

**REQUEST FOR PROPOSALS**  
**FOR**  
**MASTER CUSTODIAN AND RELATED SERVICES**

**ISSUED BY:**



THE RETIREMENT BOARD OF ALLEGHENY COUNTY  
542 FORBES AVENUE, ROOM 106  
PITTSBURGH, PA 15219  
412-350-4674

August 3, 2020

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MASTER CUSTODIAN AND RELATED SERVICES**

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## REQUEST FOR PROPOSALS — SUMMARY PAGE

### **KEY DATES**

Requests for Proposals (RFP) issued:	August 3, 2020
Written questions from Proposers due:	August 21, 2020
Responses to written questions due:	August 31, 2020
Due date for submission of proposals:	September 11, 2020
Evaluation of proposals/Interviews of finalists:	Oct 2020 - Dec 2020
Contractor Selection:	January 21, 2021
Effective Contract date:	February 1, 2021

### **WRITTEN QUESTIONS**

Questions or any clarifications regarding this RFP should be submitted to [pension@alleghenycounty.us](mailto:pension@alleghenycounty.us) by 5 p.m. ET **Friday, August 21, 2020**. All written questions must include the name of the Proposer and person submitting the question(s), the RFP section and page number to which the question refers. A compilation of all questions and responses, along with any RFP addenda will be circulated by email to each Proposer by 5 pm ET **Friday August 31, 2020**.

# **REQUEST FOR PROPOSALS FOR MASTER CUSTODIAN AND RELATED SERVICES**

## **I. INTRODUCTION**

The Retirement Board of Allegheny County (RBAC) issues this Request for Proposals (RFP) to solicit proposals from qualified vendors (Proposers) to provide comprehensive domestic and international master custody services to include securities safekeeping, securities valuation, settlement, delivery, performance measurement, foreign exchange, collection of income, securities lending, accounting/management and information retrieval system, and other related services in connection with the investments of RBAC. Proposals for portions of these services and/or the use of subcontractors to provide these services will not be accepted. The contract for these services will be completed promptly upon the final selection of the winning Proposer in conformity with the terms of this RFP and the draft contract. The term of the anticipated contract is for three (3) years, which may be extended for one to three years at the discretion of the RBAC. However, RBAC reserves the right to make no selection based upon the responses provided.

Any Proposer must submit their responses in the same order as requested in this RFP, including identification of each section. By submitting a proposal, it is agreed by the Proposer that any misleading or false information given may be grounds for dismissal from consideration, or termination of any resulting contract, whenever or however discovered.

## **II. BACKGROUND**

The RBAC oversees and administers the Employees' Retirement System of Allegheny County under the provisions of the Second Class County Code (16 P.S. §§ 4701-4716) (the "Act"), including the management and investment of the fund. As of December 31, 2019, the fund has a value of approximately \$946,000,000. The Retirement System includes approximately 7,181 active Allegheny County employees and approximately 4,955 retirees who are participants in a defined benefit pension plan (the "Plan") set forth in the Act. The current investment configuration of the Plan includes a mix of equity, limited partnerships and bond funds.

## **III. SERVICES TO BE PROVIDED**

For master custodian services, the Proposer is expected to be able to provide all of the services listed below. RBAC reserves the right to award less than all of the services to the winning Proposer, in its discretion and subject to the agreement of the awardee(s).

### **A. Accounting**

1. Trade date multi-currency accounting for all securities and full accrual accounting for all assets.
2. Accounting services for: (a) dividends and interest, corporate actions (mergers, acquisitions, tenders, stock splits and dividends, warrants, spin-offs); (b) securities lending; (c) domestic and international fixed income and equity portfolios; (d) dividend reinvestment programs; (e) options and

futures; (f) futures and multi-currency derivatives; (g) private placements; (h) alternative investments; (i) comingled funds; (j) hedge funds; and (k) equity real estate and REIT portfolios.

3. Payable date posting for dividends, bond interest and principal, and interest and pay down on mortgage pass-through certificates.
4. Accounting on a fiscal year basis, January 1 to December 31.
5. A secondary pricing source for comparison to the primary source for pricing securities.
6. All investments reported at cost and market value. Gains and losses on securities sold recognized on the basis of the average cost of the securities.
7. Notification of corporate actions regarding subscriptions, conversion privileges, issuance of rights, mergers, reorganizations, and other actions requiring a decision by RBAC.
8. Monthly reconciliations between custodian and investment manager(s).
9. Notification of material variances between custodian and investment managers, along with steps taken to reconcile, adjust, or justification for unresolved variances.

**B. Securities Settlement**

1. Participating member and access to securities settlement through Depository Trust Company, Federal Reserve wire system, and at other depositories.
2. Settle physically held securities.
3. Execute foreign exchange transactions.
4. Electronic access to trade and holding data by an RBAC approved vendors.

**C. Cash Management**

1. Provide a Short Term Investment Fund (STIF) for daily cash sweeps. Maintain daily sweep activity for purpose of transferring uncommitted funds from the individual external manager custody accounts.
2. Income earned by STIF or other cash accounts compounded daily.
3. Income earned, redemptions and maturities must be credited to the proper account.

4. Cash flow from purchases and sales must be credited on contractual settlement date.
5. Transfer cash between accounts, and make and accept wire transfers of funds and ACH transfers of funds.
6. Provide a Cash Flow Model allowing the custodian to process all capital calls and distributions electronically including electronic fund transfers between client accounts.

**D. Securities Lending**

1. Provide securities lending services for eligible domestic and international securities.
2. Establish a list of eligible borrowers and maximum amount that may be borrowed by each and conduct ongoing reviews of borrower qualifications.
3. Require that all loans of securities be collateralized by cash, securities, or letters of credit of mutually acceptable counterparts.
  - a. U.S. securities must be collateralized at 102% of market value, including accrued income.
  - b. Non-U.S. securities must be collateralized at 105% of market value, including accrued income.
4. Require competitive market levels of collateralization for domestic and international securities, including accrued income.
5. Monitor collateral levels daily and obtain additional collateral if and when market values fall below acceptable levels.
6. Collect all interest or other distributions with respect to any loaned securities.
7. Provide regular reports on collateral, identifying daily collateral required and pledged, and a monthly report on securities lending activity and outstanding loans, including amounts by borrower.
8. Provide indemnification against borrower default.

**E. Directed Brokerage Services**

1. Provide directed brokerage services for specific RBAC investment managers.
2. Establish contractual relationships with domestic and international brokerage firms.

3. Notify RBAC investment managers of the brokerage firms available for directed brokerage (commission recapture) services.
4. Coordinate and monitor directed brokerage activities on behalf of RBAC.
5. Collect related brokerage fees and make distribution quarterly.
6. Provide monthly report on individual investment manager activities.

**F. Corporate Actions, Class Actions and Proxy Processing**

1. Provide company annual reports, proxy voting cards and proxy statements to RBAC or designated investment managers prior to annual and special meetings for U.S. and foreign corporations.
2. Provide proxy-voting capabilities for U.S. and foreign holdings, including proxy voting services, notification of proxy information and translation of foreign proxies.
3. Provide reports detailing all proxy voting activities.
4. Provide notification of pending corporate actions, including conversion privileges, issuance of rights, mergers, tender offers, reorganizations, and other actions requiring decisions.
5. Provide necessary securities information for class action litigation.
6. File claims for securities class action awards and monitor collection of the amounts to which the Plan is entitled.

**G. Technology**

1. Provide a web enabled or internet-based system with access management information and accounting systems with the capability to provide the following information:
  - a. Current and historical performance
  - b. Current and historical prices, market values and exchange rates in effect at times of pricing international securities
  - c. Composite portfolios
  - d. Current and historical transactions by security, account and asset class
  - e. Current and historical holdings in any aggregate
  - f. Performance aggregate data
  - g. Tracking and reporting of pending class actions, exposures

and deadlines

- h. Performance and analytical databases
  - i. Customized reports as required
  - j. Ad hoc queries and reporting
2. Ability to monitor portfolios for compliance with RBAC investment guidelines.
  3. Ability to provide disaster recovery and business continuity services in the event of a disaster or other extraordinary event.

#### **H. Reporting Requirements**

1. Provide monthly accounting reports, including a balance sheet, and income statement.
2. Provide an accurate report of all holdings, transactions and other pertinent investment data, in a format agreed to by both parties, no later than 30 days after the end of each fiscal year (December 31).
3. Provide monthly performance reports detailing market performance, portfolio performance, and any aggregate data deemed necessary by RBAC.
4. Provide tracking of brokerage, commissions paid by managers to specific brokers including tracking specific service classes by manager and groups, and the commission per dollar of cost and per share by broker.
5. Provide report of largest assets held for stock and bond holdings.
6. Provide fiscal year end reports to comply with applicable Government Accounting Standards Board (GASB) reporting requirements.
7. Provide annually the audited internal control report for information technology and fund accounting systems, including letters requested by RBAC's auditor.
8. Access to reports for daily transactions.
9. Provide such other reports as may be requested by RBAC.
10. Perform and provide monthly reconciliations to Investment Consultant accounting reports.
11. Provide communications to RBAC in the event of material variances when reconciling to Investment Managers along with documentation to explain reason for variance.

**I. Personnel**

1. Assign appropriate accounting and investment performance personnel to the RBAC account and make assigned personnel available as needed.
2. Provide competent personnel to facilitate access to records and information that may be required for audit purposes
3. Provide personnel to assist RBAC auditor with investment inquires.

**IV. MINIMUM QUALIFICATIONS**

The Proposer responding to this RFP must meet the following minimum qualifications to be given further consideration.

- A. Proposer shall be authorized to conduct trust/custodian/institutional asset management business, including the required services listed in this RFP, and be authorized to conduct business with RBAC in Pennsylvania.
- B. The Proposer must have a total number of at least 15 defined benefit (custody) clients, including at least five public funds, with at least \$500,000 each in tax-exempt assets.
- C. The Proposer must have been providing custodian services for a minimum of eight (8) years.
- D. The account administrator (the individual primarily assigned to RBAC's account and in charge of the day-to-day contact) proposed for this engagement must have a minimum of five (5) years of experience and three (3) years at the proposing company) in custody services.
- E. The Proposer must issue a Service Organizational Control (SOC) Report at least once a year.
- F. The Proposer must fully complete the RFP questionnaire.
- G. The following insurance policies providing a minimum of the following must be in effect throughout the term of the Agreement:
  1. Comprehensive Commercial General Liability Insurance
  2. Workers' Compensation
  3. Banker's Professional Liability
  4. Directors and Officers Liability
- H. The Proposer must provide its own work facilities, equipment, supplies, technology, and support staff to perform the required services.

## **V. PROPOSAL COMPLETION AND SUBMISSION PROCEDURES**

Interested vendors are invited to submit their completed proposal. Only fully completed proposals will be considered. The final negotiated contract with the selected Proposer will incorporate the terms of this RFP, the terms of the attached draft contract (see Section X), and the winning Proposal, without substantial deviation. Any request for a deviation from the terms of this RFP must be made in the form of Exceptions submitted at the time of the Proposal's submission. Exceptions may be granted or rejected in RBAC's sole discretion.

### **A. Deadline for Proposals**

Proposals must be delivered to RBAC by **5:00 p.m. ET on Friday, September 11, 2020.**

### **B. Evaluation of Proposals**

All proposals received shall be subject to examination by a committee designated by the RBAC, which will review, rank and recommend the proposals that most closely meet the purposes of the RFP. The finalists may be asked to make oral presentations to the Committee and/or RBAC. The final evaluation and selection will be made by the RBAC.

### **C. Rights Reserved**

RBAC reserves the right to amend any segment of this RFP prior to the announcement of a successful Proposer. In such an event, all proposers will be afforded the opportunity to revise their proposal to accommodate the RFP amendment.

RBAC reserves the right to request additional information from any Proposer and to accept or reject any proposal without specifying the reason(s). RBAC reserves the right to request additional proposers and the right to renegotiate for lower fees at any time with any Proposer.

RBAC reserves the right to inspect the Proposer's facilities prior to award to satisfy questions regarding the Proposer's capabilities. RBAC further reserves the right to reject any proposal if the evidence submitted by, or revealed through investigation, show that the Proposer is not properly qualified to carry out the obligations of the contract and to provide the required services.

### **D. Notice to Proposers Regarding Responsibilities for Costs**

All costs of preparation and presentation associated with responding to this RFP, and any related activities, will be the responsibility of the Proposer.

### **E. Binding Offer**

The Proposer shall be bound by the information and representations contained in any proposal submitted. The proposal is deemed to be a binding offer by the Proposer. Proposer understands and agrees that Pennsylvania law will govern.

**F. Acceptance of Terms and Conditions**

Submission of a proposal in response to this RFP evidences the Proposer's acceptance of the terms and conditions contained within this RFP, subject to any exceptions that the Proposer properly and timely submits and which RBAC, in its sole discretion, may grant consistent with the terms of the RFP.

**G. Proposer's Acknowledgment and Agreement**

All Proposers must:

1. Agree that any resulting contract and services will be subject to and interpreted by Pennsylvania law.
2. Agree that this RFP and the Proposer's response will be incorporated by reference to any resulting contract.
3. Acknowledge and agree to be RBAC's book of record for accounting purposes and exercise the same care and diligence to ensure proper and timely reporting including exercising "reasonableness tests" for third-party data. Agree to communicate timely to RBAC any concerns, issues or material variances.
4. Have substantial experience in providing custody, securities lending, and other ancillary services.
5. Answer to the best of its abilities, all questions in the RFP.

**H. Security Procedures/Disaster Recovery**

Proposers shall demonstrate to RBAC that sufficient security procedures and data recovery capabilities exist to protect customer information and resume normal business functions in the event of a disaster or other emergency.

**I. Applicable Laws and Courts**

The solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Pennsylvania, and any litigation with respect thereto shall be brought in either the Allegheny County Court of Common Pleas or the United States District Court for the Western District of Pennsylvania. The Proposer shall comply with all applicable federal, state and local laws and regulations.

**J. Standard of Care/Fiduciary Standard**

RBAC expects the proposer to acknowledge and agree to be a fiduciary with respect to the safekeeping of assets and all related duties and RBAC requests that the RFP response include the language that the proposer uses in other similar engagements.

**K. Ethics in Public Contracting**

By submitting a proposal, the Proposer certifies that the proposal is made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Proposer, service provider or subcontractor in connection with the proposal, that they have not conferred on any public employee or official having responsibility for this transaction or a member of his/her immediate family or a business with which he/she is associated, anything of monetary value, including a gift, loan, political contribution, reward or promise of future employment, in exchange for influencing or procuring this contract.

**L. Qualifications of Proposers**

RBAC may conduct reasonable investigations as deemed proper and necessary to determine the ability of Proposer to perform the required services. Proposer shall furnish to RBAC all such information and data requested for this purpose.

**M. Business Continuity**

The Proposer must indicate any recent or anticipated changes in its corporate structure, such as mergers, acquisitions, new venture capital, stock issue, etc.

**N. Assignment of Contract**

A contract shall not be assignable by the Proposer in whole or in part without the written consent of RBAC.

**O. Contract Term**

It is anticipated that the initial engagement period of the contract will be two (2) years with the possibility of extending the contract by one, two or three years. RBAC reserves the right to terminate the contract upon 90 days' notice with or without cause.

All Proposers will be notified of RBAC's decision in writing after the final selection has been made unless previously notified. Telephone or other informal inquiries after the proposal deadline are strongly discouraged.

**P. Ownership of Data and Work Product**

There is a presumption that all work product generated by RBAC under the contract, as well all data compiled by the Proposer while performing this contract, shall become the sole property of RBAC. RBAC must be given reasonable access to all such work product or data compiled by the Proposer in the performance of this contract.

## **VI. PROPOSAL SUBMISSIONS**

### **A. Proposal Acceptance**

Proposals shall be enclosed in a sealed package or box and plainly marked. The deadline for receipt of the proposal is **5 pm ET Friday, September 11, 2020**. Any proposal delivered after the deadline will not be considered. The Proposer shall submit one (1) original and eight (8) copies of the proposal. Proposals are to be submitted to:

Retirement Board of Allegheny County  
Attn: RBAC RFP-Master Custodian Services Response  
542 Forbes Avenue  
County Office Building, Room 106  
Pittsburgh, PA 15219

Proposals may be mailed or hand-delivered. If the proposal is sent by mail or commercial express delivery service, the responding Proposer shall be responsible for actual delivery to the proper address before the deadline. All timely proposals become the property of RBAC.

The Proposer may withdraw the proposal at any time prior to the deadline for submission upon presentation of a written request to RBAC. All proposals shall be firm offers and may not be withdrawn for a period of nine (9) months following the last day to accept proposals. Proposals should include the following and preceding information to illustrate the Proposer's capabilities.

Proposers requiring clarification of the intent and content of the RFP may submit written questions to [pension@alleghenycounty.us](mailto:pension@alleghenycounty.us). The deadline for submission of questions is **5 pm ET Friday August 21, 2020**. Responses to the questions are expected to be circulated via email on **August 31, 2020**. Proposers are directed not to contact RBAC personnel for meetings, conferences or discussions related to this RFP.

### **B. Proposal Preparation**

In order to simplify the evaluation process, proposals must be submitted in the format described in the Proposal Content and Sequence section below.

Other than clarifications or additional information as may be requested by RBAC, no corrections or resubmissions from Proposers will be accepted after the proposal submission deadline.

If any ambiguity, conflict, discrepancy, omission or other error is discovered in this RFP, the Proposer should immediately notify RBAC at [pension@alleghenycounty.us](mailto:pension@alleghenycounty.us), requesting modification or clarification of the document. Modifications of material consequence will be made by addenda issued to all Proposers.

## **C. Proposal Content and Sequence**

### **1. Cover Letter**

A cover letter on the Proposer's official business letterhead, which shall be considered an integral part of the proposal package and must be signed by the individual(s) authorized to bind the Proposer. The cover letter must indicate the signatory's title or position in the proposing business. An unsigned proposal may be rejected. The letter must identify all materials and enclosures being forwarded collectively as a response to this RFP. The letter shall also contain the following:

- a. The proposal is complete as submitted and must warrant that the Proposer has met all of the minimum qualifications specified in Section IV.
- b. The Proposer's name, address, telephone number and email address for lead contact person(s).
- c. A statement to the effect that the proposal is a firm and irrevocable offer good for at least nine (9) months from the proposal deadline date.
- d. A statement describing the services proposed and expressing the Proposer's willingness and ability to perform the services as described in the RFP.
- e. Name, title, telephone number and email address of the account administrator and primary contact person.
- f. Information on the circumstances and status of any investigation, examination, complaint, disciplinary action or other proceeding commenced by any state or federal regulatory body or professional organization against the Proposer during the past three (3) years.
- g. Certification of non-discriminatory practices in the Proposer's services.
- h. Identification of any sections of the proposal that the Proposer is identifying as confidential. Proposers should note that RBAC is a public agency, and that submitted proposals may become publicly accessible upon completion of this RFP process. Attempts to designate an entire proposal as proprietary or confidential are not valid and will not be honored.
- i. Certification that the quoted prices are genuine and not the result of collusion or any other activity which would tend to directly or indirectly influence the process, and the proposal is being made without fraud or collusion; that the Proposer has not offered or received any finder's fees, inducements or any other form of remuneration, monetary or non-monetary, from any individual or entity related to the RFP.

- j. Certification that the Proposer has no real or potential conflicts of interest that would prevent the Proposer from acting in the best interests of RBAC.
- k. Statement that discloses the nature of any personal or business relationships (including prospective business) you have, or have had in the past five years, with any RBAC board member or employees.

## **2. Table of Contents**

The proposal must contain a table of contents showing the proper order using a numeric format.

## **3. Executive Summary**

The primary objective of the executive summary is to provide an overview of the key points in the proposal. It should be brief and concise, not to exceed five (5) pages.

## **4. Questionnaire**

Proposer shall complete the questionnaire, Attachment A, pertinent to the services proposed. All responses to the questionnaire shall be subject to verification for accuracy. Proposals containing false or misleading information deemed to be material shall be rejected.

Completeness, clarity and brevity are stressed in the RFP proposal binder. The Proposer should address the items in the RFP in the order in which they appear. Each question number and question in the RFP shall be repeated in its entirety before stating the answer.

## **5. Fee Schedule**

Fees must be submitted in U.S. dollars in the format(s) prescribed in Attachment B. Any deviation from the prescribed format(s) which, in the opinion of RBAC is material, may result in rejection of the proposal.

The proposed fee shall include all costs for providing services to RBAC as described in this RFP and shall be guaranteed. Once the successful Proposer has been selected, the fees may be further refined but in no case will the final fee(s) be higher than the fee(s) contained in the proposal.

## **6. Exceptions**

This section should contain any exceptions to or deviation from the requirements of the RFP. Proposer must clearly state and explain any exceptions. If there are no exceptions, a statement to that effect must be made.

## 7. Experience and References

Provide a list of client relationships where only custodian services similar to this RFP have been or are being provided. Provide the name, address and telephone number for at least three client references that RBAC may contact.

List any pension plan clients that have terminated their custodian service contacts with Proposer in the last five (5) years. Include the client's name, size and date of contract termination, and reason for contract termination.

## 8. Other Information

This section is optional and may include promotional material such as brochures. Do not include in this section any information that is in direct response to the requested service requirements.

## VII. PROPOSAL EVALUATION PROCESS

During the evaluation process, RBAC may identify areas in submitted proposals where additional information or clarification may be needed. If required, RBAC, will provide each Proposer that it deems reasonably qualified with a description of issues to be explored. These areas may include fees, availability of personnel, or any other matter the evaluation committee may need further information about for their assessment. These issues may be exclusive to each Proposer that RBAC deems reasonably qualified.

Proposals will be screened initially to determine if they satisfy the Minimum Qualifications. Proposals that are non-compliant will be eliminated. After Minimum Qualifications have been satisfied, the evaluation criteria will be as follows:

- A. **Ability.** The Proposer's ability to provide the requested services including, but not limited to:
  - 1. Risk Management – internal control structure.
  - 2. Cash Management – capabilities and experience.
  - 3. Accounting and Reconciliation – capabilities.
  - 4. Performance Measurement – capabilities and experience.
  - 5. Reporting – timeliness and accuracy.
  - 6. Securities lending – experience.
  - 7. Year End Reporting – capabilities.
  - 8. Transition and Conversion – capabilities and experience.

- B. **Related Experience.** The Proposer's demonstrated, related experience providing services comparable to RBAC's needs. Expertise in all aspects of custodian services, the 1937 Act, and U.S. and non-U.S. capabilities.
- C. **Qualified Personnel** assigned to provide necessary services.
- D. **Business Stability.** The Proposer's stability, professionalism and reputation as compared to other vendors providing custodian services, and demonstrated ability to effect smooth succession in the event of the departure of key persons.
- E. **Assigned Individuals.** The credentials and experience of the person(s) who would be assigned to RBAC.
- F. **Fee Proposal.** Reasonableness and competitiveness of the fee structure/costs proposed by the Proposer.
- G. **General Quality and adequacy of Proposal,** including completeness of response, conformity to terms and conditions, and written plan to effectively and timely deliver on scope of services.
- H. **Quality of References.** Level of satisfaction of present and/or former clients.
- I. **Other Factors.** Any other factors that would be in the best interest of RBAC that were not previously described.

**VIII. QUESTIONNAIRE – ATTACHMENT A**

**A. Organization, Administration and General Information**

1. Provide an executive summary of your organization’s Institutional Master Trust/Custody business unit.
2. Describe what differentiates your organization from other custodian banks.
3. Describe specific strengths and services/products your organization has for meeting the needs of public funds like RBAC.
4. Include an organizational chart of the Institutional Master Trust/Custody business unit. Describe the Proposer’s overall management structure and how the Institutional Master Trust/Custody business unit fits within it.
5. Complete the following table regarding your tax-exempt clients.

<b>Client Type</b>	<b>Total Number of Tax-Exempt Clients</b>	<b>Total Assets Under Custody</b>	<b>Number of Clients &gt; \$1 Billion</b>	<b>No. of Clients between \$500M-\$1B</b>	<b>Number of Clients &lt; \$500M</b>
Public					
Corporate					
Endowment					
Other-Taft Harley					
Total					

6. Complete the following year-by-year summary chart regarding your tax-exempt clients

<b>Year End</b>	<b>Total Number of Tax-Exempt Clients</b>	<b>Asset Value</b>
2015		
2016		
2017		
2018		
2019		

7. How many new Institutional Master Trust/Custody clients and assets have you added/lost in each of the past five (5) years? Complete the matrix below. For clients lost, provide the reasons for termination.

Calendar Year	Added		Lost	
	Number	Dollar Amount	Number	Dollar Amount
2015				
2016				
2017				
2018				
2019				

7. On average, how many accounts are assigned to each of the primary client relationship officers?
8. Describe your commitment to service quality and customer service. Do you have a total quality management program? If so, please describe. Do you survey your clients? If so, how often? Please provide the most recent results.
9. Provide most recent S&P and Moody's ratings reports, as well as your latest annual financial report.
10. List all insurance coverage relevant to Institutional Master Trust/Custody functions. Indicate the type and amount of coverage, including, but not limited to:
- a. Comprehensive Commercial General Liability Insurance.
  - b. Workers' Compensation.
  - c. Banker's Professional Liability.
  - d. Directors and Officers Liability Insurance.
11. Identify and describe any litigation or investigation by a regulatory authority that your organization or officers have been involved in over the last three years that relates to Institutional Master Trust/Custody services. Describe the outcome of any litigation or investigation.
12. Describe any ongoing educational programs, sessions, conferences,

publications or other means that you have for keeping clients fully educated and to provide a forum for new ideas or needs.

13. Describe your institution's fiduciary responsibility. What is the scope, depth and limitation of such fiduciary conduct relative to all services required by this RFP?
14. Provide contacts, addresses and telephone numbers of three references for Institutional Master Trust/Custody relationships of U.S. defined benefit plans having assets greater than \$500 million.

**B. Performance Measurement**

1. Describe your domestic and international performance measurement system. Is global performance evaluation provided before and after currency adjustments (realized and unrealized)?
2. Describe the methodology used to calculate performance.
3. Describe and provide an overview of your risk analytics capabilities. Are your risk analytics part of the general performance measurement services or would this be considered an additional service with an additional fee?
4. Describe the systems and procedures for the processing, valuing and reporting of alternative investments including real estate, private equity, venture capital and other non-traditional assets.
5. Do you provide guidance compliance monitoring services? What percentage of your clients utilize these services? What systems are in place to ensure accurate and timely communication of any violations?
6. Describe any elements of your performance measurement and analytic services that you believe to be unique.
7. How would your services complement the current performance measurement services provided through the financial consultant(s)? Are you aware of any areas of redundancy that could be eliminated?

**C. Investment Manager Relations (Investment Reconciliation Process)**

1. What information delivery system do you offer investment managers? How is this system different from the information delivery system used by clients?
2. Are managers offered the capability to view their accounts on a real-time basis?
3. How do investment managers communicate trade instructions to your organization for settlement? What are the instruction deadlines?

4. Describe your organization's competitive advantage as it relates to servicing manager terminations and hires.
5. Do you have a separate investment manager liaison group that handles the reconciliation process? If so, please describe the structure of the group and how it communicates with the accounting group. If not, please describe how investment manager relationships are handled.
6. Describe the role your organization plays in the investment manager reconciliation process, including the specific procedures performed on the reconciliations prepared by managers. Do you formally reconcile your records with those of the investment managers? Describe the process and frequency of reconciliation. Do you actively work with investment managers to ensure accuracy, or is it the sole responsibility of the investment manager to contact you if differences are discovered?
7. Do you monitor tolerance levels for pricing discrepancies with investment managers? How are pricing challenges resolved?
8. Describe your cost allocation method used when corporate actions occur (spin-off, reorganization). How do you handle discrepancies with investment managers for cost allocation rate?
9. What is your reconciliation policy and procedure of handling the commission recapture program with investment managers?

**D. Accounting & Reporting**

1. Discuss the level of automation of your Institutional Master Trust/Custody accounting system.
2. Describe procedures for ensuring that all interest and dividends for clients are paid.
3. Can your accounting system track hurdle rates and assist in validating investment manager fees by having breakpoints and the associated basis point fees?
4. Describe your experience with Alternative Investments. Does your accounting system track total commitment levels to alternate investments, as well as capital calls against commitments and market values? Does your accounting system accommodate partnership accounting for limited partnership accounts fund to fund? Describe any serial procedures for the processing, valuing and reporting of alternative investments, including real estate, private equity, venture capital and other non-traditional assets. Do you have proprietary software for alternative investment accounting? If so, provide a brief description.
5. Provide a schedule of accounting reports and electronic fees with samples.

6. Is reporting provided on a trade-date, accrual basis? Do asset valuation and transaction statements reflect pending transactions? Is accrued interest included in asset valuations?
7. How soon after fiscal year end are annual reports available? Can you provide interim valuations and reports to meet a one-time or ongoing special client need? Is there an additional charge?
8. What steps are taken to ensure the accuracy of client reports? Who is responsible for ensuring accuracy? Does an account officer sign and certify the reports? What is the process and turnaround time for correcting errors?
9. What are your data retention policies and procedures?
10. What reporting is provided to assist in satisfying GASB Statement No. 40, Deposits and Investment Risk Disclosures, requirements?
11. What reporting is provided to assist in satisfying GASB Statement No. 28, Accounting and Financial Reporting for Securities Lending Transactions, requirements?
12. What reporting is provided to assist in satisfying GASB Statement No. 53, Derivative Instruments, and requirements?
13. What reporting is provided to assist in satisfying GASB Statement No. 72, Fair Value Measurement and Application, requirements?
14. Do clients have the ability to create custom reports?
15. Provide a description of your daily valuation service process and include your NAV calculation methodology.
16. Does your system have a general ledger interface managed by the bank? What input is required from the client?
17. Describe your process with respect to class actions, the services that are provided and the extent of any additional fees for such services.
18. Describe your systems, controls, and procedures for providing best execution on foreign exchange transactions. What reports or audit trails are available for monitoring a trade's execution time, method, and other necessary information to monitor the exchange rates?
19. Describe your capabilities for filing foreign tax reclaim forms, monitoring foreign tax liability and tax reclaim collection, including monthly reconciliations of tax reclaims from a prior custodian.
20. What are the fees associated with foreign exchange transactions?

**E. Security Movement and Control**

1. Describe your depository memberships and the services you use at these depositories. Describe your system for registration and custody of assets.
2. How and where are physical settlements transacted?
3. How and when are corporate actions processed?
4. What percentage of fails did you experience in the last three years for sales and purchases?
5. Describe the process for fail floats as it relates to compensating accounts, affecting cash balances, and frequency of advising managers of fails.
6. Explain your policy and procedures for income collection, timely settlement of purchases and sales, and when dividend and interest become available for reinvestment.
7. Describe your procedures for identifying “abnormal” prices and state the tolerance levels used for the various security types.
8. Describe your sources for pricing securities, and provide a full schedule of all primary and supplemental pricing sources by asset class.
9. What procedures are in place to investigate unusual or significant pricing changes from the previous pricing period? What is the frequency of your pricing updates?

**F. System Capabilities, the RBAC Capital Call Portal and Disaster Recovery**

1. What is the configuration of the existing computer system used for Master Trust/Custody processing.
2. Are you aware of the RBAC’s Capital Call portal and do you confirm that you will be able to utilize this portal without reservations?
3. In terms of disaster recovery, describe your back-up and restoration capabilities, business continuity plan, and any experiences with the same during the past five years.
4. Does an outside auditor or consultant review your disaster recovery plan?
5. Describe any recent significant modifications to the core accounting system, and to the security movement and control system.
6. Describe any planned significant modifications or enhancements to the core accounting system.
7. Describe the system’s security procedures.

8. Do you have one multi-currency system for domestic and global accounting?

**G. Cash Management**

1. Describe any short-term investment vehicles that are available for tax-exempt client use. Provide the guidelines, objectives and management fees for each fund option.
2. Provide facts sheets that reflect performance history and expense ratios for each fund listed in your answer to Question 1 above.
3. Describe all fees associated with cash management.
4. Describe the daily procedure for investing client cash.
5. When is STIF interest credited to the customer?
6. When do you invest funds received for interest, dividends and sales?
7. How many of your clients currently utilize a separate short-term/cash manager in monitoring cash balances?
8. Describe your cash forecasting ability to assist a separate short-term/cash manager in monitoring cash balances.
9. Which currencies pay interest on account balances? Is there a charge that is netted against these earnings?
10. List any countries where your standard cash management policies are currently not enforced and explain.

**H. Conversion**

1. Describe your approach to the implementation and conversion process, including an estimated conversion calendar and timeframes for any actions required by the client and Master Custodian.
2. Do you have a conversion manual? If so, please provide.
3. Identify the dedicate resources, procedures and controls you will provide or recommend in the conversion period to ensure successful and timely conversion.
4. How do you handle transactions and claims that are in process during the transition/conversion period?
5. How do you handle the performance measurement files during the transition/conversion period?
6. Provide a summary of the complications that you reasonably expect to

occur during a custody service conversion and your approach to resolving these anticipated issues?

## **I. Securities Lending**

1. Do you offer a securities lending program? Explain whether/how it is offered directly or indirectly.
2. Describe your securities lending program philosophy and how you are able to negotiate the most favorable rates on loans for clients. Provide details on differentiating features in your program.
3. What is the total size of your securities lending program? List the markets in which you currently participate.
4. Is securities lending available to all Master Trust/Custody clients? If not, please explain.
5. How many of your Master Trust/Custody clients participate in your securities lending program?
6. Describe your cash collateralization policy on both a domestic and global basis.
7. Describe how borrower creditworthiness is determined and who is responsible for this determination and establishing/monitoring lending limits.
8. Do you stress test your securities lending program (collateral and borrowers)? Describe the methodology and procedures utilized for stress testing and the frequency of testing.
9. What has been the incidence of sell fails impacting your securities lending program?
10. Do you provide indemnification, insurance or bank guarantee, other than collateralization, to protect a client against loss on either borrower default or collateral reinvestment? If so, please describe.
11. Set forth all compensation and fees associated with the program?
12. How are holdings information and transactions communicated between the parties?
13. What is the current rate of earnings for each asset class?
14. What is the current yield on the short-term assets in the securities lending program?
15. How do you coordinate your securities lending activities with the client's investment managers?

16. How often do you audit the securities lending program internally and externally?
17. What internal controls, systems and procedures do you have regarding securities lending?
18. How do you benchmark the performance of your small to mid-cap lending program and do you provide that information to your clients?
19. What changes do you anticipate in the securities finance industry in the near future and what are you doing to prepare for these changes?

**J. Global Custody**

1. Do you have the ability to custody separately managed, non-U.S. assets? If not, how are you able to meet the needs of a clients who wish to utilize separately managed non-U.S. accounts?
2. Provide a brief history of your global custody operations, including the dates of key elements and enhancements.
3. How many clients do you currently have using global custodian services?
4. Briefly describe your Global Custody capabilities, including those items which set you apart from the competition.
5. How long have you used your current global accounting software and what major enhancements have you made in the last three years?
6. For each country in which you provide custody services, list your custodian agent bank and when the current relationship was established.
7. What criteria do you use to select your global sub-custodians? How frequently do you review your sub-custodian relationships? How often do you assess political and market risk in a foreign country? Please list any sub-custodians who have been terminated in the past three years and the reason for termination.
8. Describe your ability to handle foreign exchange transactions, including the alternatives available.
9. What are your dividend and income collection and crediting policies, by country?
10. Describe your tax reclaim policy and procedures, including the manner in which you notify clients of changes in local tax laws.
11. Describe how your multi-currency accounting system handles foreign exchange contracts.

12. Describe how your multi-currency accounting system handles options.
13. Describe the controls you have in place to ensure the integrity of the sub-custodian settlement and custody reporting.
14. Does your insurance coverage apply to securities held in your sub-custody network?
15. Do you publish a country and market practices manual that includes a summary of trading, settlement, and collection practices for each country in your network?
16. What percentage of the Master Trust/Custody business unit's revenue comes from foreign exchange trading over the past three years?
17. Provide summary statistics by market on the percentage of trades settled on time.
18. Describe your domestic and international safekeeping network, including the markets that are currently covered in your sub-custodian network.

**K. Audit Controls**

1. Describe the process for monitoring audit recommendations made to management.
2. Provide copies of any internal Control opinions issued by your independent auditors within the last three years.
3. List your current credit rating from all credit agencies that rate your organization for the past three fiscal years along with the specific part of your company that was rated.
4. What level of certification is provided with annual reports? Are client auditors able to examine bank records pertaining to client accounts?

**L. Technology**

1. Describe your system enhancement team, structure and service model.
2. Describe the system enhancement process that you go through when evaluating technological enhancements and implementation.
3. Describe your quality control and testing team and how you ensure system enhancement meet quality control standards. Provide any examples of an enhancement that was pursued with the past year.
4. Describe the system enhancements that you implemented in the past year in core-accounting, corporate actions, trade processing, benefit payments and/or performance and analytics.

5. Do you outsource any unit of the technology department? If so, please explain.
6. For each country in which you provide custody services, list your custodian agent bank and when the current relationship was established.

**M. Core Custody and Accounting Performance/Analytics**

1. Outline and describe the custody, accounting and performance analytics business model that you employ. Diagrams and summary descriptions that outline the various functions, team and strategy are encouraged.
2. Please describe any organizational changes in the custody, accounting and performance analytics teams that have been implemented in the past three years.
3. Please describe any organizational changes in the custody, accounting and performance analytics teams that are planned for implementation within the next three years.
4. List and describe up to three upcoming solutions that you will release in the next three years that exhibit your commitment to innovation and advancement in the custody, accounting and performance space.
5. Identify and describe any different levels of service that are available to a client that chooses custody, accounting and performance analytics services.
6. Describe the databases that are used in providing client solutions, including the databases that feed the core custody, accounting and performance analytics reporting function and how these underlying databases are integrated into the reporting user-interface that clients utilize.
7. Describe any joint ventures or outsourced contracted solutions used by your custody, accounting and performance analytics department.

**N. Strategy Relating to RBAC**

1. Describe your experience and viewpoint regarding performance incentives and penalties for public pension plans.
2. In view of the configuration and complexity of our portfolio, please identify what you consider the three most complex and challenging aspects of our portfolio as it impacts your ability to service RBAC.
3. Explain how you will address the challenges identified in your preceding answer (N.2), and the performance reporting and monitoring systems you will employ to ensure smooth operations.

4. In view of RBAC's portfolio and operations, identify three aspects of your service that you believe will outshine your competition. Specificity, rather than generalizations, is strongly encouraged.
5. What are the primary benefits to investment personnel as end-users of your system's client-facing information, interactive software, or other features?
6. What other services do you provide to a public pension fund of RBAC's size that is not specifically requested in this RFP?
7. Please provide three questions that RBAC has not asked in this RFP that you consider relevant to our consideration here, and your responses to those questions.

**IX. FEE SCHEDULE - ATTACHMENT B**

Set forth your proposed flat fee for all custodian and related services contained within this R.F.P. **All proposers are required to provide a flat dollar custody fee proposal.** In addition to the flat fee contained in your submission, **each proposer must specifically identify any service and the corresponding fee that is not included within the flat fee.** The initial engagement period of the contract will be two (2) years with the possibility of extending the contract by one, two or three years.

**The Proposer must certify that the fee proposal submitted includes all custodian and related services identified in this R.F.P. and the services that are often requested by public pension plans of a size comparable to RBAC.**

<b>YEAR</b>	<b>FLAT FEE</b>	<b>SERVICES WITH ADDED COSTS (Y/N)*</b>
1ST		
2ND		
3RD		
4TH		
5TH		

\*If yes, the Proposer must attach a comprehensive list of all such services with the corresponding fees/costs.

**X. DRAFT CONTRACT - ATTACHMENT C**

Attached is a draft contract with the terms required for this RFP. Please identify any exceptions or additions that you will seek to make this contract.

CONTRACT FOR CUSTODIAN AND RELATED SERVICES

ENTERED into by and between the Retirement Board of Allegheny County, Room 106, County Office Building, 542 Forbes Avenue, Pittsburgh, PA 15219 (the "Retirement Board")

AND

\_\_\_\_\_, having its principal place of business at \_\_\_\_\_ ("Custodian").

WITNESSETH:

WHEREAS, the Retirement Board exists and functions under and pursuant to the Second Class County Code to administer the Employees' Retirement System of Allegheny County, Act of July 28, 1953, P.L. 723, Art. XVII, §§ 1701 et seq., as amended, 16 P.S. §§ 4701-4716 (the "Act");

WHEREAS, the Retirement Board acts as the trustees of the retirement fund (the "Fund") established by the Act and has exclusive control and management of the Fund with full power to invest the money or any part thereof, subject to the terms, conditions, limitations and restrictions that are provided by law for investments of trust funds by fiduciaries or the retention or sale of certain investments in the hands of fiduciaries;

WHEREAS, the Retirement Board is responsible for the management, recordkeeping and investment of the Fund created by the contributions made to the Employees' Retirement System of Allegheny County pursuant to the Act;

WHEREAS, Custodian possesses special skills, has the necessary personnel and resources, and is otherwise qualified to perform custody and related services in connection with the Fund;

WHEREAS, the Retirement Board wishes to have Custodian perform custodial and related services in connection with the Fund and the Custodian wishes to perform such services; and

WHEREAS, the Retirement Board accepted the proposal submitted by Custodian by vote during a public meeting on \_\_\_\_\_, 202\_.

NOW, THEREFORE, the Retirement Board and Custodian, for the mutual and sufficient consideration described herein, agree as follows:

## 1. ENGAGEMENT OF CUSTODIAN AND ASSETS TO BE HELD

The Retirement Board hereby engages the Custodian as the custodian of the assets of the Fund. All assets delivered, whether prior to or contemporaneously or subsequent to, the execution of this Agreement by RBAC or its agents to the Custodian, shall be held and dealt with as provided hereafter. The Custodian shall not be responsible for any assets of RBAC not delivered to the Custodian. Custodian shall notify RBAC in writing if any assets expected to be delivered are not received no later than three business days from the anticipated date of receipt.

## 2. STANDARD OF CARE AND DUTIES OF THE CUSTODIAN

2.1 Standard of Care. Custodian shall perform all services that it has agreed to hereunder (including but not limited to the safe keeping and custody of all assets received by it pursuant to this Agreement) with the care, skill, diligence, and responsibility of a professional custodian familiar with such matters and acting in a like capacity in the conduct of an enterprise of like character and with like aims. Custodian is a fiduciary with respect to the safekeeping of assets held by Custodian hereunder and all related duties. Custodian's Standard of Care shall apply to all services that it performs (or does not perform) provided hereunder and shall be adhered to by Custodian at all times. The provisions of this Section 2.1 shall survive termination of this Agreement for a period of six (6) years.

2.2 No Self-Dealing. Custodian shall not engage in any self-dealing with any assets received by it pursuant to this Agreement, including but not limited to dealing with such assets in its own interest or for its own account, acting in any transaction involving such assets on behalf of a party (including but not limited to the Custodian) whose interests are adverse to the interests of RBAC or its participants or beneficiaries, or receiving any consideration from any party in connection with a transaction involving such assets. Notwithstanding the foregoing, RBAC acknowledges and agrees that self-dealing shall not include transactions involving assets of RBAC for which Custodian has received Proper Instructions (defined in Section 2.13). In the event that the officers and employees who have day-to-day responsibility for this custody relationship have actual knowledge of any income derived from self-dealing activities, the same shall be reported to RBAC within 10 days of such discovery of the self-dealing occurrence.

2.3 Holding Securities. The Custodian shall hold for the account of the Fund, all securities and other noncash property, other than securities which are held for the Fund by the Custodian, in a nationally registered securities depository (clearing agency or corporation), which acts as a securities depository or in another book entry system for the central handling of securities (collectively referred to herein as "Securities System").

2.4 Delivery of Securities. The Custodian shall release and deliver securities of the Fund held by the Custodian or in a Securities System account of the Custodian only upon receipt of Proper Instructions, which may be standing instructions in the following cases:

- (a) Upon sale of such securities for the Fund, unless otherwise directed by Proper Instructions; (i) in accordance with the customary or established practices and procedures in the jurisdiction or market where the transactions occur, including, without limitation, delivery to the purchaser thereof or to a dealer therefor against expectation of receiving

later payment, or (ii) in the case of a sale effected through a Securities System, in accordance with the rules governing the operations of the Securities System.

(b) Upon the receipt of payment in connection with any repurchase agreement related to such securities.

(c) To the depository agent in connection with tender or other similar offers for securities of the Fund.

(d) To the issuer thereof when such securities are called, redeemed, retired or otherwise become payable; provided that, unless otherwise directed by Proper Instructions, the cash or other consideration is to be delivered to the Custodian.

(e) To the issuer thereof, or its agent, for transfer into the name of the Custodian or of any nominee of the Custodian or for exchange for a different number of bonds, certificates or other evidence representing the same aggregate face amount or number of units.

(f) To brokers, clearing banks or other clearing agents for examination in accordance with "street delivery" custom.

(g) For exchange or conversion pursuant to any plan of merger, consolidation, recapitalization, reorganization or readjustment of the securities of the issuer of such securities, or pursuant to provisions for conversion contained in such securities, or pursuant to any deposit agreement; provided that, unless otherwise directed by Proper Instructions, the new securities and cash, if any, are to be delivered to the Custodian.

(h) In the case of warrants, rights or similar securities, the surrender thereof in the exercise of such warrants, rights or similar securities or the surrender of interim receipts or temporary securities; provided that, unless otherwise directed by Proper Instructions, the new securities and cash, if any, are to be delivered to the Custodian.

(i) In connection with trading in options and futures contracts, including delivery as original margin and variation margin.

(j) In connection with the loan of securities.

(k) For any other purpose, but only upon receipt of Proper Instructions specifying the securities to be delivered and naming the person or persons to whom delivery of such securities shall be made.

2.5 Registration of Securities. Securities held by the Custodian (other than bearer securities or securities held in a Securities System) shall be registered in the name of the Custodian or in the name of any nominee of the Custodian. The Custodian shall not be obligated to accept securities on behalf of the Fund under the terms of this Agreement unless such securities are in "street name" or other good delivery form.

2.6 Bank Accounts. The Custodian may open and maintain a bank account or accounts in the name of RBAC, Custodian, their respective nominees or otherwise, in such banks

or trust companies as they may in their discretion deem advisable (including a bank of the Custodian), subject only to draft or order by the Custodian acting pursuant to the terms of this Agreement, and shall hold in such account or accounts, subject to the provisions hereof, cash received by or from or for the account of RBAC. Such accounts shall be subject to the direction and instructions given from time to time by RBAC's Investment Manager (defined in Section 9) may give. Custodian shall act only upon written directions or instructions. Such funds shall be deposited by the Custodian in its capacity as Custodian and, except as otherwise provided under this Agreement, shall be withdrawable by the Custodian in its capacity as Custodian and not on behalf as the owner of the funds. The Custodian shall, subject to the receipt of Proper Instructions, take any and all action necessary or appropriate to ensure that all cash held in any and all bank accounts or accounts under this Agreement is fully and immediately invested for the account of RBAC as soon as reasonably possible. In the event that Proper Instructions or repatriation letters do not exist for any account(s), such action shall include Custodian's provision of notice to RBAC immediately of such fact, and RBAC shall provide Custodian with Proper Instructions and/or repatriation letters to allow for the immediate investment of any such cash. If any such cash is not invested, the Custodian shall report this fact to RBAC in its regular monthly report with an explanation of why it was not invested and how long it was not invested.

2.7 Income Crediting. With respect to the securities or other assets held hereunder the Custodian shall credit all dividends, interest, return of capital, other income, distributions and other proceeds to the Fund as such amounts are received or in accordance with Custodian's then current payable date income schedule which only encompasses dividends and interest payments. Any credit to the Fund in advance of receipt may be reversed if Custodian reasonably determines that payment will not occur and the Fund may be charged at Custodian's applicable interest rate for time credited. No interest shall be charged to the extent that the applicable assets were not invested and remained in cash. Custodian shall notify RBAC in writing when it determines that payment will not occur in due course and notify RBAC of the amount of interest charged with regard thereto. Custodian's applicable interest rate for this Section 2.7 shall be the lowest interest rate that it charges to any other client for the same purpose a comparable time period. Custodian shall notify RBAC in writing of the applicable interest rate, and any increase in such rate will apply only for transactions that occur after the date that RBAC is notified of any such change. Income on securities loaned other than from Custodian's securities lending program shall be credited as received.

2.8 Contractual Settlement Services (Purchase/Sales).

(a) The Custodian shall, in accordance with the terms of this Section 2.8, debit or credit the appropriate cash account of the Fund in connection with (i) the purchase of securities for the Fund, and (ii) proceeds of the sale of securities and other assets held on behalf of the Fund, on a contractual settlement basis. For purposes of this Section 2.8, "Contractual Settlement Basis" means that debits or credits will be made on the day set out in the first sentences in subsection (c) and (d) below, as applicable.

(b) The Contractual Settlement Services shall be provided for such instruments and in such markets as the Custodian may advise RBAC, in writing (including electronic mail) from time to time. The Custodian may terminate or suspend any part of the provision of the Contractual Settlement Services under this Agreement at its sole discretion immediately upon notice to RBAC or the Investment Manager, as applicable, including,

without limitation, in the event of force majeure events affecting settlement, any disorder in markets, or other changed external business circumstances affecting the markets or the Fund. RBAC may terminate or suspend the Contractual Settlement Services for any reason and Custodian shall implement such termination or suspension within a five (5) business days after having received written notice from RBAC.

(c) The consideration payable in connection with a purchase transaction shall be debited by Custodian from the appropriate cash account of the Fund as of the time and date that monies would ordinarily be required to settle such transaction in the applicable market. The Custodian shall promptly recredit such amount at the time that RBAC or the Investment Manager, as applicable, notifies the Custodian by Proper Instruction that such transaction has been canceled.

(d) With respect to the settlement of a sale of securities, a provisional credit of an amount equal to the net sale price for the transaction (the "Settlement Amount") shall be made to the account of the Fund as if the Settlement Amount had been received as of the close of business on the date that monies would ordinarily be available in good funds in the applicable market. Such provisional credit will be made conditional upon the Custodian having received Proper Instructions with respect to, or reasonable notice of, the transaction, as applicable; and the Custodian or its agents having possession of the asset(s) (which shall exclude assets subject to any third party lending arrangement entered into by RBAC) associated with the transaction in good deliverable form and not being aware of any facts which would lead them to reasonably believe that the transaction will not settle in the time period ordinarily applicable to such transactions in the applicable market.

(e) The Custodian shall have the right to reverse all or part of any provisional credit or debit given in connection with the Contractual Settlement Services at any time when the Custodian believes, in its reasonable judgment, that such transaction will not settle in accordance with its terms or amounts due pursuant thereto will not be collectable or where the Custodian has not been provided Proper Instructions with respect thereto, as applicable. Upon such reversal and provided such amount's total days credited has exceeded thirty (30) days, a sum equal to the credited or debited amount shall become immediately payable by RBAC to the Custodian and may be debited from any cash account held for benefit of the Fund. The Fund may also be charged by Custodian at Custodian's applicable interest rate (determined under Section 2.7 hereof) for the time that the reversed amount was credited for the Fund. No interest shall be charged to the extent that the applicable assets were not invested and remained in cash.

2.9 Payment of Fund Moneys. Only upon receipt of Proper Instructions and written agreement as to security procedures for payment orders, which may be standing instructions, or as may be otherwise authorized within this Agreement, the Custodian shall pay out moneys of the Fund in the following cases:

(a) Upon the purchase of securities for the Fund, unless otherwise directed by Proper Instructions; (i) in accordance with the customary or established practices and procedures in the jurisdiction or market where the transactions occur, including, without limitation, delivering money to the seller thereof or to a dealer therefor (or an agent for such seller or

dealer) against expectation of receiving later delivery of such securities; or (ii) in the case of a purchase effected through a Securities System, in accordance with the rules governing the operation of such Securities System;

(b) In connection with conversion, exchange or surrender of securities of the Fund as set forth in Section 2.4 hereof;

(c) For the payment of any expense or liability including but not limited to the following payments: interest, taxes, management, accounting, transfer agent fees, legal fees and operating expenses;

(d) With the specific prior written agreement of RBAC (which may be standing instructions), to the trustee, including the Custodian, of any collective investment fund maintained for the investment of the assets of employee benefit plans qualified under Section 401(a) and exempt from tax under Section 501(a) of the Internal Revenue Code;

(e) For the purchase or sale of foreign exchange or foreign exchange contracts for the account of the Fund, including transactions executed with or through the Custodian, its agents or its subcustodians;

(f) In connection with trading in options and futures contracts, including delivery as original margin and variation margin;

(g) In connection with the borrowing of securities by the Fund; and

(h) For any other purpose, but only upon receipt of Proper Instructions specifying the amount of such payment and naming the person or persons to whom such payment is to be made.

2.10 Appointment of Agents and Subcustodians. The Custodian may at its reasonable discretion appoint and remove agents or subcustodians to carry out such of the provisions of this Agreement as the Custodian may from time to time direct; provided, however, that such appointment shall not relieve the Custodian of its responsibilities or liabilities under this Agreement. Custodian shall promptly notify RBAC in writing of all agents and subcustodians appointed or removed during the term of this Agreement.

2.11 Proxies. The Custodian shall send all notices of proxies it receives to RBAC or a proxy voting agent of RBAC if so notified in writing electronically. The Custodian will, with respect to the securities held hereunder, cause to be promptly executed by the registered holder of such securities proxies received by the Custodian from its agents or subcustodians or from issuers of the securities being held for the Fund, without indication of the manner in which such proxies are to be voted, and, upon receipt of Proper Instructions, shall promptly deliver such proxies, proxy soliciting materials and other notices relating to such securities to the issuer. All proxies shall be voted in accordance with instructions of RBAC given to Custodian. Custodian shall not have responsibility for determining how to vote the proxies.

2.12 Communications Relating to Fund Securities. The Custodian shall transmit promptly to RBAC or Investment Manager unless otherwise directed by RBAC, written information

(including pendency of calls and maturities of securities and expirations of rights in connection therewith) received by the Custodian from its agents or its subcustodians or from issuers of the securities being held for the Fund. With respect to tender or exchange offers, the Custodian shall transmit promptly to RBAC and Investment Manager written information received from its agents or its subcustodians or from issuers of the securities whose tender or exchange is sought and from the party making the tender or exchange offer. The Custodian shall not be liable for an untimely exercise of any tender, exchange or other right or power in connection with securities or other property, of the Fund at any time held by it unless (i) it or its agents or subcustodians are in actual or effective possession of such securities or property and (ii) it receives Proper Instructions with regard to the exercise of any such right or power and both (i) and (ii) occur at least three (3) business days prior to Custodian's deadline date to exercise such right or power, unless Custodian failed to comply with the Standard of Care in connection with this Section 2.12, including a failure to transmit the information set forth above.

2.13 Proper Instructions. The term "Proper Instructions" shall mean instructions received by the Custodian from RBAC, the appropriate Investment Manager, or any person duly authorized by either. Such instructions may be in writing signed by the authorized person or may be in a tested communication or in a communication utilizing access codes effected between electronic devices or may be by such other means as may be agreed to from time to time by the Custodian and the party giving such instructions (including oral instructions). Proper Instructions may include electronic mail. Custodian acknowledges that Proper Instructions includes standing instructions issued prospectively by RBAC. RBAC shall cause its duly authorized officer, or the duly authorized officer of an Investment Manager, to certify to the Custodian in writing the names and specimen signatures of persons authorized to give Proper Instructions. The Custodian shall be entitled to rely upon the identity and authority of such persons until it receives notice from RBAC or the Investment Manager to the contrary.

2.14 Actions Permitted without Express Authority. The Custodian may, in the reasonable exercise of its discretion, without express authority from RBAC or the Investment Manager:

- (a) Make payments to itself or others for ordinary and routine minor expenses of handling securities or other similar items relating to its duties under this Agreement but not to exceed \$2,000 in the aggregate without written approval by RBAC or Investment Manager, and shall be accounted for to RBAC in writing not more than thirty (30) days after such expenses are paid.
- (b) Surrender securities in temporary form for securities in definitive form.
- (c) Endorse for collection checks, drafts, and other negotiable instruments.
- (d) Attend to all nondiscretionary details in connection with the sale, exchange, substitution, purchase, transfer and other dealings with the securities and property of the Fund.

2.15 Evidence of Authority. The Custodian shall be protected in acting upon any instructions, notice, request, consent, certificate, instrument or paper reasonably believed by it to be genuine and to have been properly executed or otherwise given by or on behalf of RBAC or

an Investment Manager. The Custodian may receive and accept a certificate from RBAC or an Investment Manager as conclusive evidence (i) of the authority of any person (other than the person signing the certificate) to act in accordance with such certificate or (ii) of any determination or of any action by RBAC or the Investment Manager as described in such certificate, and such certificate may be considered as in full force and effect until receipt by the Custodian of written notice to the contrary.

2.16 Non-Assignment. This Agreement shall not be assigned by either party without prior written consent of the other party.

### 3. DISASTER RECOVERY AND OPERATIONAL RECOVERY PLANS

Custodian acknowledges that it has and maintains a reasonable contingency and disaster recovery plan to safeguard RBAC data. Records will be safeguarded against potential loss or destruction by fire, theft, vandalism, storm, earthquake, or any other hazard, by retaining backup data in a secure location so that records (current at least to the prior month-end and the end of the preceding day) can be recreated within two (2) business days. The Custodian has an established and proven business continuity plan for emergency situations in place which provides for record recreation and operations resumption within a commercially reasonable period of any occurrence of any major disaster or other cause which destroys records and/or disrupts normal operation of Custodian's systems and such plan is available to be received by RBAC and any updates shall be automatically sent to RBAC within three (3) business days of such update.

### 4. REPORTING

Custodian shall keep accurate and detailed accounts of all investment, receipts, disbursements, and other action under this Agreement. Its books and records relating thereto shall be open to inspection and audit with reasonable notice by RBAC or its duly authorized representatives. Within ten (10) business days of the beginning of each month, Custodian shall send to RBAC an itemized statement of all monies received or paid on behalf of the Fund and an itemized statement of the securities for which it is accountable under this Agreement as of the end of the prior month, as well as a list of all securities transactions during the preceding month and all transactions that remain unsettled at that time. If the Custodian does not receive all of the necessary information from the Investment Manager in a timely manner necessary to send RBAC a timely report, the Custodian will notify RBAC that it is unable to produce timely reports due to non-receipt of necessary information from the Investment Manager, and shall send said incomplete report unless instructed otherwise, by Proper Instructions, by RBAC.

Custodian shall cause such reports and statements to be audited. In addition, the Investment Manager shall reconcile its records to the books and records of Custodian and the Investment Manager shall identify to the Custodian any discrepancies. The Custodian shall, within five (5) business days of receipt of the Investment Manager's reconciliation report review same and to the extent necessary will work with the Investment Manager to resolve identified items.

Within thirty days (30) after the close of each fiscal year of RBAC and at more frequent intervals if agreed to by the parties hereto, and within thirty (30) days after the removal or resignation of Custodian as provided hereunder, Custodian shall send to RBAC a written statement and account showing in reasonable summary the investments, receipts,

disbursements, and other transactions engaged in during the preceding fiscal year or period. Custodian will provide such additional reports reasonably requested by RBAC or reasonably required by government or legal entities and agreed to by Custodian.

Custodian agrees to provide monthly data for each Investment Managers' account within ten (10) days after the end of each month, sufficient to allow RBAC's investment consultant/manager to calculate rate of returns that are Global Investment Performance Standards (GIPS) compliant. The data will be provided via electronic media, if possible.

Custodian agrees to provide RBAC, on an annual basis, its SSAE 16 report and its annual ADV report and any amendments thereto at the time of filing with the SEC.

Custodian has no duty to verify reports it incorporates regarding securities or cash held outside its custody submitted by third parties, including but not limited to brokers, other banks or trust companies. Notwithstanding the prior sentence, Custodian shall verify submission of such reports and information to RBAC.

## 5. FEES

5.1 Fees. The Custodian shall be entitled to the compensation for its services and expenses as Custodian set forth in the written fee schedule attached hereto as Exhibit A ("Fee Schedule") unless and until a different compensation shall be agreed upon in writing between RBAC and the Custodian. The Custodian shall not be entitled to compensation not identified on Exhibit A unless RBAC has been notified in advance and has agreed to same in writing.

5.2 Invoice. Custodian shall submit to RBAC a quarterly invoice and a copy of that invoice within thirty (30) days of the close of the quarter for which services were provided. The invoices shall bill the payments owed pursuant to the Fee Schedule in equal quarterly installments in arrears, and RBAC shall pay such bills within thirty (30) days from receipt. The invoices shall only cover services already provided; no compensation shall be paid to Custodian in advance of services rendered.

5.3 Proration of Fees. In the event this Agreement commences or terminates on a date other than the first or last business day of a calendar quarter, Custodian's fees shall be prorated on a daily basis for the portion of the calendar quarter in which Custodian provided services.

## 6. TERM OF AGREEMENT

This Agreement is for the term of the project, and shall be in effect from \_\_\_\_\_, 202 through \_\_\_\_\_, 202. This Agreement may be extended at the option of the RBAC, and through official action, for one, two or three years.

## 7. EVIDENCE OF TITLE

The Custodian shall not be responsible for the title, validity or genuineness of any property or evidence of title thereto received by it or delivered by it pursuant to this Agreement. Custodian shall not be held liable to RBAC in acting upon any notice, request, consent, certificate or instrument reasonably believed to be genuine and to be signed or given by the proper party.

8. NO PERSONAL LIABILITY

No trustee, officer, agent or employee of the Retirement Board shall be charged personally or held contractually liable by or to CUSTODIAN under any term or provision of this Agreement or because of any breach thereof or because of its or their execution, approval or attempted execution of this Agreement.

9. SECURITY CODES

If the Custodian has issued to RBAC, or to any Investment Manager, security codes or passwords on the Custodian's website and such usage is governed by a website agreement then any conflict between the website agreement and this Agreement, this Agreement shall prevail, in order that the Custodian may verify that certain transmissions of information, including Proper Instructions, have been originated by RBAC or the Investment Manager, as the case may be, the Custodian shall be without liability to RBAC for any action taken or omitted by the Custodian in reliance upon receipt by it of transmissions of information with the proper security code or password, including instructions purporting to be Proper Instructions, which the Custodian reasonably and in good faith believes to be from RBAC or Investment Manager, unless and until Custodian has been notified of the compromise of such code or password.

10. TAX OBLIGATIONS

RBAC shall be liable for all taxes, assessments, duties and other governmental charges, including any interest and penalties, with respect to any cash and securities held on behalf of RBAC and any transactions related thereto ("Tax Obligations"). Except as provided by law or herein, the Custodian shall have no responsibility or liability for any obligations now or hereafter imposed on RBAC, or the Custodian by the tax law of the United States of America or any state or political subdivision thereof in respect to RBAC provided herein; the Custodian is solely responsible for any tax imposed on it for the performance of its duties as a Custodian. It shall be the responsibility of RBAC or the Investment Managers or the Investments in the alternative investments to notify the Custodian of the obligations imposed on RBAC, the Fund or the Custodian for RBAC by the tax law of jurisdictions other than those mentioned in the above sentence, including any responsibility for withholding and other taxes, assessments or other governmental charges, certifications and governmental reporting. To the extent that the Custodian has received relevant and necessary information with respect to the Account, the Custodian shall perform the following services with respect to Tax Obligations:

(a) The Custodian shall, upon receipt of sufficient information, file claims for exemptions or refunds with respect to withheld foreign (non-United States) taxes in instances in which such claims are appropriate;

(b) The Custodian shall withhold appropriate amounts, as required by United States tax laws, with respect to amounts received on behalf of nonresident aliens upon receipt of Written Instructions; and

(c) The Custodian shall provide to RBAC such information received by the Custodian that could, in the Custodian's reasonable belief, assist RBAC or its designee in the submission

of any reports or returns with respect to Tax Obligations. An Authorized Person shall inform the Custodian in writing as to which party or parties shall receive information from the Custodian.

## 11. INVESTMENT MANAGER

11.1 Appointment and Termination of Appointment. RBAC appoints one or more Investment Managers to manage the investment of all or any portion of the Fund. RBAC shall notify the Custodian in writing of the appointment of such Investment Manager, and of the portion of the fund over which the Investment Manager may exercise its authority. RBAC similarly shall notify the Custodian of the termination of the appointment of any Investment Manager.

11.2 Authority. The Custodian, in performing its duties under this Agreement, shall be entitled to rely upon Proper Instructions from an Investment Manager, with such limitations as RBAC and the Custodian by written agreement provide. In the absence of such limitations, the Custodian shall accept Proper Instructions from the Investment Manager to the same extent as the Custodian would be entitled to accept such Proper Instructions from RBAC.

## 12. EFFECTIVE PERIOD, TERMINATION AND AMENDMENT

This Agreement shall become effective as of the date hereinafter set forth, shall continue in full force and effect until terminated as hereinafter provided, may be amended by mutual written agreement of the parties hereto and may be terminated by the Board on 120 days advance written notice, delivered or mailed, such termination to take effect not sooner than 120 days after the date of such delivery or mailing unless a different period is agreed to in writing by the parties. The provisions of Sections 7, 8 and 9 of this Agreement shall survive termination of this Agreement. Upon termination of the Agreement, RBAC shall pay to the Custodian upon demand such compensation as may be due as of the date of such termination pursuant to Exhibit A.

## 13. ACTION ON TERMINATION

If a successor custodian shall be appointed by RBAC, the Custodian shall, within ten (10) days after termination (except as otherwise agreed by RBAC and Custodian, in writing), deliver to such successor custodian at the office of the Custodian, or as otherwise agreed, duly endorsed and in the form for transfer, all securities, funds and other property then held by it hereunder, shall transfer to any account designated by the successor custodian all of the Fund's securities held in a Securities System, and shall provide RBAC and the successor custodian with a detailed accounting of all assets transferred and all other necessary or appropriate information as reasonably determined by RBAC.

In the event that no written order designating a successor custodian shall have been delivered to the Custodian on or before the date when assets must be transferred in accordance with the prior paragraph, the Custodian shall have the right to deliver to a bank or trust company of its own selection, having a market capitalization equal to or greater than all of the Custodian's securities, funds, and other property held by the Custodian together with a detailed accounting of all assets transferred. Thereafter, such bank or trust company shall be the successor of the Custodian under this Agreement.

In the event that securities, funds and other property remain in the possession of the Custodian after the date of termination and transfer hereof owing to failure of RBAC to appoint a successor custodian or because RBAC and Custodian have agreed to a later transfer date for some assets, the Custodian shall be entitled to compensation for its services during such period as the Custodian retains possession of such securities, funds and other property and the provisions of this Agreement relating to the duties and obligations of the Custodian shall remain in full force and effect for such assets.

#### 14. REPRESENTATIONS AND WARRANTIES

RBAC represents and warrants to the Custodian that:

- (a) RBAC has the power to enter into and perform its obligations under this Agreement; and has duly executed this Agreement so as to constitute valid and binding obligations of RBAC.
- (b) RBAC has the power pursuant to the documents establishing the Fund and any related plans and trusts to enter into this Agreement and carry out its obligations hereunder.
- (c) In giving instructions which purport to be "Proper Instructions" under this Agreement, RBAC will act in accordance with the provisions of the documents establishing the Fund and any related plans and trusts.
- (d) The documents establishing the Fund and any related plans and trusts permit investment in the collective investment funds referred to in Section 2.8(d) of this Agreement and incorporate the terms of such collective funds by reference.

Custodian represents and warrants to RBAC that:

- (1) Custodian is duly organized, validly existing and in good standing under the laws of the state or country of its organization and is authorized to conduct business in Pennsylvania.
- (2) Custodian has the power and authority to enter into and perform its obligations under this Agreement, and has duly executed this Agreement so that its terms constitute valid and binding obligations of Custodian.
- (3) Neither the execution of this Agreement nor the acts contemplated hereunder will violate any legislative, regulatory or judicial act or order applicable to Custodian.
- (4) Custodian has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by any government or governmental authority for its acts contemplated by this Agreement.
- (5) The personnel of Custodian responsible for managing Custodian's duties and obligations hereunder are individuals experienced in the performance of the various functions contemplated by this Agreement.

(6) Custodian warrants that no gratuities in the form of entertainment, gifts, or otherwise, were offered or given by Custodian, or any agent or representative of Custodian, to any officer, fiduciary, advisor, or employee of RBAC or the County of Allegheny with a view toward securing this Agreement or favorable treatment with respect to the awarding or the making of any determination with respect to this Agreement. Custodian covenants that no such gratuities will be given to any such person with a view towards securing favorable treatment with respect to the making of any determination with respect to the performance, termination and/or continuation of this Agreement.

(7) Custodian represents and warrants that to the best of its knowledge no employee of RBAC or fiduciary whose position in RBAC enables such person to influence the award of this Agreement or any competing agreement, and no spouse or economic dependent of such person is or will be employed in any capacity by the Custodian herein, or does or will have any direct or indirect financial interest in this Agreement.

15. NOTICES

All notices and other communications made pursuant to or with regard to this Agreement, including without limitation a statutory notice, shall be in writing and shall be deemed properly delivered, given or served when (1) personally delivered against receipted copy; or (2) mailed by certified or registered U.S. mail, postage prepaid; or (3) mailed by express delivery, with tracking number; or (4) serviced via facsimile, to the parties at the following addresses and numbers:

To RBAC:

Allegheny County Employees Retirement System  
County Office Building  
542 Forbes Avenue, Room 106  
Pittsburgh, PA 15219  
Attention: Walter Szymanski, Manager  
Telephone: (412) 350-3256  
Facsimile: (925) 350-3923

To the Custodian:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

(or to such other address as RBAC or the Custodian may hereafter specify in writing.)

16. INSURANCE

During the term of this Agreement, Custodian shall pay for and maintain insurance as provided herein at commercially reasonable rates.

16.1 Comprehensive Commercial General Liability Insurance. Such Commercial General Liability Insurance will be primary to and not contributing with any other insurance maintained by RBAC and/or the County of Allegheny for claims arising from Custodian's provision of service hereunder. Such insurance provides coverage liability to members of the public arising out of premises and operations including Personal Injury with a per occurrence limit and per location limit of at least \$1,000,000 per occurrence and \$2,500,000 in the aggregate.

16.2 Workers' Compensation. A program, of Workers' Compensation Insurance with statutory limits and Employers Liability with limits of at least \$500,000 per accident will be secured protecting all Custodian employees.

16.3 Banker's Professional Liability. A program of Banker's Professional Liability Insurance with limits of \$75,000,000.

16.4 Directors and Officers Liability Insurance. A program of Directors and Officers Liability Insurance with limits of at least \$5,000,000.

In addition, Custodian agrees, to maintain additional policies listed in the Custodian's Memorandum of Insurance attached as Exhibit B, which may be amended from time to time by the Custodian. RBAC shall receive an updated memorandum and copies of insurance certificates upon request. Custodian shall, on a biannual basis, provide RBAC with its Memorandum of Insurance.

## 17. EQUAL OPPORTUNITY

Custodian hereby agrees and represents that it is an equal opportunity employer. All employment decisions and personnel actions of the Custodian are administered without regard to race, color, religion, creed, national origin, ancestry, sex, age (40 and above), qualified mental or physical disability, sexual orientation, genetic carrier status, any veteran status, any military service, any application for any, military service, or any other category or class protected by federal, state or local laws. All employment decisions and personnel actions, such as hiring, promotion, compensation, benefits, and termination, are and will continue to be administered in accordance with, and to further, equal employment opportunity.

## 18. ACCESS TO AND RETENTION OF RECORDS

Custodian will furnish to RBAC and its authorized representatives, on reasonable notice and during ordinary business hours, full access to these records maintained by Custodian with respect to this Agreement. Custodian will retain any and all records in its possession with respect to this Agreement for a minimum period of seven (7) calendar years, or any longer period required by law, from the date the records were created. Custodian will retain any and all documents and records in its possession, which demonstrate performance under this Agreement for a minimum period of seven (7) calendar years, or any longer period required by law, from the date of termination or completion of this Agreement.

## 19. CONFIDENTIALITY

The parties agree that all information to which the other is given access or which is made available is referred to hereinafter as "Confidential Information." Confidential Information shall include all technology, know-how, processes, software, databases, trade secrets, contracts, proprietary information, all historical and financial information, business strategies, operating data and organizational and cost structures, product descriptions, pricing information, Plan participant and beneficiary information, customer information, which includes, but is not limited to, names, addresses, telephone numbers, account numbers, demographic, financial and transactional information or customer lists, whether received before or after the date hereof. Confidential Information also includes information of any affiliate of the Trustees or Custodian, as applicable.

Except as provided below or with the other party's prior written consent, the parties agree to hold Confidential Information of the other in confidence, to not disclose Confidential Information of the other to any third party, other than to its own directors, officers, employees, affiliates, agents, regulators, or representatives (collectively, the "Representatives") who have a need to know such information in connection with this Agreement, and to not use Confidential Information for purposes other than in connection with this Agreement. It is understood and agreed that the obligation to protect Confidential Information shall be satisfied if the party receiving such information utilizes the same control (but no less than reasonable) as it employs to avoid disclosure of its own confidential and valuable information and the parties shall have appropriate policies and procedures to (a) ensure the security and confidentiality of the Confidential Information, (b) protect against any anticipated threats or hazards to the security or integrity of such Confidential Information, and (c) protect against unauthorized access to or use of such Confidential Information that could result in harm or inconvenience to any party or the customers of any party.

Either party may, however, make such disclosures to, or as may be required, by its applicable regulatory authorities. Either party may disclose Confidential Information pursuant to a requirement or request of a governmental agency or pursuant to a court or administrative subpoena, order or other such legal process or requirement of law, including Pennsylvania's Right to Know Law, or in defense of any claims or causes of action asserted against it; provided, however, that it shall (a) promptly notify the other of such request or requirement, or use in defense of a claim, unless such notice is prohibited by statute, rule or court order, (b) attempt to obtain the other's consent to such disclosure, and (c) in the event consent is not given, to agree to permit a motion to quash, or other similar procedural step, by the party opposing the production or publication of information. Nothing herein shall require either party to fail to honor a subpoena, statute, court or administrative order, or any similar binding requirement on a timely basis. The foregoing notice requirements shall not apply to the extent the Custodian receives a request for information from its regulators.

With the exception of customer information and plan participant and beneficiary information, which shall be protected in all circumstances, it is understood and agreed that no information shall be within the protection of this Agreement where such information: (a) is or becomes publicly available through no fault of the party to whom such Confidential Information has been disclosed; (b) is released by the originating party to anyone without restriction; (c) is rightly obtained from third parties, who, to the best of a party's knowledge, are not under an obligation of confidentiality; (d) was known prior to its disclosure to the receiving party without any obligation to keep it confidential as evidenced by tangible records kept by the receiving party in

the ordinary course of business; or (e) is independently developed by the receiving party without reference to the originating party's Confidential Information.

## 20. INDEMNIFICATION

Custodian shall indemnify, hold harmless and defend RBAC, all present, future and former members of the board of retirement of RBAC for actions during their term which coincides with the term of this Agreement; and all of its officers, employees, agents, members and beneficiaries from and against any and all liability, loss, costs and expenses (including attorneys' fees), damages, demands, suits, proceedings, claims, and actions arising out of the performance of services by Custodian under this Agreement (including Custodian's acts or omissions that are negligent, constitute bad faith or willful misconduct, involve a breach by Custodian of this Agreement, or a breach of Custodian's Standard of Care). For this indemnification to apply, RBAC shall, no later than 30 days after receipt of notice of commencement of any action, suit, proceeding, or receipt of a written demand or claim against RBAC in respect of which indemnification may be owed, notify Custodian in writing of the commencement of such action, suit, proceeding, demand or claim, enclosing a copy of all papers served or provided. The foregoing notice requirement shall be deemed to have been satisfied if Custodian shall have received notice of the commencement of such action, suit, or proceeding or claim from any source whatsoever within such 30-day period. Notwithstanding the foregoing, the failure to give such notification shall not affect the indemnification to be provided hereunder except to the extent the Custodian shall have been actually prejudiced as a result of such failure. In any such action, suit, proceeding, demand or claim, Custodian shall participate in and assume the defense thereof at its sole expense. More than one counsel shall be required to represent RBAC or Custodian if the parties reasonably believe there is a conflict of interest. RBAC shall have the right, in its sole discretion, to participate in or lead any defense of a claim against RBAC without waiving its right to indemnification.

## 21. VALIDITY

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

## 22. WAIVER

No waiver of a breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of said provision or any other provision of this Agreement. No waiver will be enforceable unless it is a written agreement executed by the party granting the waiver, making specific reference to this Agreement and reciting the parties' intention that it constitutes a waiver. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies at law or in equity.

## 23. MODIFICATION OR AMENDMENT

This Agreement constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written amendment executed by the parties.

24. APPLICABLE LAW

This Agreement shall be deemed to have been made in and shall be construed in accordance with the laws of the Commonwealth of Pennsylvania.

25. AUTHORIZATION

This Agreement was initially authorized by the Retirement Board of Allegheny County by vote during its public meeting on \_\_\_\_\_, 202\_.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, this Agreement is executed by the parties with an effective date of \_\_\_\_\_, 202\_.

CUSTODIAN:

By: \_\_\_\_\_

Title: \_\_\_\_\_

RETIREMENT BOARD OF  
ALLEGHENY COUNTY:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Solicitor

**EXHIBIT A**

**CUSTODY FEE SCHEDULE  
OF THE CUSTODIAN AGREEMENT  
BETWEEN THE RETIREMENT BOARD OF ALLEGHENY COUNTY  
AND**

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[TO BE SUPPLIED]

**EXHIBIT B**

[TO BE SUPPLIED]