

APPENDIX A

INVESTMENT

MANAGEMENT

AGREEMENT

THIS AGREEMENT (“Agreement”), made this _____ day of _____, 20__, but effective _____, 20__ (“Effective Date”), by and between The **CITY OF PHILADELPHIA** (“City”), acting through its **SINKING FUND COMMISSION** (“Commission”), located at 640 Municipal Services Building, 1401 John F. Kennedy Boulevard, Philadelphia, PA 19102, on behalf of the **PHILADELPHIA GAS WORKS PENSION PLAN** (“Plan”), and **[name of firm], a [jurisdiction] [form of business organization]**, located at **[registered address]** (“Manager”), a wholly-owned subsidiary of **[parent organization, if applicable]**.

WITNESSETH

1. ENGAGEMENT OF THE MANAGER

(a) Effective as of 12:01 a.m. on the first day of the Effective Date, and until this Agreement terminates as provided herein, the Commission hereby engages the Manager as an Investment Manager for the _____ portfolio and delegates to the Manager the power to manage in a separate account (“Account”) a portion of the assets (the assets of the entire Plan hereinafter referred to as the “Fund”) held in trust for the Plan, including the investment and reinvestment of such assets and any income therefrom and the power to acquire securities for and dispose of securities of the Account, all in accordance with the terms and conditions of this Agreement, including the Statement of Investment Guidelines, as may be amended from time to time (“Guidelines”), which Guidelines are incorporated by reference in this Agreement and made a part hereof at Schedule A, as well as the Sandy Hook Restrictions, incorporated by reference in this Agreement and made a part hereof at Schedule A-1. The Plan may, upon written notice to the Manager, add or withdraw assets from the Account.

The benchmark /index for each of the various portfolios is shown below:

Benchmark/Index

Portfolio Objective

Bloomberg Barclays Aggregate	Core Fixed Income
Bloomberg Barclays Aggregate	Core Plus Fixed Income
Bloomberg Barclays Intermediate U. S. Government/Credit	Intermediate Fixed Income
Bloomberg Barclays Intermediate Aggregate	Intermediate Plus Fixed
Income	
Bloomberg Barclays High Yield	High Yield Fixed Income
Russell 1000 Growth	Large Cap Growth Domestic Equity
Russell 1000	Large Cap Domestic Equity Index
S&P 500	Large Cap Core Domestic Equity
Russell 1000 Value	Large Cap Value Domestic Equity
Russell 2000 Growth	Small Cap Domestic Growth
S&P 600	Passive Small Cap Domestic Core
Russell 2000 Value	Small Cap Domestic Value
MSCI EAFE	International Equity
MSCI Emerging Markets	Emerging Markets

Consistent with the current Guidelines, the Manager's benchmark shall be the Index and the Manager's objectives shall be to exceed the Index on a gross of fee basis by the following spreads:

Core and Intermediate Fixed Income	25 basis points
Core Plus, Intermediate Plus and High Yield	50
Large Cap Equity	80
Small Cap	90
International	100

The manager should, rank in the top 50% of the Investment Metrics Peer Universe for the applicable Managers (as described in the Guidelines) and exceed the down market index corresponding to the relevant Index by at least one (1) basis point.

The Commission may from time to time amend the Guidelines, and the amended Guidelines shall be binding upon the Manager upon Written Notice to the Manager. In the event of any conflict between the provisions of this Paragraph 1(a) of this Agreement and the Guidelines as they may from time be amended, this Agreement shall take precedence. The Commission shall promptly provide to the Manager a copy of any and all amendments to the Guidelines, or any amended and restated Guidelines, the receipt and review of which the Manager shall acknowledge in writing to the Commission.

(b) The Manager, for and in consideration of the compensation expressed in this Agreement at Schedule B, hereby agrees to be engaged as an Investment Manager as described in Paragraph 1(a) above and acknowledges that the assets of the Account are those of the Fund, management of which is governed by applicable federal laws and the laws of the City and of the Commonwealth of Pennsylvania. The Manager understands and agrees that the Commission is responsible for making and directing the implementation of policy relating to the Fund, such as adoption of the Guidelines and the asset allocation target ranges included therein, and the engagement and termination of Investment Managers in connection with this Agreement.

(c) The Commission represents that the appointment of the Manager is authorized and proper, that the terms of this Agreement do not violate or abridge any obligation or duty of the Commission, and that this Agreement has been authorized by appropriate Commission action and when delivered to and executed by the Commission will be binding upon the Commission in accordance with its terms.

2. TERM

Subject to the termination provisions contained herein, the term of this Agreement shall be for one (1) year from the Effective Date of the Agreement, that is, from _____, 20__, to _____, 20__. This Agreement shall be renewable for up to three (3) additional one- (1-) year terms at the sole discretion of the Commission unless otherwise terminated as provided herein. Subject to the termination provisions contained herein, in the event the Commission fails to authorize payments for any renewal term, this Agreement and the liability of the Commission hereunder shall terminate.

3. AUTHORITY OF THE MANAGER

(a) The securities custodian of the Account is Wells Fargo Bank, N.A. Institutional Retirement and Trust (“Custodian”). The Manager is authorized in accordance with this Paragraph in the name of the Fund: to purchase for the Account any security permitted by the Guidelines from, or sell any security in the Account to, any person; to instruct the Custodian to deliver securities sold, exchanged or otherwise disposed of from the Account, and to pay cash from the proceeds of the sale of units of the Short-Term Investment Fund (STIF, or “Sweep Vehicle”) in the Account for securities delivered to the Custodian for the Account upon acquisition, and to

purchase units of the Sweep Vehicle for the Account for securities delivered from the Custodian upon disposition. The Manager shall not place any assets of the Account in a money market fund or other investment vehicle managed by the Manager, or in which the Manager has any financial interest. The authorization herein does not include, and shall not be construed to include, any authorization for the Manager to deliver or pay securities or cash to itself. The Commission shall advise the Manager immediately of any change regarding the Custodian.

(b) The Manager is prohibited from borrowing money from the Fund, the Account or the Custodian. Accordingly, the Manager shall not permit the Account to be overdrawn according to the records of the Custodian. In the event of any overdraft of the Account, the following remedies shall be available to the Plan, the exercise of which is in the Plan's sole discretion:

If the overdraft was the result of a Manager-initiated transaction (e.g., outgoing wire transfer instructions after the Sweep Vehicle sales deadline), the Custodian will: (1) Calculate the Sweep Vehicle earnings amount resulting from the overdraft ("Unjust Earnings") using the Sweep Vehicle daily earnings rate, the amount of the overdraft and the number of days that the overdraft was outstanding. (2) If the Sweep Vehicle balance in the Account covered only a portion of the overdraft amount, calculate an Overdraft Fee. (3) If no Sweep Vehicle balance existed in the Account at the time of the overdraft, calculate an Additional Overdraft Fee for each occurrence of an overdraft. Each Additional Overdraft Fee is the product of the overdraft balance multiplied by that day's Federal Reserve funds real rate plus 100 basis points.

If upon written notice from the Plan to the Manager, or if the Manager has actual notice, of the overdraft and resultant Unjust Earnings, and, if any, Overdraft Fees and Additional Overdraft Fees, the Manager shall, within one (1) business day following the notice, correct the overdraft if not previously corrected, and pay any Unjust Earnings, Overdraft Fees and Additional Overdraft Fees either to the Fund where the Custodian debited the Account for Unjust Earnings or for Fees, or to the Custodian for its own account where the Custodian did not debit the Account and bore the loss.

The Manager shall pay Unjust Earnings, Overdraft Fees and Additional Overdraft Fees from its own assets and not from the Account.

Regular overdrafts may subject the Manager to additional penalties and/or sanctions by the Commission.

(c) The Manager will not be expected or required to take any action other than the rendering of investment-related advice with respect to lawsuits involving securities presently or formerly held in the Account, or the issuers thereof, including actions involving bankruptcy. In the case of class action suits involving securities held in the Account, the Manager may provide information about the Account to third parties for purposes of participating in any settlements, however the Manager shall not file on behalf of the Plan in any securities litigation or settlement of securities litigation.

(d) The Commission authorizes the Manager as its agent and attorney-in-fact for the Account for the limited purpose of entering into and executing account documentation, agreements, contracts and other documents as requested by brokers, dealers, counterparties and other persons in connection with the Manager's management of the Account.

(e) Should a fiduciary of the Fund, a member of the Commission, or an employee of the City approach the Manager to obtain any special personal favor or benefit or a favor or benefit for some other individual or entity and not to the Fund, whether or not performance is offered in return, the Manager shall promptly provide written notice to the Fund's Chief Investment Officer and to the Commission's Executive Director, setting forth all relevant details of the incident.

4. FIDUCIARY RESPONSIBILITY

(a) The Manager acknowledges and agrees that it is a fiduciary with respect to the Fund for purposes of this Agreement. The Manager shall carry out its duties under this Agreement in accordance with all applicable law and administrative provisions. In its performance hereunder, the Manager shall exercise its duties with the degree of judgment, skill, and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence who are familiar with such matters would use in the conduct of an enterprise of a like character and with the like aims as that of the Plan.

(b) The Manager shall discharge its duties to the Plan under this Agreement solely in the interest of the participants and beneficiaries of the Plan. The Manager must make full and fair disclosure to the Plan of conflicts of interest, including how the Manager will manage each conflict, before the Manager may engage in conduct that constitutes a conflict.

(c) As a fiduciary to the Plan, the Manager shall have the duty to seek best execution of securities transactions which it initiates on the Fund's behalf. In fulfilling this duty, the Manager

shall have authority to select broker-dealers to execute Account transactions initiated by the Manager, and to select the markets in which transactions will be executed. The Manager may allocate the execution of transactions executed by it, in accordance with this Agreement, to such broker-dealers for execution in such markets, at such prices, and at such commission rates or dealer spreads as in the good faith judgment of the Manager will be in the best interest of the Account, taking into consideration not only the rates of brokerage commissions and fees, and rates of commissions and fees embedded in dealer spreads, but also other relevant factors, such as, without limitation, broker-dealer execution capabilities, financial responsibility, liquidity, responsiveness to the Manager and value of research services (e.g., advice, analyses and reports); and implicit transaction costs, such as market impact and opportunity cost.

The Commission may request that the Manager direct, subject to best execution, a proportion, to be agreed upon by the Commission and the Manager, of total transaction dollar amounts incurring broker-dealer commissions to broker-dealers either under contract to the Commission for provision of commission rebates or which provide such rebates on a voluntary basis (collectively, "Client-Directed Brokerage"). To the extent that the Commission requests that the Manager direct trades to particular broker-dealers, the Manager makes no guarantee or representation that the Manager will direct any trades or commissions, including a defined percentage or dollar amount of trades or commissions, to any particular broker-dealers. Alternatively, the Manager may elect to trade through broker-dealers where such trades may generate commission rebates ("Advisor-Directed Brokerage").

Whether as a result of Client-Directed Brokerage or Advisor-Directed Brokerage, the following shall apply: Where the rebate is in cash ("Hard Dollar Rebates"), the broker-dealers selected by the Manager must periodically remit aggregated rebates to the Custodian for deposit in the Fund's Commission Recapture Account. Where the rebate is a credit ("Soft Dollar Rebates"), the Manager may use the credit to purchase "research services" or "brokerage services" as defined in the safe harbor provision regarding rebates and fiduciary duty, Section 28(e), of the Securities Exchange Act of 1934 as amended, 15 U.S.C. §§ 78a et seq. ("Exchange Act"), at § 78bb(e), and interpreted by SEC Release No. 34-54165, July 18, 2006, both incorporated herein by reference, and any guidance which augments or succeeds that provided by this Release.

The Manager must disclose to the Plan on at least a quarterly basis the receipt of any Hard Dollar or Soft Dollar Rebates from broker-dealers and the disposition or application of such

Rebates, whether or not the Manager believes a Rebate falls within the Section 28(e) safe harbor provision.

5. REPRESENTATIONS AND WARRANTIES

(a) The Manager represents, warrants, and covenants:

(1) That it is registered as an Investment Adviser with the U. S. Securities and Exchange Commission (S.E.C.) under the Investment Advisers Act of 1940 as amended, 15 U.S.C. §§ 80b-1 et seq. (“Advisers Act”), which is incorporated herein by reference, and that it is and will be in compliance with the requirements of maintaining such registration.

(2) That it is notice-filed with the Central Registration Depository (CRD[®]) of the Financial Industry Regulatory Authority (FINRA) as a Federally Covered Investment Adviser doing business in Pennsylvania, either with the CRD[®] directly or with the CRD[®] through the S.E.C.’s Investment Adviser Registration Depository (IARD[®]), and that it is and will be in compliance with the requirements of maintaining such registration.

(3) If required by the laws of a jurisdiction other than Pennsylvania, that it is registered as an investment advisor with the applicable regulatory authority(ies) in each such jurisdiction, and that it is and will be in compliance with the requirements of maintaining such registrations.

(4) That any person employed by or associated with the Manager who (a) makes recommendations or renders advice regarding the purchase, sale or holding of securities, (b) manages client accounts or portfolios, (c) solicits, sells or negotiates investment advisory services, or (d) supervises employees who perform any of the foregoing acts in the Commonwealth of Pennsylvania, is registered as an Investment Adviser Representative in Pennsylvania with the CRD, and that it is and will be in compliance with the requirements of maintaining such registration.

(5) If required by the laws of a jurisdiction other than Pennsylvania, that any person employed by or associated with the Manager who (a) makes recommendations or renders advice regarding the purchase, sale or holding of securities, (b) manages client accounts or portfolios, (c) solicits, sells or negotiates investment advisory services, or (d) supervises employees who perform any of the foregoing acts, is registered as an investment

advisor representative with the applicable regulatory authority(ies) in that jurisdiction and that it is and will be in compliance with the requirements of maintaining such registrations.

(6) That it meets the plan fiduciary fidelity bonding requirements of Section 412 of the Employee Retirement Income Security Act of 1974 as amended, 29 U.S.C. §§ 1001 et seq. (“ERISA”), at § 1112, which is incorporated herein by reference, and related regulations, or that it carries at least an equivalent fidelity bond applicable to Manager's actions under this Agreement, unless exempt from the Section 412 bonding requirements.

(7) That it will act at all times as a fiduciary to the System in accordance with the fiduciary duties of Section 404(a) of ERISA, 29 U.S.C. § 1104(a).

(8) That it maintains errors and omissions insurance providing a prudent amount of coverage for negligent acts or omissions and that such coverage is applicable to Manager's actions under this Agreement.

(9) That it will not delegate its fiduciary responsibilities in managing the Account under this Agreement without the prior written consent of the Commission.

(10) That it has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by a government or a governmental authority for acts contemplated by this Agreement.

(11) That it has implemented and enforces a policy reasonably designed to prohibit its employees, officers and individuals subject to its control from engaging in illegal insider trading proscribed by federal and state securities laws and regulations.

(12) That it holds, or has submitted an application for, a valid, current commercial activity license [previously known as a business privilege license]for the City. The Manager acknowledges that this Agreement or any subsequent renewals cannot be executed without this license, and the failure of the Manager to obtain or maintain such license constitutes a breach of this Agreement.

(13) That the Manager and all of the person(s) acting on the Manager’s behalf pursuant to this Agreement possess and, at all times during the term of this Agreement, shall possess all licenses, certifications, qualifications or other credentials required in accordance with applicable law and the terms of this Agreement, to perform the services under this Agreement.

(14) Each subcontractor and proposed subcontractor, if any, holds and shall maintain during the term of the subcontract, a valid, current Commercial Activity License to do business in the City, if required by applicable law. Furthermore, to the best of the Manager's knowledge, information and belief, the representations made in any subcontract that subcontractor is not indebted to the City are true and correct.

(15) Except for conflicts that generally apply to Investment Managers that have more than one client, including, without limitation, conflicts with respect to the allocation of time and effort to its various clients, and except as disclosed in writing and approved by the Commission, that neither the Manager nor any of its directors, officers, members, partners or employees, has any interest, or will acquire acquire any interest, directly or indirectly, that would or may conflict in any manner or degree with the performance or rendering of the services contemplated by this Agreement.

(16) That it is a business corporation or other business entity duly organized, validly existing and in good standing under the laws of the State of _____, and that it is duly registered, licensed, qualified and in good standing as a foreign business organization in the Commonwealth of Pennsylvania and in all jurisdictions in which it conducts business activities.

(17) That it is duly authorized to perform the services contemplated by this Agreement under the laws of the Commonwealth of Pennsylvania, and that it has full legal power and authority to enter into, execute, deliver, and perform this Agreement, and provide the services contemplated herein. The Manager has duly authorized by all necessary actions the execution and delivery of this Agreement on behalf of Manager by the individual or individuals signing the Agreement. This Agreement is the legal, valid and binding obligation of Manager, enforceable against Manager in accordance with the terms set forth herein. Entering into, executing, delivering, and performing this Agreement by Manager will not result in a default under, or a breach or violation of (1) the Manager's certificate or articles of incorporation or bylaws, partnership agreement, limited liability company operating agreement, or other pertinent organizational documents, if applicable; (2) any applicable law, regulation, judgement, court order, injunction or decree of any court, administrative agency or governmental body, or any license, permit or other instrument or obligation to which the Manager is now a party or by which the Manager

may be bound or affected; and (3) Manager's tax exempt status, if applicable. No consent, approval or authorization is required of any regulatory authority or governmental agency, or of any shareholder, partner, member, manager or other party related to Manager, other than the individual or individuals signing the Agreement.

(18) That this Agreement has been duly authorized, executed and delivered by the Manager, by and through individuals duly authorized to execute this Agreement on behalf of Manager, and constitutes the legal, valid and binding obligation of the Manager, enforceable against the Manager in accordance with its terms and that the person or persons executing the Agreement on behalf of the Manager has or have the full power and authority to execute the Agreement on behalf of the Manager.

(19) That there is no litigation, claim, consent order, settlement agreement, arbitration, agency proceeding, investigation, challenge or other proceeding pending or threatened against the Manager, its properties or business or any individuals acting on Manager's behalf, including, without limitation, subcontractors, which seeks to enjoin or prohibit the Manager or any person associated with the Manager from entering into or performing its obligations under the Agreement; or which, if the result were adverse to the Manager or person, would prohibit the Manager or person from entering into or performing its obligations under the Agreement.

(20) That in the event that any of the following occurs and is reasonably likely to have a material adverse impact on the Account or the Manager, the Manager shall promptly notify the Chief Investment Officer and the Executive Director of the Board in writing and set forth all relevant details: (1) any litigation, claim, investigation, challenge or other proceeding is instituted or threatened against the Manager; or (2) any director, officer, or employee of, the Manager is indicted for or charged with a violation of law for which the maximum penalty is imprisonment for one year or more. Further, the Manager agrees to provide prompt written notice to the Commission should the Manager or any of its directors, officers, employees or agents become the subject of or involved in any legal action, suit, arbitration or other administrative or governmental investigation, inquiry or proceeding (whether federal, state, local or foreign) in each case that is reasonably likely to have a material adverse impact on the Commission's Account or the Manager.

(21) The Manager and all of the individuals acting on the Manager's behalf including, without limitation, subcontractors, are not under suspension or debarment from doing business with the Commonwealth of Pennsylvania, any other state, or the federal government, or any department, agency or political subdivision of any of the foregoing. If the Manager cannot so warrant, then the Manager shall submit to the responsible official a full, complete written explanation as to why the Manager cannot so warrant. The Manager shall reimburse the Commission for the reasonable cost of investigation incurred by the City or the Commonwealth of Pennsylvania Office of Inspector General for investigation of the Manager's compliance with the terms of this or any other contract between the Manager and the Commission which results in the suspension or debarment of the Manager. Such costs shall include, but are not limited to, salaries of investigators, including overtime, travel and lodging expenses, expert witness and documentary fees and attorney fees and expenses. The Manager shall not be responsible for costs of investigations which do not result in the Manager's suspension or debarment.

(22) That for as long as this Agreement remains in effect, the Manager shall promptly notify the Chief Investment Officer of any fee agreement or arrangement between the Manager and any of its clients that contains terms more favorable than those set forth in Schedule B of this Agreement, attached hereto and made a part hereof. The Commission, at its option, shall automatically receive the benefit of any such more favorable terms.

(23) That the method the Manager will use to calculate and present its performance is in compliance with CFA Institute Global Investment Performance Standards (GIPS) and Securities and Exchange Commission (SEC) regulations for computing fund performance and any successor provisions.

(24) That should a fiduciary of the System, employee of the City or a member of the Board approach the Manager to obtain any special personal favor or benefit or a favor or benefit for some other individual or entity and not to the System, whether or not any performance is offered in return, the Manager shall promptly thereafter notify the Chief Investment Officer and Executive Director of the Commission in writing and set forth all relevant details of the incident.

(25) That it has received and reviewed a copy of the Guidelines, as they may be amended from time to time, and agrees to perform the services contemplated by this

Agreement as an Investment Manager for [PRODUCT NAME] in accordance with the Guidelines and any amendments thereto, subject to Paragraph 1(a).

(26) That the Manager used no Solicitor, as that term is defined by Rule 206(4)-3 under the Advisers Act, 17 C.F.R. § 275.206(4)-3, in securing and continuing to secure the business engagement contemplated by this Agreement, except in compliance with Rule 206(4)-3 or successor provision.

(27) In any claim for a breach of fiduciary duty, responsibility or obligation by the Manager, the Manager agrees to extend the applicable statute of limitations to the later of (i) six (6) years from the discovery of any breach; (ii) three (3) years from the final disposition of any investment to which the breach relates; or (iii) the period provided by the applicable statute of limitations.

(b) The Manager agrees to notify the Commission promptly of any changes in the Manager's compliance with the representations and warranties stated herein, and agrees to immediately restore the representations and warranties as required by the Commission, in the event of a lapse. In the absence of a notice to the Commission to the contrary, the Commission shall rely on the ongoing effectiveness of each representation and warranty contained herein, which representations and warranties are considered by the Commission as material terms of this Agreement.

(c) The Commission represents and warrants that:

(1) It has all necessary power and authority to execute, deliver and perform this Agreement.

(2) This Agreement is a valid and binding contract enforceable against it.

(3) The Commission and/or any person designated by the Commission will have due authorization to act in all respects on the Commission's behalf in connection with this Agreement.

(4) It has received a copy of Part 2 of the Manager's Form ADV not less than forty-eight (48) hours prior to entering into this Agreement and represents that it understands the matters set forth in Part 2 of such Form ADV.

(5) It has complied, in all material respects, with all registrations required by, and will comply in all material respects with, all applicable rules and regulations.

(d) As applicable, the Commission agrees to provide to the Manager the information and documents listed on the attached Schedule C, Information and Documentation to be Provided by the Commission (as may be updated from time to time). Throughout the term of this Agreement, the Commission shall provide prior notice, if possible, to the Manager of any changes to such information or documentation.

6. INVESTMENT DIRECTION

(a) The Manager shall select investments for the Account in accordance with all directions, instructions, and restrictions which shall be provided by the Commission from time to time including, without limitation, the Guidelines. The Commission retains the right to modify all directions, instructions, and restrictions in any manner and at any time by giving Written Notice to the Manager. The Manager may rely conclusively upon and shall incur no liability hereunder in acting upon any such notice, order, request, or instruction reasonably believed by it to be genuine or to be signed by a duly authorized person whose names and signatures appear in Exhibit 1 attached hereto and made a part hereof.

(b) In the event the Manager selects investments for the Account that contravene the directions, instructions, and restrictions provided by the Commission including, without limitation, the Guidelines referred to in Paragraph 6(a), above, then, at the sole discretion of the Commission, the Commission may elect to avail itself of any combination of remedies, which shall not be exclusive or cumulative, including without limitation, reimbursement for any funds lost as a result of such investment; formal letter of censure; and/or termination of this Agreement.

7. COMPENSATION TO THE MANAGER

As full compensation for services rendered under this Agreement, the Manager shall be paid by the Commission quarterly, in arrears, in accordance with Schedule B of this Agreement, attached hereto and made a part hereof. Anything to the contrary notwithstanding, before any payment shall become due and payable to the Manager, the Manager shall furnish to the Commission's Executive Director bills and vouchers in such number, form and content as the Commission may reasonably require. Upon receipt and approval of such bills and vouchers, the Manager shall be paid by check issued by the Custodian. All payments to the Manager are contingent upon satisfactory performance of the terms and conditions of this Agreement. The

Commission reserves the right to withhold or offset against any funds payable to the Manager for any invoice for which the Commission asserts a discrepancy exists or for the Manager's failure to satisfactorily perform the terms of this Agreement, as determined solely by the Commission. The Manager may submit any information it deems appropriate to assist the Commission in such determination, and shall submit any information requested by the Commission deemed appropriate by the Commission to make such determination. The Manager shall submit its final invoice for the Agreement not more than thirty (30) days from completion of the services under this Agreement. The Manager shall not be compensated on the basis of a share of capital gains or capital appreciation (or capital depreciation) of the assets of the Fund.

8. REPORTS AND ACCOUNTING

(a) The Manager agrees to furnish monthly, quarterly and annual reports as determined by the Commission on all investment activity and other information as reasonably requested. The Manager shall furnish reports in a format and with contents reasonably acceptable to the Commission.

(b) In accordance with Rule 204-3 of the Act, as may be amended from time to time, the Manager shall furnish the Commissioner with the Manager's latest "Form ADV" which has been filed with the Securities Exchange Commission (the "SEC") at least forty-eight (48) hours prior to the execution of this Agreement. In addition, the Manager shall promptly furnish the Commission with a copy of all Form ADVs that the Manager files with the SEC. If the Manager is regulated under the Office of Comptroller of the Currency (OCC) and not under the Securities Exchange Commission and is exempt from filing "Form ADV," then the Manager shall furnish the Commission with the Manager's latest a copy of all equal documents in accordance with fiduciary powers guided by 12 C.F.R. 9 or its most current amended version.

(c) Without limiting the foregoing, the Manager agrees to keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions. The Manager agrees to verify and reconcile all transaction activity monthly with reports generated by the Custodian and promptly resolve any discrepancy. The Manager agrees to promptly resolve any disputes on transactions, valuations, and accruals and notify the Commission of the resolution.

9. TRANSACTION PROCEDURES

(a) The Manager shall conduct all transactions according to detailed instructions provided from time to time by the Custodian.

(b) At the Custodian's request, the Manager shall establish and maintain throughout the term of this Agreement a computer interface with the Custodian at the Manager's facility.

10. CUSTODY, DELIVERY AND RECEIPT OF SECURITIES AND OTHER ASSETS

The Commission shall be responsible for the establishment and maintenance of proper arrangements for the custody, delivery and receipt of securities and other assets (including all cash and/or securities due to or from the Account) of the Account and, shall be responsible for the payment of all custodial charges and fees, except for Unjust Earnings, Overdraft Fees and Additional Overdraft Fees which are the responsibility of the Manager under Paragraph 3(b) of this Agreement. Upon giving proper instructions to the Custodian, the Manager shall have no responsibility or liability with respect to custodial arrangements or the acts, omissions or other conduct of the Custodian. All portfolio transactions will be consummated by payment to or delivery by the Custodian or such depositories or agents as may be designated by the Commission from time to time in writing. All instructions from the Manager to the Custodian shall be in writing, or shall be made orally and confirmed in writing as soon thereafter as may be practicable. The Manager shall instruct all broker-dealers executing orders on behalf of the Account to promptly forward to the Custodian notification of each transaction. The Manager shall report to the Commission irregularities of the Custodian. For illustrative purposes, such irregularities that occur on a frequent basis (i.e., more than is common or commonly acceptable practice in the industry) will include, without limitation, trades not settled properly and/or in a timely manner; pricing discrepancies, etc.

11. SUBCONTRACTING AND ASSIGNMENT

(a) No subcontract or assignment, as that term is defined in the Advisers Act, may be entered into by the Manager with respect to this Agreement without the prior written consent of the Commission and any such attempted subcontract or assignment without such consent shall be of no force or effect and shall be grounds for immediate termination of this Agreement. Any services performed subsequent to an attempted subcontract or assignment that have not been

consented to in advance by the Commission shall not be compensable and any costs incurred in connection with such services shall be the sole responsibility and liability of the Manager.

(b) The Manager shall submit to the Commission copies of all proposed subcontract(s) to be entered into by the Manager, along with the Manager's written request for the Commission's consent. All such subcontracts must specify that:

(1) work performed by the subcontractor shall be in conformity with the terms of the Agreement;

(2) nothing contained in such subcontract shall be construed to impair the rights of the Commission under the Agreement;

(3) the Commission's consent to or approval of any subcontract shall not create or purport to create any obligation of the Commission to any subcontractor;

(4) nothing contained in such subcontract, or under the Agreement, shall create or purport to create any obligation of the Commission to any subcontractor;

(5) the Commission shall be expressly designated a third party beneficiary of the subcontract;

(6) upon request by the Commission (at the Commission's sole option) and upon receipt of written notice from the Commission stating that the Agreement between the Commission and the Manager has been terminated, the subcontractor agrees that it will continue to perform its obligations under the subcontract for the benefit of the Commission in accordance with the terms and conditions of this Agreement, provided the Commission pays the subcontractor for the services rendered by the subcontractor from and after the date of the termination of the Agreement between the Commission and the Manager at the same rate or in the same amount as set forth in the subcontract for services after such date of termination;

(7) the subcontractor shall be bound by the same terms, covenants, and conditions as the Manager under this Agreement, including, without limitation, confidentiality, maintenance and preservation of records, and audit by government representatives.

(8) the subcontractor shall, effective on the date of the subcontract, presently, fully and unconditionally assign, transfer and set over to the Commission all of the subcontractor's right, title and interest in and to any sales and use tax which may be refunded as a result of a claim for refund for any materials purchased in connection with the subcontract or this Agreement, and the subcontractor shall covenant and agree that, (i) other than as directed by the Commission, it will not file a claim for refund for any sales or use tax which is the subject of this assignment; and (ii) the Commission, in its own name or in the name of the subcontractor, may file a claim for a refund of any sales or use tax covered by this assignment;

(9) the subcontractor shall not be indebted to the City (to satisfy this requirement, the Manager shall include Section 26, "Certificate of Non-Indebtedness," below, with appropriate adjustments for the identity of the parties, in all subcontracts that are entered into for work to be performed pursuant to this Agreement);

(10) the subcontractor shall comply with Chapter 17-400 of the Code (to satisfy this requirement, the Manager shall include Section 25(a), Chapter 17-400 of the Code, below, with appropriate adjustments for the identity of the parties, in all subcontracts that are entered into for work to be performed pursuant to this Agreement);

(11) the subcontractor shall comply with Section 17-104 of the Code (to satisfy this requirement, the Manager shall include Section 35(b) (Section 17-104 of the Code) below, with appropriate adjustments for the identity of the parties, in all subcontracts that are entered into for work to be performed pursuant to this Agreement); and

(12) the subcontractor shall comply with Chapter 17-1300 of the Code to the extent it is applicable to a subcontractor that is also a Service Contractor (as defined in Chapter 17-1300) providing services under the subcontract, and to subcontractors at any tier that are also Service Contractors providing services under this Agreement. To satisfy these requirements, the Manager shall notify its subcontractors of these provisions; shall incorporate this paragraph and any other reference or section in this Agreement addressing Chapter 17-1300, with appropriate adjustments for the identity of the parties, in each subcontract; and shall require its subcontractors to include such terms in any lower-tier subcontract that is, or may become, covered by Chapter 17-1300.

(c) No permitted subcontract shall relieve the Manager of any obligation under the Agreement. The Manager shall be as fully responsible for the acts and omissions of its subcontractors or persons either directly or indirectly employed by them, as it is for the acts and omissions of the Manager or persons directly or indirectly employed by the Manager.

(d) Any purported subcontract made in violation of this Section or of any other Section in this Agreement shall be null and void.

(e) City-Related Agencies.

(1) If the Manager is a City-Related Agency, as defined in Subsection 17-1401(9) of the Code, the Manager shall abide by the provisions of Chapter 17-1400 of the Code in awarding any contract(s) pursuant to this Agreement as though such contracts were directly subject to the provisions of Chapter 17-1400, except that the exception set forth at Subsection 17-1406(8) shall apply to the Manager as if the Manager were listed in that subsection.

(2) Unless approved by the Commission to the contrary, any approvals required by Chapter 17-1400 of the Code to be performed by the City Solicitor shall be performed by

the Manager by its General Counsel; any approvals required to be performed by the Director of Finance shall be performed by the Manager by its Chief Financial Officer; and any approvals required to be performed by the Mayor shall be performed by the Manager by its Executive Director.

(f) The prohibition against assignment shall prohibit assignment by a receiver or trustee in any federal or state bankruptcy, insolvency or other proceedings, or by operation of law.

(g) The Manager acknowledges that the services are the personal services of the Manager and the Commission shall have no obligation to accept performance by a third party without the Commission's prior express written consent.

12. AUTHORIZED PERSONNEL AND STAFF

(a) The current list and specimen signatures of the persons who are authorized to act on the Manager's behalf pursuant to this Agreement are attached hereto and incorporated by this reference as Exhibit 2.

(b) The members and staff of the Commission who are authorized to conduct business on behalf of the Fund and their specimen signatures are attached hereto and incorporated by this reference as Exhibit 1.

(c) Both parties shall be entitled to rely upon such lists and specimen signatures until written notice of revocation or modification is received and accepted by the other party. The Commission shall have the right to refuse portfolio management services of the Manager not supervised by those persons referenced in Exhibit 2.

(d) The staff representing the Manager and assigned to provide client services to the Commission and the Fund are referenced in Exhibit 2.

13. SERVICE TO OTHER CLIENTS

It is understood that the Manager performs investment advisory services for various clients. The Manager may give advice to and act for any of its other clients in a manner which may differ from its advice or actions with respect to the Account so long as the Manager, to the extent possible, allocates investment opportunities over a period of time on a fair and equitable basis to all clients. It is understood that the Manager shall not have any obligation to purchase or sell, or to recommend for purchase or sale for the Account, any security which its principals, affiliates or

employees may purchase or sell for its or their own accounts or for the account of any other client, if in the opinion of the Manager, such transaction or investment appears unsuitable, impractical or undesirable for the Account.

14. VOTING OF PROXIES

The Manager is authorized to take action with respect to voting of proxies solicited by or with respect to the issuers of securities in which assets of the Account may be invested, and shall periodically provide to the Commission a report of such voting. All proxies will be voted in accordance with the Manager's voting policies, except that the Commission reserves all rights with respect to proxy voting, including the right to direct the Manager to vote any proxy in accordance with any written instructions issued by the Commission.

15. COMPLIANCE WITH SOLICITOR REFERRAL FEE ARRANGEMENTS

The Manager covenants that it used and uses no Solicitor, as that term is defined by Rule 206(4)-3 under the Advisers Act, excepting bona fide employees of the Manager, in securing and continuing to secure the investment management engagement contemplated by this Agreement, provided that:

Where the Manager used or uses a Solicitor ("Third Party Marketer" or "TPM") which is not a bona fide employee of the Manager, in securing and continuing to secure the investment management engagement contemplated by this Agreement, the Manager covenants that:

(a) It has entered into a written solicitor referral arrangement between the Manager and the TPM which includes, without limitation, (1) a description of the TPM's scope of services and the compensation therefor to be paid by the Manager to the TPM, (2) a covenant by the TPM to perform such activities consistent with the instructions of the Manager and in compliance with the Advisers Act and associated rules, and (3) a covenant by the TPM to provide the Plan with a copy of the Manager's Form ADV Part II and Schedule F and with a separate written solicitor disclosure document ("Solicitor Disclosure").

(b) The Solicitor Disclosure to which reference is made in Paragraph 15(a), above, shall contain, without limitation, (1) the name of the TPM, (2) the name of the Manager,

(3) the nature of the relationship between the TPM and the Manager, (4) a statement that the TPM will be compensated by the Manager for solicitation services in connection with the referral, (5) the terms of such compensation arrangement including a description of the compensation paid or to be paid to the TPM, and (6) the additional amount, if any, that will be charged to the investment advisory fee and the differential attributable to such a solicitor arrangement.

The Commission shall have the right, in the event of breach of this provision by the Manager, to terminate this Agreement without liability, pay only for the value of the work actually performed, or in its discretion, to deduct from the Agreement or consideration, or to otherwise recover, the full amount of such commission, percentage or brokerage fee.

16. AMENDMENT

Unless otherwise specifically stated in this Agreement, no amendment to this Agreement shall be valid unless made in writing and signed by all parties.

17. SUBSTITUTIONS

The Manager shall not cause the investment professionals assigned to the Account as identified herein to be substituted or removed without the prior written notice to and approval of the Commission, except in the circumstances contemplated by the next sentence. In the event of exigent circumstances (such as termination of such a professional by the Manager or the resignation of such person or his or her incapacity), the Manager [may substitute or remove one or more of the investment professionals assigned to the Account provided the Manager gives the Commission](#) any type of notice within five (5) business days of any change in the investment professionals assigned to the Account. The Manager shall be responsible for ensuring that such type of notice is actually received by the Commission and if the notice was not a Written Notice, shall follow such notice within seven (7) days with Written Notice as set forth in Paragraph 23 hereof. Within thirty (30) days of receipt of the Written Notice, the Commission shall advise the Manager whether it approves of the investment professionals assigned to the Account. In the event of the Commission's disapproval, the Manager shall immediately substitute investment professionals that are satisfactory to the Commission.

18. EVALUATION OF MANAGER

A quarterly evaluation of the Manager's performance will be completed by the Fund's Chief Investment Officer and/or his/her designee and/or investment consultant who will present the evaluations to the Commission. The Manager may be evaluated more frequently in the sole discretion of the Commission. The Manager shall cooperate fully with the Commission in connection with any evaluation process.

19. ADDITIONAL DOCUMENTS

The Manager and Commission agree to execute such additional documents as may be reasonable and necessary to carry out the provisions of this Agreement.

20. INSURANCE [Any requested changes subject to Review and Approval by the City of Philadelphia Department of Risk Management]

The Manager shall, at its sole cost and expense, procure and maintain in full force and effect, covering the performance of the services required under this Agreement, the types and minimum limits of insurance specified below. All insurance shall be procured from reputable insurers admitted to do business on a direct basis in the Commonwealth of Pennsylvania or otherwise acceptable to the City. Each insurer must have a financial strength rating or ratings as follows: (1) a minimum of A-VII from A. M. Best, or, alternatively, (2) any two of minimums of AA- from Fitch, Aa3 from Moody's, AA- from Standard & Poor's or A- from Weiss. The Manager shall maintain coverages complying with the foregoing licensure and ratings requirements during the entire term of this Agreement.

All insurance required herein, except the Professional Liability Insurance, shall be written on an "occurrence" basis and not a "claims-made" basis. In no event shall work be performed until the required evidence of insurance has been furnished. If the Manager fails to obtain or maintain the required insurance, the Commission shall have the right to treat such failure as a breach of contract and to exercise all appropriate rights and remedies. The Manager shall provide at least thirty (30) days' prior written notice to the Commission in the event coverage is materially changed, canceled, or non-renewed. The City, the Commission, their officers, employees, and agents are to be named as additional insureds on the General Liability Insurance policy. Also,

coverage afforded the City, the Commission, their officers, employees and agents as additional insureds will be primary to any coverage available to them. Also, an endorsement is required stating that the coverage afforded the City, the Commission, their officers, employees, and agents as additional insureds shall be primary to any coverage available to them and, that no act or omission of the City shall invalidate the coverage.

(a) WORKERS COMPENSATION AND EMPLOYERS LIABILITY

- (1) Workers Compensation: Statutory limits.
- (2) Employers Liability: \$100,000 Each Accident - Bodily Injury by Accident; \$100,000 Each Employee - Bodily Injury by Disease; \$500,000 Policy Limit - Bodily Injury by Disease.

(b) GENERAL LIABILITY INSURANCE

- (1) Limit of liability: \$1,000,000 per occurrence combined single limit for bodily injury (including death) and property damage liability; \$1,000,000 personal and advertising injury; \$2,000,000 general aggregate and \$1,000,000 aggregate for products and completed operations.
- (2) Coverage: Premises operations; blanket contractual liability; personal injury liability (employee exclusion deleted); products and completed operations; independent contractors; employees as additional insureds; severability of interest; and broad form property damage (including complete operations).

(c) AUTOMOBILE LIABILITY

- (1) It is understood and agreed that based on the following representation and warranty of the Manager, the City has waived its standard insurance requirements for automobile liability.
- (2) The Manager represents and warrants that no automobile or other motor vehicle will be utilized by the Manager in the performance of the services required under this Agreement.

(d) PROFESSIONAL LIABILITY INSURANCE

- (1) Limit of Liability: \$2,000,000 limit with a deductible not to exceed \$250,000.
- (2) Coverage: Errors and omissions including liability assumed under contract.

- (3) Coverage for occurrences happening during the performance of the service required under this Agreement shall be maintained full force and effect under the policy or "tail" coverage for a period of at least two (2) years after completion of the services.

- (e) FIDELITY/CRIME INSURANCE/FINANCIAL INSTITUTION BOND:
 - (1) The Manager shall at its sole cost and expense, obtain and maintain for as long as this Agreement is in effect, a fidelity bond in a minimum amount of:
 - a) \$2,000,000 limit for an assets under management ("AUM") allocation of \$10,000,000 and under;
 - b) \$5,000,000 limit for an AUM over \$10,000,000;
 - c) \$10,000,000 limit for an AUM over \$50,000,000; or
 - d) \$20,000,000 limit for an AUM over \$100,000,000.
 - (2) Coverage shall include employee dishonesty; trade or loan dishonesty; theft of money and securities; forgery or alteration.

Certificates of insurance evidencing the required coverage shall be submitted to the Commission and the City's Risk Manager (1515 Arch Street, 14th Floor, Philadelphia, Pennsylvania 19102) at least ten (10) days before work is begun and at least ten (10) days before each renewal date. The ten- (10-) day requirement for advance documentation of coverage may be waived in situations where such waiver will benefit the Commission and the Plan, but under no circumstances shall the Commission allow the Manager to begin work (or continue work, in the case of renewal) without providing the required evidence of insurance. The Commission reserves the right (i) to require the Manager to furnish copies of the original policies of all insurance required under this Agreement at any time upon ten (10) days prior written notice to the Manager, and (ii) to require the Manager to furnish written responses from its authorized insurance carrier representatives to all inquiries made pertaining to the insurance required under this Agreement at any time upon ten (10) days written notice to the Manager. The insurance requirements set forth herein are not intended and shall not be construed to modify, limit or reduce the indemnifications made in this Agreement by the Manager to the Commission or to limit the Manager's liability under this Agreement to the limits of the policies of insurance required to be maintained by the Manager hereunder.

21. INDEMNIFICATION [Any requested changes subject to Review and Approval by the City of Philadelphia Department of Risk Management]

The Manager agrees to indemnify, defend and save harmless the City and the Commission, including their respective employees, officers and agents from and against any and all losses, claims, suits, actions, damages, liability (including, but not limited to, reasonable litigation and settlement costs and counsel fees) and expenses, including without limitation, those in connection with loss of life, bodily and personal injury or damage to personal property, to the extent occasioned in connection with this Agreement, by the negligent act or omission or willful malfeasance or bad faith of the Manager or the negligent act or omission or willful malfeasance or bad faith of the Manager's agents, subcontractors, officers, servants or employees. This obligation to indemnify, defend and hold harmless the City and the Commission, including their respective employees, officers and agents, shall survive the termination of this Agreement.

22. TERMINATION

This Agreement may be terminated immediately by the Commission upon Written Notice, with or without cause, and with thirty (30) days Written Notice by the Manager, with or without cause. In the event this Agreement is terminated, the Commission shall pay pro rata the Manager's fees due through the date of termination. Upon notice of termination by the Commission, unless otherwise instructed by the Chief Investment Officer of the Plan, the Manager shall immediately cease the initiation of purchase and sale activity, and provide the Commission with Written Notice of all trades in process. The Manager's obligations as to reporting to the Commission and reconciliation of accounts with the Custodian, both under Paragraph 8 hereof, shall survive the effective date of termination until the Manager produces the next regular report and the Manager's and Custodian's accounts are reconciled. Finally, the Manager shall provide a final written report within seven (7) days of the effective date of termination. The format of the report shall be determined by the City.

23. NOTICES

Any notices, direction, instruction, acknowledgement, or other communication required or contemplated by this Agreement shall be by Written Notice. "Written Notice" as the term is used in this Agreement shall mean notification to the recipient, the receipt of which is evidenced by a

delivery confirmation from the delivery mechanism (e.g., e-mail, USPS, private courier) or a return receipt from or written acknowledgement by the Manager. "Return receipt" includes such receipts as are automatically generated by the recipient's e-mail system.

Written Notices shall be addressed as follows:

To the Commission and the Plan:

Christopher R. DiFusco
Chief Investment Officer, Sinking Fund Commission
Two Penn Center Plaza, 17th Floor
Philadelphia, PA 19102-1721
telephone 215-496-7463, fax 215-496-7460
Christopher.difusco@phila.gov

To the Manager (as appropriate):

[INSERT MANAGER INFORMATION]

Either party may update contact information by providing Written Notice to the other party pursuant to this Paragraph.

24. GOVERNING LAW

This Agreement shall be deemed to have been made in Philadelphia, Pennsylvania. The laws of the Commonwealth of Pennsylvania and the City of Pennsylvania, including all applicable laws, statutes and ordinances thereof, as may be amended from time to time, and all applicable rules, regulations, methods and procedures of governmental boards, bureaus, offices, commissions and other agencies, shall control all matters relating to this Agreement and shall apply to the extent not preempted by the laws of the United States of America.

25. NON-DISCRIMINATION REQUIREMENTS

This Agreement is entered into under the terms of the Charter, the Fair Practices Ordinance (Chapter 9-1100 of the Code) and the Mayor's Executive Order No. 04-86 (the "Executive Order"), as they may be amended from time to time, and in performing this Agreement, the Manager shall not discriminate nor permit discrimination against any person because of race, color, religion, national origin. Nor shall the Manager discriminate or permit discrimination against individuals

in employment, housing and real property practices, and/or public accommodation practices whether by direct or indirect practice of exclusion, distinction, restriction, segregation, limitation, refusal, denial, differentiation or preference in the treatment of a person on the basis of actual or perceived race, ethnicity, color, sex, sexual orientation, gender identity, religion, national origin, ancestry, age, disability, marital status, source of income, familiar status, genetic information or domestic or sexual violence victim status, Human Immunodeficiency Virus (HIV) infection, or engage in any other act or practice made unlawful under the Charter, Chapter 9-1100, the Executive Order, or under the nondiscrimination laws of the United States or the Commonwealth of Pennsylvania, and, to the extent that Manager has employees engaged in the performance of this Agreement within the City of Philadelphia, under the nondiscrimination laws of the City of Philadelphia . In the event of such discrimination, the City may in addition to any other rights or remedies available under this Contract, at law or in equity, suspend or terminate this Agreement immediately.

(a) In accordance with Chapter 17-400 of The Philadelphia Code (“Chapter 17-400”), the Manager agrees that its payment or reimbursement of membership fees or other expenses associated with participation by its employees in an exclusionary private organization, insofar as such participation confers an employment advantage or constitutes or results in discrimination with regard to hiring, tenure of employment, promotions, terms, privileges or conditions of employment on the basis of race, color, sex, sexual orientation, religion, national origin or ancestry, constitutes a substantial breach of this Agreement entitling the Commission to all rights and remedies provided in this Agreement or otherwise available in law or equity.

(b) The Manager agrees to include the immediately preceding Paragraph 25(a), with appropriate adjustments for the identity of the parties, in all subcontracts which are entered into for work to be performed pursuant to this Agreement.

(c) The Manager further agrees to cooperate with the City of Philadelphia Commission on Human Relations (“PCHR”) in any manner which the PCHR deems reasonable and necessary for the Commission to carry out its responsibilities under Chapter 17-400. Failure to so cooperate shall constitute a substantial breach of this Agreement entitling the Commission to all rights and remedies provided herein or otherwise available in law or equity.

26. CERTIFICATE OF NON-INDEBTEDNESS

The Manager hereby certifies and represents that the Manager and any entities under common control with the Manager or controlled by the Manager are not currently indebted to the City, and shall not at any time during the term of this Agreement (including any renewal terms) be indebted to the City, for or on account of any delinquent taxes (including, but not limited to, taxes collected by the City on behalf of the School District of Philadelphia), water bills, sewer bills, liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. The Manager shall remain current during the term of this Agreement with all such payments and shall inform the Commission's Executive Director or the Plan's Chief Investment Officer of the Manager's receipt of any notices of delinquent payments by Written Notice within five (5) days after receipt. In addition to any other rights or remedies available to the City at law or in equity, the Manager acknowledges that any breach or failure to conform to this representation and covenant may, at the option of the City, result in the withholding of payments otherwise due to the Manager and, if such breach or failure is not resolved to the City's satisfaction within a reasonable time frame specified by the City in writing, may result in the offset of any such indebtedness against said payments and/or termination of this Agreement for default (in which case the Manager shall be liable for all excess costs and other damages resulting from the termination). In addition, it is understood that false certification or representation is subject to prosecution under Title 18 Pa.C.S. § 4904.

27. ACCESS TO RECORDS AND DOCUMENTS

(a) The Manager agrees that the Commission or its designee will have the right to audit, review, obtain, and copy all records material to determining Manager's performance of its obligations under this Agreement. The Manager agrees to provide the Commission or its designee with any such relevant information reasonably requested and shall permit the Commission or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying, at the expense of the Commission, Manager's books, records, accounts, and other material which are material in determining the Manager's performance of its obligations under this Agreement, including without limitation, information that may be relevant to a matter under investigation for the purpose of determining compliance with regulations. The Manager further agrees to maintain such records in compliance with applicable state and federal law and regulation.

(b) During the period for which the Manager has agreed to maintain records, as described in Paragraph 27(a) hereof, in compliance with applicable state and federal law and regulation, the Commission may audit the Manager's performance under this Agreement. Audits may be conducted by representatives of the Commission or other authorized City representatives including, without limitation, the City Controller. If so requested, the Manager shall submit to the Commission all vouchers or invoices presented for payment pursuant to this Agreement, all material work papers, books, records and accounts upon which the vouchers or invoices are based, and any and all reasonable documentation and justification in support of expenditures or fees incurred pursuant to this Agreement. All books, invoices, vouchers, records, reports, canceled checks and other materials shall be subject to periodic review and audit.

(c) The Manager shall make available within the City of Philadelphia at reasonable times during the term of this Agreement and for the period required by applicable state and federal laws all records material to the determination of Manager's performance of its obligations under this Agreement for the purpose of inspection, audit or reproduction by any authorized Commission or City representative, the Pennsylvania Auditor General or any other federal or state official having jurisdiction over a matter relevant to the Manager's performance of its obligations under this Agreement.

(d) The Manager shall retain all records, books of account and documentation pertaining to this Agreement in compliance with applicable state and federal law and regulation; however, if any litigation, claim or audit is commenced during the period for which the Manager has agreed to maintain records in compliance with applicable state and federal law and regulation, then the records shall be retained until all litigation, claims or audit findings have been completely terminated or resolved, without right of further appeal, or if applicable law requires a longer period, then the records shall be retained for such longer period.

28. MISCELLANEOUS

Where the context of this Agreement admits, words in the plural shall include the singular and the singular shall include the plural, and pronouns of any gender shall be deemed to include and designate the masculine, feminine or neuter gender.

29. INDEPENDENT CONTRACTOR

The Manager is an independent contractor and shall not in any way or for any purpose be deemed or intended to be an employee or agent, other than investment agent, of the Commission, the Plan, the Fund or the City (collectively, the "City Entities"). The Manager shall not in any way represent that the Manager is one of the City Entities, and the Manager shall not use the name of any of the City Entities in any way which would imply that the Manager or the Manager's employees or subcontractors are acting as officials or employees of any of the City Entities.

30. LITIGATION COOPERATION

If, at any time, the Commission becomes involved in a dispute or receives notice of a claim or is involved in litigation concerning the services provided under this Agreement, the resolution of which requires the services of the Manager, and the Manager is not otherwise obligated to indemnify and defend the Commission pursuant to the provisions of Paragraph 21 hereof, the Manager agrees to provide reasonable services and cooperation to the Commission in resolving such claim and/or litigation. This litigation cooperation obligation shall survive the termination of this Agreement.

31. THE PHILADELPHIA CODE, CHAPTERS 17-400, 17-500, 17-1300, 17-1400, 17-1900, 9-1100 and 22-1001; EXECUTIVE ORDERS 3-11, 3-12, and 7-14; PENNSYLVANIA ACT 44

(a) To the extent that the Manager engages subcontractors to perform discretionary investment management services under this Agreement, the Manager shall comply with Executive Order 03-12. In accordance with Executive Order 03-12 (the "Antidiscrimination Policy"), the City, acting through its Office of Economic Opportunity ("OEO"), has established an antidiscrimination policy that relates to the solicitation and participation of Minority Business Enterprises ("MBE"), Woman Business Enterprises ("WBE"), and Disabled Business Enterprises ("DSBE") (collectively, "M/W/DSBE") in City contracts. The purpose of this Antidiscrimination Policy is to ensure that all businesses desiring to do business with the City have an equal opportunity to compete by creating access to the City's procurement process and meaningfully increasing opportunities for the participation by M/W/DSBEs in City contracts at all tiers of contracting, as prime contractors, subcontractors and joint venture partners. In furtherance of this policy, the City will, from time to time, establish participation

ranges for City contracts and City related special projects. The Manager agrees to comply with the requirements of the Antidiscrimination Policy by exercising its best and good faith efforts to include M/W/DSBEs in its contract, and where participation ranges are established by OEO, Manager agrees, without limitation, to submit documentation responsive to each of the participation ranges established for the Agreement.

(1) **General Requirements.** In furtherance of the purposes of the Antidiscrimination Policy, the Manager agrees to the following:

(i) The Manager, if it has achieved participation commitments with M/W/DSBEs, represents that it has entered into legally binding agreement(s) ("M/W/DSBE Subcontract(s)") with M/W/DSBEs as participants under this Agreement for the services and in the dollar amount(s) and percentage(s) as specified in the M/W/DSBE Participation Exhibit to this Agreement (the "Contract Commitment(s)").

(ii) The Manager shall secure the prior written approval of OEO before making any changes or modifications to any Contract Commitments made by Manager herein, including, without limitation, substitutions for its MBEs, WBEs and/or DSBEs, changes or reductions in the services provided by its M/W/DSBE participants, or changes or reductions in the dollar amounts and/or percentage value paid to its M/W/DSBE participants.

(iii) Unless otherwise specified in the M/W/DSBE Subcontract between the Manager and its M/W/DSBE participant as described in (1)(i) above, the Manager shall, within five (5) business days after receipt of a payment from the City for services performed under this Agreement, deliver to its M/W/DSBE participant its proportionate share of such payment for services performed by the M/W/DSBE participant. In connection with payment of its M/W/DSBE participants, the Manager agrees to fully comply with the City's payment reporting process which may include the use of electronic payment verification systems.

(iv) The Manager shall, in the event of an increase in units of work and/or compensation under this Agreement, increase its Contract Commitment(s) with its M/W/DSBE participants proportionately, which increase shall be reflected in the M/W/DSBE Subcontract(s) described in (1) (i) above. OEO may from time to time request documentation from the Manager evidencing compliance with this provision.

(v) The Manager shall submit, within the time frames prescribed by

the City, any and all documentation the City may request, including, but not limited to, copies of M/W/DSBE Subcontracts, participation summary reports, M/W/DSBE participant invoices, telephone logs and correspondence with M/W/DSBE participants, cancelled checks and certification of payments. The Manager shall maintain all documentation related to this Section for a period of five (5) years from the date of the Manager's receipt of final payment under this Agreement.

(vi) The Manager agrees that the City may, in its sole discretion, conduct periodic reviews to monitor Manager's compliance with the terms of this Antidiscrimination Policy.

(vii) The Manager agrees that in the event the City determines that Manager has failed to comply with any of the requirements of this Antidiscrimination Policy, including substantial compliance with any Contract Commitment, the City may, in addition to any other rights and remedies it may have under the Agreement which includes termination of the Agreement, exercise one or more of the following remedies which shall be deemed cumulative and concurrent:

(.a) Debar the Manager from proposing on and/or participating in any future contracts for a maximum period of three (3) years.

(.b) Withhold payment(s) or any part thereof until corrective action is taken. If corrective action is not taken to the satisfaction of OEO, the City may, without institution of a lawsuit, deduct money in an amount equal to the M/W/DSBE shortfall which amount shall be collected and considered not as a penalty but as liquidated damages for the Manager's failure to comply with the contract.

(viii) No privity of contract exists between the City and any M/W/DSBE participant identified herein and the City does not intend to give or confer upon any such M/W/DSBE participant(s) any legal rights or remedies in connection with the subcontracted services pursuant to the Antidiscrimination Policy or by reason of this Agreement except such rights or remedies that the M/W/DSBE participant may seek as a private cause of action under any legally binding contract to which it may be a party. The remedies enumerated above are for the sole benefit of the City and City's failure to enforce any provision or the City's indulgence of any non-compliance with any provision hereunder, shall not operate as a waiver of any of the City's rights in connection with this Agreement nor shall it give rise to actions by

any third parties including identified M/W/DSBE participants.

(2) **Special Requirements Applicable to Non-Profit Managers.** In the event the Manager is a non-profit, the Agreement may not be subject to M/W/DSBE participation ranges, but the Manager shall demonstrate its compliance with the Antidiscrimination Policy by providing annually to OEO, the following information:

- (i) a statement identifying the race, gender, disability status and ethnic composition of its workforce and board of directors; and
- (ii) a list of the nonprofit's five highest dollar value M/W/DSBE suppliers of products and services; and
- (iii) the nonprofit's written "equal opportunity statement," an assurance of the nonprofit's efforts to maintain a diverse workforce and board of directors and operate a fair and effective supplier diversity program.

(3) **Criminal Liability for Fraudulent Conduct or False Statements.** The Manager hereby verifies that all information submitted to the City in connection with the Antidiscrimination Policy, is true and correct and is notified that the submission of false information is subject to the penalties of 18 Pa.C.S. §4904 relating to unsworn falsification to authorities, which may include payment of a fine of at least \$1,000 and a term of imprisonment of not more than two years. The Manager also acknowledges that under 18 Pa.C.S. §4107.2(a)(4) it is a felony in the third degree, punishable by a term of imprisonment of not more than seven years in addition to the payment of any fines or restitution, if, under this Agreement, the Manager fraudulently obtains public moneys reserved for or allocated or available to minority business enterprises or women's business enterprises.

(b) The Manager agrees that it shall, to the extent applicable, cause its business and affairs to comply with (1) Chapter 17-400 of the Philadelphia Code regarding the payment or reimbursement of expenses associated with the use of exclusionary private organizations, (2) Chapter 17-1400 of the Philadelphia Code regarding contracting and political contributions, (3) Chapter 9-1100 of the Philadelphia Code so as to provide the fair practices protection set forth therein, (4) Chapter 22-1001 of the Philadelphia Code and the restrictions set forth therein regarding investments, including the adoption of the MacBride Principles and prohibitions against investments in certain tobacco companies, (5) Executive Order No. 3-11 regarding the prohibition on the award of gifts, gratuities and favors to City employees, (6) Executive Order No. 7-14

regarding the Office of the Inspector General, (7) Chapter 17-1300 of the Philadelphia Code regarding wages and benefits to be provided by City contractors and subcontractors, (8) Chapter 17-1900 of the Philadelphia Code regarding equal benefits for life partners of employees, (9) social restrictions adopted by the Commission and included in this Agreement as part of Schedule A and Schedule A-1, and (10) Pennsylvania Act 44 of 2009 regarding contracting and political contributions.

32. FEDERAL LAWS

The Manager shall comply with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. Sections 2000d - 2000d.7), Section 504 of the Federal Rehabilitation Act of 1973 (29 U.S.C. Section 794), the Age Discrimination Act of 1975, (42 U.S.C. Sections 6101 - 6107), Title IX of the Education Amendments of 1972 (20 U.S.C. Section 1681), and 45 C.F.R. Part 92, as they may be amended from time to time, which together prohibit discrimination on the basis of race, color, national origin, sex, handicap, age and religion.

33. AFFIRMATIVE ACTION

If required by the Commission, the Manager agrees to provide to the Commission, no later than January 31 of each year in the Agreement, an annual report describing the increase or decrease in numbers of minority and female employees during the preceding calendar year, or the Agreement period if less than a calendar year, in each of the following three categories:

- (a) rank and file employees (other than supervisors and managers);
- (b) supervisors (first level supervisors); and
- (c) managers (all managerial personnel other than first level supervisors).

34. AMERICANS WITH DISABILITIES ACT

The Manager understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in the Agreement or from activities or services provided under the Agreement. By executing and delivering this Agreement, the Manager covenants to comply with all provisions of the Americans with Disabilities Act (the "ADA"), 42 U.S.C. §§12101 *et seq.*, and all regulations promulgated thereunder, as the ADA and regulations may be amended from time to time, which are applicable (a) to the Manager, (b) to the benefits,

services, activities, facilities and programs provided in connection with the Agreement, (c) to the City, or the Commonwealth of Pennsylvania, (d) to the benefits, services, activities, facilities and programs of the City or of the Commonwealth, and (e) if any funds under the Agreement are provided by the federal government, which are applicable to the federal government and its funds, benefits, services, activities, facilities and programs applicable to this Agreement. Without limiting the applicability of the preceding sentence, the Manager shall comply with the “General Prohibitions Against Discrimination,” 28 C.F.R. Part 35.130, and all other regulations promulgated under Title II of the ADA, as they may be amended from time to time, which are applicable to the benefits, services, programs and activities provided by the Manager through agreements with outside contractors.

35. THE PHILADELPHIA CODE, SECTION 17-104

(a) In accordance with Section 17-104 of The Philadelphia Code (“Section 17-104”), the Manager (including any parent company, subsidiary, exclusive distributor or company affiliated with the Manager) (1) confirms that it does not have, and agrees that it will not have at any time during the term of this Agreement (including any renewals thereof), any investments, licenses, franchises, management agreements or operations in Northern Ireland and (2) agrees that no product to be provided to the Commission under this Agreement will originate in Northern Ireland, unless the Manager has implemented the fair employment principles embodied in the MacBride Principles.

(b) In the performance of this Agreement, the Manager agrees that it will not utilize any suppliers, subcontractors, or subconsultants at any tier (1) who have (or whose parent, subsidiary, exclusive distributor or company affiliate have) any investments, licenses, franchises, management agreements or operations in Northern Ireland or (2) who will provide products originating in Northern Ireland unless said supplier, subconsultant or subcontractor has implemented the fair employment principles embodied in the MacBride Principles. The Manager further agrees to include the provisions of this Paragraph 35(b), with appropriate adjustments for the identity of the parties, in all subcontracts which are entered into in connection with the performance of this Agreement.

(c) In accordance with Section 17-104 of the Code, the Manager, after execution of this Agreement, will complete an affidavit certifying and representing that the Manager (including

any parent company, subsidiary, exclusive distributor or company affiliated with Manager) has searched any and all records of the Manager or any predecessor company regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era. The names of any slaves or slaveholders described in those records must be disclosed in the affidavit.

(d) The Manager agrees to cooperate with the City's Director of Finance in any manner which the said Director deems reasonable and necessary to carry out the Director's responsibilities under Section 17-104. The Manager expressly understands and agrees that any false certification or representation in connection with this Section 35 and/or any failure to comply with applicable provisions of this Section shall constitute a substantial breach of this Agreement entitling the City to all rights and remedies provided in this Agreement or otherwise available in law (including, but not limited to, Section 17-104) or equity. In addition, it is understood that false certification or representation is subject to prosecution under Title 18 Pa.C.S. Section 4904.

36. THE PHILADELPHIA CODE, SECTION 17-1300 : PHILADELPHIA 21ST CENTURY MINIMUM WAGE AND BENEFITS STANDARD.

(a) Manager is a "Service Contractor" in that by virtue of entering into this Contract, the Manager has entered into a "Service Contract," as those terms are defined in Chapter 17-1300 of the Code. Any Subcontract between the Manager and a Subcontractor to perform Services under this Contract is a "Service Contract" and such Subcontractors are also "Service Contractors" for purposes of Chapter 17-1300 as are any subcontract and subcontractor at any tier providing Services under this Agreement. (Chapter 17-1300 is accessible at <http://www.amlegal.com/library/pa/philadelphia.shtml>.) If such Service Contractor (the Manager or any Subcontractor at any tier) is also an "Employer," as that term is defined in Section 17-1302 (more than 5 employees), and further described in Section 17-1303 of the Code, then absent a waiver, during the Initial Term and any Additional Term, in addition to any applicable state and federal requirements, the Manager shall provide, and shall enter into Subcontracts and otherwise cause any subcontractors at any tier that are also Service Contractors to provide, their respective covered Employees (persons who perform work for a covered Employer that arises directly out of a Service Contract), with at least the minimum wage standard and minimum benefits standard, and required notice thereof, stated in federal and state law and in Chapter 17-1300 of the Code. A summary of the current requirements is as follows:

(1) Minimum Wage

(a) for the period through December 31, 2014, provide covered Employees with an hourly wage, excluding benefits, that is no less than \$10.88/hour;

(b) as of January 1, 2015, provide their covered Employees with an hourly wage, excluding benefits, that is no less than \$12/hour;

(c) commencing as of January 1, 2016, for wages to be provided on and after January 1 of each year during which the Initial Term and any Additional Term is in effect, provide their covered Employees with an hourly wage, excluding benefits, that is no less than the result of multiplying \$12 by the then current CPI Multiplier as annually adjusted. For purposes of determining the minimum hourly wage required, the CPI Multiplier is calculated annually by the City's Director of Finance by dividing the most recently published Consumer Price Index for all Urban Consumers (CPI-U) as of January 1, 2015. The then current minimum hourly wage applicable to City contractors and subcontractors will be posted on the City's web site.

(2) Minimum Benefits

(a) to the extent an Employer provides health benefits to any of its employees, provide each full-time, non-temporary, non-seasonal covered Employee with health benefits at least as valuable as the least valuable health benefits that are provided to any other full-time employees of the Employer; and

(b) provide to each full-time, non-temporary, non-seasonal covered Employee at least the minimum number of earned sick leave days required by Code Section 17-1305(2).

(3) Generally. Notwithstanding the above requirements, to the extent a change in law would require an increase in wages or benefits under Chapter 17-1300 (for example, an increase in the federal minimum wage to \$9.00/hour, which would increase the required City minimum wage to \$13.50 due to the Chapter's requirement of 150% of the federal minimum wage), such new requirement will take effect only at the start of an Additional Term, if any, commencing on or after the date of the new legal requirement.

(b) If covered, absent a waiver, the Manager shall promptly provide to the City all documents and information as the City may require verifying its compliance, and that of all Service Contractors providing Services under the Contract, with the requirements of Chapter 17-1300.

Each covered Service Contractor shall notify each affected Employee what wages and benefits are required to be paid pursuant to Chapter 17-1300.

(c) Absent a waiver, the Manager subject to Chapter 17-1300 shall comply with all of its requirements as they exist on the date when the Manager entered into this Agreement with the City or into an amendment thereto. The Manager shall take such steps as are necessary to notify its Subcontractors of these requirements, and to cause such Subcontractors to notify lower-tier subcontractors that are Service Contractors of these requirements, including, without limitation, by incorporating this Section, with appropriate adjustments for the identity of the parties, in its Subcontracts with such Subcontractors. The Manager or subcontractor at any tier subject to Chapter 17-1300 that fails to comply with these provisions may, after notice and hearing before the Director of Finance or such other officer or agency designated by the Mayor, be suspended from receiving financial assistance from the City or from bidding on and/or participating in future City contracts, whether as a prime contractor or a subcontractor, for up to three (3) years. City Council may also initiate a similar suspension or debarment process. Such suspension or debarment shall be in addition to any of the other sanctions or remedies set forth in Chapter 17-1300 or this Contract.

(d) Without limiting the applicability of Articles XI (Events of Default) and XII (Remedies) above, the Manager's failure to comply, or the failure of subcontractors at any tier to comply, with the requirements of Chapter 17-1300 shall constitute a substantial breach of this Agreement entitling the City to all rights and remedies provided in this Agreement or otherwise available at law or in equity.

(e) the Manager's covered Employees shall be deemed third-party beneficiaries of Manager's representation, warranty, and covenant to the City under this Section 14.10 only, and the covered Employees of a subcontractor at any tier that is also a covered Employer performing Services directly or indirectly under a subcontract at any tier shall be deemed third-party beneficiaries of their Employer's representation, warranty and covenant to the Manager or such subcontractors at any tier, as the case may be, under this Section.

(f) The Office of Labor Standards may grant a partial or total waiver of Chapter 17-1300 based on specific stipulated reasons elaborated in Section 17-1304 of the Code. An overview offering guidance on the applicability of, and requirements placed on City contractors and subcontractors by Chapter 17-1300 of the Code is available on the City's website at

<https://secure.phila.gov/eContract/> under the “About” link; see “Minimum Wage and Equal Benefits Ordinances Impacting Some City Contractors.”

37. THE PHILADELPHIA CODE, SECTION 17-1400: CONTRIBUTIONS AND OTHER MANDATORY DISCLOSURES.

(a) The Manager confirms on behalf of itself and its Subcontractor(s) that no contribution(s) have been made, and agrees that none shall be made during the Term of this Agreement, and any Additional Term, by the Manager, any Subcontractor, or any party from which a contribution can be attributed to the Manager or Subcontractor, that would render the Manager or Subcontractor, as applicable, ineligible to apply for or enter into a Non-Competitively Bid Contract under the provisions of Sections 17-1404(1) and 17-1405 of the Code; and that disclosures made as part of its application to receive a Non-Competitively Bid Contract contain no material misstatements or omissions. Breach of this covenant shall constitute an event of default and render the Agreement voidable at the City’s option, and, as to contributions made by or attributable to the Manager, shall make the Manager liable for liquidated damages to the City in the amount of ten percent (10%) of the maximum payments to the Manager allowed under the Agreement, regardless whether actually paid. The City may exercise any or all of the remedies set forth in this Section (Contributions and Other Mandatory Disclosures), each of which may be pursued separately or in conjunction with such other remedies as the City in its sole discretion shall determine. No extension or indulgence granted by the City to the Manager shall operate as a waiver of any of the City’s rights in connection with this Agreement. The rights and remedies of the City as described in this Section, and as described elsewhere in this Agreement, shall not be exclusive and are in addition to any other rights or remedies available to the City under this Agreement at law or in equity.

(b) Manager shall, during the term of this Agreement, any Additional Term, and for one year thereafter, disclose any contribution of money or in-kind assistance the Manager, or any Subcontractor or Consultant, as that term is defined in Section 17-1401 of the Code, utilized by the Manager in connection with this Agreement, has made, or any individual or entity has made if such contributions can be attributed to the Manager, or such Subcontractor or Consultant pursuant to the attribution rules of Section 17-1405, during such time period to a candidate for nomination or election to any public office in the Commonwealth of Pennsylvania or to an

individual who holds such office, or to any political committee or state party in the Commonwealth of Pennsylvania, or to any group, committee or association organized in support of any such candidate, office holder, political committee or state party, and the date and amount of such contribution.

(1) It shall not be a violation of this Section if the Manager fails to disclose a contribution made by a Consultant because the Manager was unable to obtain such information from the Consultant, provided the Manager demonstrates that it used reasonable efforts to attempt to obtain such information, including, at a minimum:

(.a) Entering into a written agreement with the Consultant for such Consultant's services, before the filing of the application for the Agreement, and before the Consultant communicated with a City department or office, official or employee on behalf of the Manager;

(.b) Including in such agreement a provision requiring the Consultant to provide the Manager in a timely manner with all information required to be disclosed under the provisions of Chapter 17-1400 of the Code, and providing, in effect, that the agreement will be terminated by the Manager if the Consultant fails to provide all required information on a timely basis and that no further payments, including payments owed for services performed prior to the date of termination, will be made to the Consultant by or on behalf of the Manager as of the date of such termination;

(.c) Communicating regularly with the Consultant concerning the Consultant's obligations to provide timely information to permit the Manager to comply with the provisions of Chapter 17-1400; and

(.d) Invoking the termination provisions of the written agreement in a full and timely manner.

(c) The Manager shall, during the Term of the Contract, any Additional Term, and for one year thereafter, disclose the name and title of each City officer or employee who, during such time period, asked the Manager, any officer, director or management employee of the Manager, or any Person representing the Manager, to give money, services, or any other thing of value (other than a Contribution as defined in Section 17-1401) to any Person, and any payment

of money, provision of services, or any other thing of value (other than a Contribution as defined in Section 17-1401) given to any Person in response to any such request. The Manager shall also disclose the date of any such request, the amount requested, and the date and amount of any payment made in response to such request.

(d) The Manager shall, during the Term, and any Additional Term, of this Agreement disclose the name and title of each City officer or employee who directly or indirectly advised the Manager, any officer, director or management employee of the Manager, or any Person representing the Manager that a particular Person could be used by the Manager to satisfy any goals established in the Agreement for the participation of minority, women, disabled or disadvantaged business enterprises. The Manager shall also disclose the date the advice was provided, and the name of such particular Person.

(e) The disclosures required by Sections 40(b), (c) and (d) shall be made utilizing the online disclosure update process through Manager's eContract Philly account which can be accessed on the City's website at www.phila.gov/contracts by clicking on eContract Philly. Such disclosures shall be made within five (5) business days of the action or event requiring the Manager to update its disclosures. In the case of updates to political contributions made by the Manager required by Section 40(b), the attribution rules of Section 17-1405 shall apply to determine what contributions must be disclosed under this provision as contributions of the Manager or of a Consultant. Manager is advised that any individual who submits an update on eContract Philly must be an authorized signatory of the Manager, authorized to make the required updated disclosures.

(f) Reports generated automatically by the online process for the updated disclosures required by Sections 40(b), (c) and (d) will be automatically forwarded to the President and Chief Clerk of Council, and to the Mayor, Director of Finance, Procurement Department, and the Department of Records.

38. EXECUTIVE ORDER 03-11: GIFTS.

(a) Pursuant to Executive Order 03-11, no official or employee in the Executive and Administrative Branch of the City shall solicit or accept, directly or indirectly, anything of

value, including any gift, gratuity, favor, entertainment, invitation, food, drink or loan, unless consideration of equal or greater value is conveyed in return, from any of the following sources:

(1) A person seeking to obtain business from, or who has financial relations with the City;

(2) A person whose operations or activities are regulated or inspected by any City agency;

(3) A person engaged, either as principal or attorney, in proceedings before any City agency or in court proceedings in which the City is an adverse party;

(4) A person seeking legislative or administrative action by the City; or

(5) A person whose interests may be substantially affected by the performance or nonperformance of the official's or employee's official duties.

(b) the Manager understands and agrees that if it offers anything of value to a City official or employee under circumstances where the receipt of such item would violate the provisions of this Executive Order, the Manager shall be subject to sanctions with respect to future City contracts. Such sanctions may range from disqualification from participation in a particular contract to debarment, depending on the nature of the violation.

39. THE PHILADELPHIA CODE, SECTION 17-1900: Equal Benefits Ordinance.

(a) Unless the Manager is a government agency, this is a "Service Contract" as that term is defined in Section 17-1901(4) of the Code. If the Service Contract is in an amount in excess of \$250,000, then pursuant to Chapter 17-1900 of the Code, the Manager shall, for any of its employees who reside in the City, or any of its employees who are non-residents subject to City wage tax under Section 19-1502(1)(b) of the Code, extend the same employment benefits the Manager extends to spouses of its employees to life partners of such employees. The Manager certifies that (i) it is in compliance with the requirements of Chapter 17-1900, (ii) its employees have been notified of the employment benefits available to life partners pursuant to Chapter 17-1900, and (iii) such employment benefits are currently, or will be made available within the time

required by Section 17-1902(2), or that the Manager does not provide employment benefits to the spouses of married employees.

(b) the Manager acknowledges and agrees that the following terms are included in this Agreement:

(1) the Manager shall notify its employees of the employment benefits available to life partners pursuant to Chapter 17-1900 of the Code.

(2) Noncompliance by the Manager with the requirements of Chapter 17-1900 of the Code shall be a material breach of this Agreement.

(3) Discrimination or retaliation by the Manager against any employee on account of having claimed a violation of Chapter 17-1900 shall be a material breach of this Agreement.

(4) In addition to any other rights and remedies available to the City pursuant to this Agreement at law or in equity, a material breach of this Agreement related to Chapter 17-1900 may result in the suspension or debarment of the Manager from participating in City contracts for up to three (3) years.

(c) An overview offering guidance on the applicability of, and requirements placed on City contractors by Chapter 17-1900 of the Code is available on the City's website (at <https://secure.phila.gov/eContract/> under the "About" link) (see "Minimum Wage and Equal Benefits Ordinances Impacting Some City Contractors").

40. VALUATION OF INVESTMENTS

The Manager will value the securities held in the Account on a daily basis and provide for reporting to the Commission of the valuations as requested. For all assets held in the Account that are listed on a national securities exchange or on the NASDAQ, the Manager shall value those securities at the last quoted sales price or the official closing price as reported on the principal market where the securities are traded. For any investments in Mutual Funds or other Commingled Funds, the Manager will value record the value of those investments at their reported net asset value ("NAV") on the valuation date as described in the funds' prospectuses. Any security for which a current market quotation cannot be established or a market event occurs that calls into question the reliability of current market quotations, or any other security or asset, shall be valued in a manner determined in good faith by Manager to reflect its fair market value.

41. WAIVER

Except to the extent that a party may have otherwise agreed in writing, no waiver by that party of any provision of the Agreement or breach by the other party of any of its obligations or representations under the Agreement shall be deemed to be a waiver of any other provision or subsequent or prior breach of the same or any other obligations or representation by the other party, nor shall any forbearance by the first party to seek a remedy for any noncompliance or breach by the other party be deemed to be a waiver by the first party of its rights and remedies with respect to such noncompliance or breach.

42. INTEGRATION

The Guidelines are expressly incorporated into this Agreement by this reference. This Agreement, together with the Guidelines, contain all the terms and conditions agreed upon by the parties, and no other agreement, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any party hereto or to vary any of the terms contained in this Agreement.

43. NO JOINT VENTURE

The parties do not intend to create, and nothing contained in this Agreement shall be construed as creating, a joint venture or partnership between the Commission and the Manager.

44. HEADINGS

The headings in the Agreement are for convenience only and are not a part of the Agreement. The headings do not in any way define, limit, describe or amplify the provisions of the Agreement or the scope or intent of the provisions.

45. CITATIONS

All statutory or other citations of law referenced in the Agreement shall refer to the statute referenced, as it may be amended or superseded from time to time.

46. DAYS

Any references to a number of days in the Agreement shall mean calendar days, unless business days are specified.

47. FORUM SELECTION; CONSENT TO JURISDICTION

The parties agree that any lawsuit, claim or legal proceeding involving, directly or indirectly, any matter arising out of or related to this Agreement or the relationship created or evidenced thereby shall only be brought in either the Court of Common Pleas of Philadelphia County or the United States District Court for the Eastern District of Pennsylvania. The parties further agree not to raise any objection to any lawsuit, claim or legal proceeding being brought in one of these forums, and expressly consent to the jurisdiction and venue of these forums. Each party agrees that service of process in any such proceeding may be duly effected upon it by mailing a copy thereof, by certified mail, postage prepaid to the address specified in Paragraph 23, Notices.

48. WAIVER OF JURY TRIAL

The Manager hereby waives trial by jury in any legal proceeding involving, directly or indirectly, any matter, whether sounding in tort, contract or otherwise, in any way arising out of or related to this Agreement or the relationship created or evidenced hereby. This provision is a material inducement for the Commission to enter into this Agreement.

49. PERFORMANCE

The Manager shall enter upon the performance of its obligations under this Agreement with all due diligence and dispatch, shall assiduously press to their complete performance and shall exercise the skill and competence in their performance as described in Paragraph 4 hereof..

50. SEVERABILITY

In the event any provision of this Agreement shall be considered void, illegal or invalid for any reason, said provision shall be of no force and effect only to the extent that it is void or declared illegal or invalid. All of the provisions of this Agreement not specifically found to be void, illegal or invalid shall remain in full force and effect.

51. NOTICE OF CHANGE

The Manager shall promptly notify the Commission of material changes in the Manager's ownership, changes in the key personnel managing the Account or material changes in the Manager's philosophy, strategy, style and like matters with respect to the Account.

52. AUTHORITY OF SIGNATORIES

Each party to this Agreement ("Executing Parties") represents and warrants to each of the other Executing Parties to this Agreement that the person executing and delivering this Agreement on behalf of the Executing Party has been authorized by the Executing Party to execute and deliver this Agreement on its behalf, which authorization has not been revoked or modified and is in full force and effect as of the date hereof.

53. CONFIDENTIALITY

(a) The Manager, in the course of its duties, will handle and advise on investment, financial accounting and statistical information pertaining to the Commission, the Plan and the Fund. All such information and advice is confidential to the extent permitted by law, and, unless permitted by the Commission in writing, the Manager shall not disclose such information, directly or indirectly, or use it in any way, either during the term of the Agreement or any time thereafter, except as required to perform its duties under the Agreement or required by court order or law. Any disclosure of information contrary to this provision shall be considered a material breach of the Agreement and entitle the Commission to seek all remedies available at law and in equity.

(b) Subject to applicable law, all reports, documents, plans, arrangements, videos, records, pamphlets, ads, data, computer tapes, program software and other materials (collectively, "Materials"), prepared by the Manager specifically for the Commission or supplied by the Commission to the Manager in the performance of the Agreement, shall be the sole and absolute property of the Commission. To the extent that any Materials relating to the Agreement developed by or for the Commission embody a copyrightable work, including, but not limited to, a "compilation" as that term is used in 17 U.S.C. §101, the Commission and the Manager agree that such copyrightable work(s) shall be considered as one or more "works made for hire" by the Manager for the Commission, as that term is used in 17 U.S.C. §§101 and 201(b). To the extent that any Materials relating to the Agreement developed by or for the Manager embody one or more copyrightable works but are neither a "compilation" nor any other form of "work made for hire,"

the Manager hereby assigns, and agrees to execute instruments evidencing such assignment, all copyrights in all of such works to the Commission. All Materials developed or produced by the Manager exclusively in connection with this Agreement which embody a copyrightable work shall be deemed to have an implied copyright regardless of whether the work is formally designated as such.

(c) The Manager shall make available to the Commission, upon the Commission's request, a copy of any Materials prepared by the Manager in performance of the Agreement, at no cost to the Commission.

(d) Any computer programs, tapes and software developed under the Agreement shall be compatible with specifications provided by the Commission and subject to the Manager's approval.

(e) The Manager hereby grants, and shall require its subcontractors to grant, to the Commission a royalty-free, nonexclusive and irrevocable right to publish, translate, reproduce, deliver, perform and authorize others to do so, all Materials not owned by the Commission under the Agreement but which have been prepared and provided to the Commission solely in connection with the Agreement; provided, however, that the Manager shall not be required to grant such right to the Commission with respect to any Materials for which the Manager would be liable to pay compensation to third parties because of such grant.

(f) During the term of the Agreement and thereafter, except with the prior written consent of the Commission which may be granted or withheld in the Commission's sole discretion, the Manager (or the Manager's subcontractors, or others under the Manager's direction or supervision), will not (i) issue, publish or divulge any information, documents or data developed or used solely in the performance of the services under this Agreement in any public statement, thesis, writing, lecture or other verbal or written communication, or (ii) disclose or use to its advantage or gain, confidential information of any nature acquired from the Commission or acquired as a result of the Manager's activities in connection with the Services or the Agreement. Notwithstanding anything to the contrary herein, the Manager shall be free to disclose any information (i) to any regulatory authority to which it is subject or otherwise as required by law or court order, (ii) which is or hereafter becomes ascertainable from public or published information or trade sources or (iii) required by brokers, dealers or counterparties in the normal course of engaging in transactions for the Account. The Manager is hereby authorized to disclose that it has

been awarded a contract to provide services to the Commission, provided that such disclosure is accurate with regard to the size, type, timing and other circumstances of the contract and its award.

54. PENNSYLVANIA POLITICAL SUBDIVISION TORT CLAIMS ACT

The City hereby reserves all immunities, defenses, limitations on damages, rights, and actions available to the Investor pursuant to the Pennsylvania Political Subdivision Tort Claims Act, Act of October 5, 1980, P.L. 693, No. 142 (42 Pa.C.S.A. §8541, et seq.) (the “Tort Claims Act”). No provision of this Agreement shall be construed as a waiver or limitation of the City’s immunities, defenses, limitations on damages, rights, or actions under the Tort Claims Act.

55. REPRESENTATIVE CLIENT LIST

The Commission agrees that the name of the Plan may be included in client lists used by the Manager for marketing purposes, provided, however, that such name will not be used as a reference or in any advertisements or publications or endorsement lists without the Commission’s prior written consent.

56. BREACH

In the event the Manager breaches any term of this Agreement, in addition to the remedies set forth in certain sections herein, the Commission may elect to avail itself of any combination of remedies, which shall not be exclusive or cumulative, including without limitation, reimbursement for any funds lost as a result of improper investment, formal letter of censure, and/or termination of this Agreement.

57. SURVIVAL

Any and all provisions set forth in this Agreement which, by its or their nature, would reasonably be expected to be performed after the termination of this Agreement shall survive and be enforceable after such termination. Any and all liabilities, actual or contingent, which shall have arisen in connection with this Agreement, shall survive any termination of this Agreement. Any express statement of survival contained in any Paragraph of this Agreement shall not be construed to affect the survival of any other Paragraph, which shall be determined pursuant to this Paragraph.

58. COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, intending to be legally bound hereby, the parties have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

**CITY OF PHILADELPHIA,
ACTING THROUGH ITS SINKING FUND COMMISSION,
ON BEHALF OF THE PHILADELPHIA GAS WORKS
PENSION PLAN**
(Two Signatures Required)

BY: _____
DONN SCOTT, Commission Chairman

BY: _____
REBECCA RHYNHART, Commissioner

BY: _____
ROB DUBOW, Commissioner

[MANAGER FIRM NAME]

BY: _____

PRINT NAME: _____

PRINT TITLE: _____

ATTEST: _____

PRINT NAME: _____

PRINT TITLE: _____

EXHIBIT 1

CITY OF PHILADELPHIA SINKING FUND COMMISSION

AUTHORIZED PERSONNEL

The signatures, names and titles of the personnel authorized to conduct Philadelphia Gas Works Pension Plan business on behalf of the City of Philadelphia Sinking Fund Commission in a decision-making capacity are as follows:

Donn Scott
Chairman
Sinking Fund Commission

Executive Director
Sinking Fund Commission

Christopher R. DiFusco
Chief Investment Officer
Philadelphia Gas Works Pension Plan

EXHIBIT 2

[MANAGER NAME]

AUTHORIZED PERSONNEL

The signatures, names and titles of the personnel authorized to conduct business on behalf of **[Manager Name]** in a decision-making capacity are as follows:

PRINT NAME: _____ PRINT NAME: _____

PRINT TITLE: _____ PRINT TITLE: _____

PRINT NAME: _____ PRINT NAME: _____

PRINT TITLE: _____ PRINT TITLE: _____

PRINT NAME: _____ PRINT NAME: _____

PRINT TITLE: _____ PRINT TITLE: _____

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PRINT TITLE: _____ PRINT TITLE: _____

APPENDIX A-2

**STATEMENT OF INVESTMENT GUIDELINES
FOR
PHILADELPHIA GAS WORKS PENSION PLAN**

The Fund's investment guidelines can be found here:
<https://www.phila.gov/Treasurer/Documents/PGWPP.pdf>

APPENDIX A-3
SANDY HOOK PRINCIPLES

THE CONTEXT

In solemn remembrance of the 20 children and 6 adults whose lives were taken during the tragic shooting massacre of December 14, 2012, at Sandy Hook Elementary School, and in remembrance of too many others who have lost their lives to gun violence before and since, the Sandy Hook Principles are hereby established as one idea that can help make America safer. These Principles are a call to action for corporations to heed the basic core values of American citizens in promoting the health, safety and well-being of our communities.

THE PREAMBLE

The objective of the Sandy Hook Principles is to encourage positive corporate behavior by gun and ammunition manufacturers, distributors and retailers by establishing a baseline standard for responsible conduct and business practices to help ensure maximum safety for our citizens. Accordingly, the Principles promote progressive actions by these companies towards eliminating the substantial and unjustified risk to human health and life associated with inadequately regulated firearm use. The Principles address five specific categories of reform in terms of procedures, coordination, management, safety and technology.

These Principles are created in an effort to work proactively with the gun industry to seek common sense solutions in response to the proliferation of gun violence in America that has caused immeasurable harm to our citizens. Implicit in these Principles lies the belief that adjustments and changes in certain business practices, policies or conduct by the gun industry can improve the health, safety and well-being of our communities. In these Principles, the gun industry is being called upon to be part of the solution to the public safety and public health challenges we face in cities and towns across the nation and presents an opportunity for significant progress towards the imperative objectives of keeping firearms out of the wrong hands and making guns and ammunition safer for authorized users.

It is hereby affirmed that the overwhelming majority of gun owners in America are responsible, law abiding and safety-conscious citizens. Through the widespread adoption of these Principles, an appropriate balance is sought between protecting the rights of gun ownership and the rights of our citizens to be safe and secure. These rights must complement each other.

The Principles apply to gun and ammunition manufacturers, distributors and retailers, with an exception for the production and sale of guns or ammunition to local, state and federal law enforcement agencies and all U.S. military forces for use in conducting their official duties. Local and state governments, colleges and universities, hedge funds, pension funds, venture capital funds and all other organizations that have a financial relationship with private corporations may request that companies affiliated with the gun industry review and adopt the Sandy Hook Principles. In the event an affiliated company does not adopt the Principles, organizations may choose to reexamine that financial relationship.

THE PRINCIPLES

As a company which endorses the Sandy Hook Principles we will respect the law, and as a responsible corporate member of society we will apply these Principles with integrity consistent with the legitimate role of business. We will develop and implement company policies, procedures, training and internal reporting structures to ensure commitment to these Principles throughout our organization. We believe the application of these Principles will improve the health, safety and well-being of communities across America.

Accordingly, we will:

- Support and promote restrictions on firearm and ammunition sales, transfers and possession to keep guns out of the hands of children (unless authorized), persons with mental illness or mental health challenges (unless authorized), criminals, domestic or international terrorists and anyone else prohibited from possessing them under federal law.
- Conduct background checks on all gun and ammunition sales or transfers and support the establishment of a federal universal background check system for every such transaction.
- Reevaluate policies regarding the sale, production, design or conversion of military style assault weapons for use by civilians, including the distribution of any materials/information that may be used to assist in such conversion.
- Ensure that all business clients, including gun show operators or gun dealers, conduct background checks for every sale or transfer of guns or ammunition.
- Make a commitment to develop, share and implement technology-enhanced safety measures for guns and ammunition.
- Support and promote the creation of a federal gun trafficking statute to ensure strict punishment for individuals engaging in the trade of selling firearms to anyone prohibited from possessing them under federal law.
- Support and promote sharing of background check and gun sale data for law enforcement purposes.
- Support and promote gun safety education at the point of sale and in the communities in which we conduct business operations.

We will be transparent in our implementation of these principles and provide information which demonstrates publicly our commitment to them.

The Sandy Hook Principles are modeled after the Global Sullivan Principles - a human rights and equal opportunity code of conduct for companies which was originally developed by the legendary Reverend Dr. Leon H. Sullivan of Philadelphia's Opportunities Industrialization Centers (OIC) of America, in order to promote desegregation and equal rights during the apartheid regime in South Africa.

PGW Pension Plan
Sandy Hook Principles
Covered Companies

Airbus Group N.V.
Alliant Techsystems Inc.
BIG 5 Sporting Goods Corporation
Cabela's Incorporated
Colt Defense LLC
Compagnie Financiere Richemont, SA
Dick's Sporting Goods, Inc.
Forjas Taurus S.A.
Howa Machinery, Ltd.
IMI PLC
Izhevskiy mashzavod OAO
Metalico, Inc.
Miroku Corporation
NOF Corporation
Olin Corporation
Poongsan Corporation
Poongsan Holdings Corporation
S&T Holdings Co Ltd
S&T Motiv Co., Ltd
Smith & Wesson Holding Corporation
Sturm Ruger & Co, Inc.
The Kroger Co.
Tul'skiy Oruzheynyi Zavod OAO
Verney Carron SA
Wal-Mart Stores, Inc.
Xtek Ltd

Compliant Companies
Daicel Corporation

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