report in writing to the Board President and/or to the Chief Investment Officer, any contact by any one including members of the Plan's staff (unless their contact is for routine business purposes), the Board, the Commissioners, the Mayor's Office, or City Council, either endorsing, suggesting, or requesting any specific contract, the Contractor, or product as part of the Contract to be included, excluded or otherwise.

## **XXVII. NO WAIVER OF THE PLAN'S LEGAL RIGHTS**

The federal securities laws impose liabilities under certain circumstances on persons who act in good faith. Therefore, nothing herein shall in any way constitute a waiver or limitation of any rights that the Plan may have under applicable state or federal securities laws.

## **XXVIII. SOLICITATION OF CONTRIBUTIONS**

A. Fiduciaries of the Plan are prohibited from soliciting, directing, or receiving any contribution from Contractor. This prohibition applies to members of the Plan staff, the Board, the Mayor's Office, City Council, or any other person engaged in business for gain, seeking to engage in business for gain, or who has a Proceeding Pending before the Board or has had such a matter pending during the preceding twelve (12) months. The Board shall be responsible for providing the Contractor an updated and accurate list of persons covered by this section.

Definitions:

1. **"Fiduciary"** is defined as a member of the Board, and/or the Plan executive and senior management staff.
2. **"Person,"** within Section XXVII, means a natural person or business entity of any type, and includes all directors, partners, officers and agents of such business entity.

3. “**Business for gain**” is defined as any contract for goods or services, and any investment related contract.

4. “**Proceeding Pending**” means all ministerial, administrative and legislative matters, potential contracts, current contracts and contracts with the Board that have expired or terminated within the past twelve (12) months.

B. In the event any member of the Board or any executive or senior staff of the Plan, or any person claiming to represent or to have influence with either the Board or with any member of the Board, contacts the Contractor with respect to a contribution, the Contractor shall promptly report by telephone and in writing such contact to the President of the Board and the Plan General Manager.

C. The Contractor further agrees to furnish an annual certification, attested to by a responsible officer of Contractor’s firm. The certification shall describe each contact reportable under the foregoing paragraph, listing the date(s) of such contact, the person making the contact and the subject matter of the contact. The certification shall state that except as specifically described in the certification, no member of either the Board, executive or senior management staff of the Plan, any Commissioner, any member of the City Attorney's Office, the Mayor, Vice mayor, City Council, any active or inactive person employed by the Plan, and no person claiming to represent or have influence with the Board has contacted Contractor with respect to soliciting, directing or receiving any contribution. Such certification shall be filed, with the President of the Board or with the General Manager, annually by January 30th of each year for the preceding calendar year.

## **XXIX. SEXUAL HARASSMENT POLICY**

Contractor affirms that it is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits unlawful discriminatory practices, including harassment. Contractor has developed policies to ensure that all its employees can work in an environment free from unlawful harassment, discrimination and retaliation. Contractor will make every reasonable effort to ensure that all employees, and contractors are familiar with its policies and compliance procedures, and that all are aware that any complaint of a violation of such policies will be investigated and resolved appropriately.

Contractor encourages reporting of all perceived incidents of discrimination or harassment and it has adopted the policy to promptly and thoroughly investigate such reports.

Contractor represents that it currently does not have any pending or anticipated litigation against the company or its employees, involving allegations of sexual harassment or misconduct. Contractor shall promptly notify the Plan’s General Manager in the event any litigation involving sexual harassment or misconduct is filed against the firm, any employee or partner.

**XXX. NON-DISCRIMINATION CLAUSE**

A. The Contractor agrees and obligates itself not to discriminate during the performance of this Contract against any employee or applicant for employment because of the employees' or applicants' race, color, religion, national origin, ancestry, sex, sexual orientation, gender identity, age, or physical handicap. All subcontracts awarded under this Contract shall contain a like non-discrimination clause.

B. The Contractor shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City of Los Angeles. The Contractor shall comply with the provisions of the Los Angeles Administrative Code Sections 10.8 through 10.13, to the extent applicable hereto. The Affirmative Action Program of this Contract shall be the mandatory contract provisions set forth in the Los Angeles Administrative Code Section 10.8.4, and said provisions are incorporated herein by this reference. The Contractor shall also comply with all rules, regulations, and policies of the City of Los Angeles, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by said Office. Any subcontract entered into by the Contractor relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

**XXXI. APPLICABLE LAW, SEVERABILITY, INTERPRETATION AND ENFORCEMENT**

A. Each party's performance under this Contract shall comply with all applicable laws of the United States of America, the State of California, and the City of Los Angeles. This Contract shall be enforced and interpreted under the laws of the State of California and the City of Los Angeles.

B. Any state court of the State of California or the United States district court of the Central District of California, in the City of Los Angeles, has exclusive jurisdiction to settle any dispute between the parties, and neither party hereto waives its right to trial by jury.

C. If any part, term or provision of this Contract shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Contract, the validity of the remaining portions or provisions shall not be affected thereby.

D. Captions and paragraph headings are used in this Contract for convenience only and shall not affect in any way the meaning or interpretation of the terms of the Contract. The language used in this Contract shall be construed according to its fair and plain meaning. Any rule of construction that ambiguities or uncertainties in meaning are to be construed against the drafting party shall not apply to interpreting this Contract.

## **XXXII. CONTRACT AMENDMENTS**

This Contract may be amended, supplemented, or modified only by a writing executed by the parties hereto and making specific reference to this Contract.

## **XXXIII. INVESTIGATIONS AND COMPLAINTS**

To the extent permitted by applicable law, Contractor shall promptly advise the Board in writing of any investigation, complaint, disciplinary action or other proceeding relating to or affecting Contractor's ability to perform its duties under this Contract or involving any investment professional employed by Contractor who has performed any service with respect to the Plan in the twenty-four (24) preceding months, which is commenced by any of the following: (A) the Securities and Exchange Commission of the United States, (B) the New York Stock Exchange, (C) the American Stock Exchange, (D) the Financial Industry Regulatory Association (FINRA), (E) any Attorney General or any regulatory agency of any state of the United States, (F) any U.S. Government department or agency, or (G) any governmental agency regulating securities of any country in which Contractor is doing business. Except as otherwise required by law, the Plan shall maintain the confidentiality of all such information until the investigating entity makes the information public.

## **XXXIV. CONTRACTOR AGENTS**

Agents of Contractor who are responsible for performing services under this Contract shall be experienced in the performance of their tasks under this Contract and none of them shall have been convicted of any felony, found liable in a civil or administrative proceeding, pleaded no contest, or agreed to any consent decree, in any matter involving a breach of trust, breach of fiduciary duty, fraud, securities laws violations or bankruptcy law violations (collectively, "**Breach of Trust Violations**"). Upon written request of the Board or the Plan, the Contractor shall provide written confirmation that no Agent of Contractor performing any services under this Contract has committed any Breach Of Trust Violations at any time within the preceding twelve (12) months. The Contractor shall provide such confirmation within thirty (30) days of receipt of the request, or explain why it is unable to provide such confirmation.

## **XXXV. REPLACEMENT OF CONTRACTOR AGENTS**

Upon demand of the Board, Contractor shall replace any Agent assigned to perform services under this Contract which the Plan reasonably determines (i) is unable to effectively execute its duties under this Contract, or (ii) is otherwise not acceptable to the Plan in the Board's reasonable discretion.

## **XXXVI. TAX LIABILITIES AND NOTIFICATIONS**

In recommending or executing any investment transaction under this Contract on behalf of the Plan, the Contractor shall take into account the tax consequences to the Plan, if any, which arise from such transaction. The Contractor shall promptly notify if at any time the Contractor receives notice from any taxing authority that the Plan is required to pay taxes or to file any returns

or other tax documents with respect to income earned on the Assets and assist the Plan in applying for a refund or similar claim with respect to any amounts withheld by or for any taxing or similar authority.

**XXXVII. WAIVER**

No waiver of a breach, failure of any condition, or any right or remedy provided by the terms of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, preceding, or subsequent, nor shall any waiver constitute a continuing waiver unless the written waiver so provides. Acceptance by the Plan of the work performed under this Contract does not operate as a release of the Contractor or its Agents from any liability or responsibility for the work performed.

**XXXVIII. RECORDS AND AUDIT RIGHTS**

Contractor shall keep and maintain all books and records related to the Assets, Portfolio and Accounts for such time period as required by the Contractor's record retention policies and by applicable law, but in any event for no less than five (5) years. Contractor agrees that the Plan or the City, or any of their duly authorized representatives, shall have access to and the right to examine, audit, and copy any of Contractor's books, records, and other documents related to the Assets, Portfolio and Accounts at any time during the Term of this Contract and for five (5) years after its termination. Upon reasonable request and notice, Contractor shall make such records available during normal business hours at Contractor's business office. This Article XXXVIII shall survive termination of the Contract.

**XXXIX. SIGNATURES**

This Contract may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by the Plan) and sent by e-mail shall be deemed original signatures.

[SIGNATURES ON NEXT PAGE]



**XL. FINAL EXECUTION AND SIGNATORIES OF CONTRACT**

Final execution of this Contract shall be the date of the final signatory, subject to warranty by the individuals whose signature appears below that each has full authority to execute this Contract on behalf of the party for which their signature has been affixed; and, subject to satisfactory completion of compliance documents pursuant to Articles V and XVI.

**[Contractor Name]**

**BOARD OF ADMINISTRATION  
LOS ANGELES CITY EMPLOYEES'  
RETIREMENT SYSTEM**

By: \_\_\_\_\_  
[Name]  
[Title]

By: \_\_\_\_\_  
Neil Guglielmo  
General Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form:  
**Michael N. Feuer, City Attorney**

By: \_\_\_\_\_  
Anya J. Freedman  
Assistant City Attorney, City of Los Angeles

Date: \_\_\_\_\_