



STATE OF MICHIGAN PROCUREMENT
 Michigan Department of Treasury
 7285 Parsons Dr., Dimondale, MI 48821

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **240000000880**

between
 THE STATE OF MICHIGAN
 and

CONTRACTOR	Institutional Shareholder Services Inc.
	702 King Farm Boulevard, Suite 400
	Rockville, Maryland 20850
	Allen Heery
	415-801-4118
	Allen.heery@issgovernance.com
	VS0059051

STATE	Program Manager	Jeannette Brya	TREAS
		517-604-8243	
	Bryaj@michigan.gov		
	Contract Administrator	Kyle Elzinga	TREAS
517-614-0956			
ElzingaK1@michigan.gov			

CONTRACT SUMMARY			
DESCRIPTION: Divestment Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
July 1, 2024	June 30, 2027	Three, one-year	June 30, 2027
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$153,504.00

FOR THE CONTRACTOR:

Institutional Shareholder Services Inc.
Company Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Kyle Elzinga, Department Analyst
Name & Title

Department of Treasury
Agency

Date

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

Divestment Services

BACKGROUND

The State of Michigan Investment Board (Board) is investment fiduciary for the State of Michigan Retirement System (SMRS), which is comprised of the following component systems: Michigan Public School Employees' Retirement System, Michigan State Employees' Retirement System, Michigan State Police Retirement System, and Michigan Judges Retirement System.

The State Treasurer of the State of Michigan, who serves as chair of the Board, is granted investment discretion over a number of statutorily created trusts and agencies (Trusts and Agencies). As of October 31, 2023, the total value of the SMRS assets was approximately \$95.7 billion, invested as follows:

Private Equity	23.9%
Domestic Equities	17.8%
International Equity	12.6%
Real Return & Opportunistic	10.9%
Real Estate & Infrastructure	10.1%
Absolute Return	10.5%
Fixed Income	8.9%
Short Term	5.3%

The assets that comprise the Trust and Agencies are approximately \$12.3 billion.

The Board delegated fiduciary duties and the authority to invest funds on behalf of the SMRS to the Bureau of Investments (BOI). The BOI has similarly been granted responsibility by the State Treasurer for investing assets of the Trusts and Agencies. Assets are managed by in-house investment specialists and by external investment managers.

In carrying out its investment responsibilities, BOI manages a broadly diversified portfolio that is both internally and externally managed and includes over 7,100 individual investments.

BOI is managed by an executive team consisting of a Chief Investment Officer, Deputy Chief Investment Officer, Director of Asset Allocations/Director of Investments – Public Markets, Director of Investments – Private Markets, Chief Compliance Officer & General Counsel, and support staff. The executive team resides within the Administration area

of BOI. The Compliance and Corporate Governance Division (CCG) manages the overall legal, governance, and compliance efforts for the BOI, which includes divestment screening. As part of its mission, the CCG team works to create sustainable long-term corporate value and achieve maximum return for shareholders of SMRS by promoting solid corporate governance principles. Among other things, the team is responsible for ensuring that proxies are voted in accordance with internal policies and State laws; ensuring that investments comply with the parameters established by State law; and monitoring external managers and monitoring the eligibility of SMRS in all class action filings.

This Schedule identifies requirements for services needed for Divestment Screening, related consulting, and reporting services. The Contractor must be aware that Michigan law prohibits SMRS from acquiring securities in companies that qualify as scrutinized under the Public Employee Retirement System Investment Act (“Investment Act”) and the Divestment from Terror Act (“Divestment Act,” when referenced together with the Investment Act, the “Acts”). A company may attain scrutinized status for having either active or inactive business operations in a country designated as a state sponsor of terror by the United States Secretary of State. SMRS cannot acquire securities in companies engaged in active business operations in a country designated as a state sponsor of terror. Presently five countries – Iran, Sudan, Syria, North Korea, and Cuba – are designated as a state sponsor of terror by the United States Department of State (the “State Department”); however, this list is subject to change due to shifts in geopolitical events and the State Department’s designation of specific countries. If SMRS holds securities in companies with either active or inactive business operations in a state sponsor of terror, then it must initiate engagement by sending a letter to the company. If the company has active business operations, then the engagement process must encourage the company to cease business operations or convert its active business operations to inactive. If the company has inactive business operations, then SMRS must initiate engagement twice a year that encourages the company to maintain its status as inactive or face divestment. Responses to the engagement letters may be sent to the Contractor to review and advise on the adequacy of the company’s response.

Both the Investment Act and Divestment Act provide criteria that qualify a company as scrutinized for having active business operations [see MCL § 38.1133c(1)(o)(i)-(iii); MCL § 38.1133d(1)(o)(i) -(ii); MCL §129.292(h)(i)-(iii)].

Please see <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965> for a copy of Sections 13c and 13d of the Investment Act and <http://legislature.mi.gov/doc.aspx?mcl-act-234-of-2008> for the Divestment Act. See MCL §38.1133c and MCL §38.1133d for the Investment Act; and MCL §129.291 et seq, for the Divestment Act.

SCOPE

The Contractor must provide comprehensive divestment screening services to the State as it relates to complying with the divestment mandates contained in the Acts. Screening services must be provided for all state sponsors of terror as designated by

the State Department. Screening services include comprehensive and company-specific research.

When assessing whether a company should be identified as scrutinized, SMRS uses a look-back screening period of 24 months. To determine if a company has any involvement or ties to a state sponsor of terror, SMRS looks at the company's active business operations in a state sponsor of terror for the past 24 months. Any activity occurring prior to 24 months is discounted and may result in the company being removed from the scrutinized companies list.

1. Requirements

1.1. General Requirements

The Contractor must provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below.

A. Divestment Screening Services (Divestment Contractor)

1. Quarterly Scrutinized Company List – Active Business Operations

The Contractor must provide a quarterly scrutinized list of companies with active business operations in state sponsors of terror in a Microsoft Excel format via e-mail by the first business day of January, April, July, and October, for the prior quarter of each calendar year. The list must identify the company as scrutinized according to the statutory factors referenced in the Background Section of this RFP. The list must include the following information:

- a. Identify the scrutinized company, including any parent corporation or subsidiary of the company;
- b. Identify the scrutinized company/parent or corporation/subsidiary by CUSIP, ISIN, and Ticker;
- c. Notice of what statutory factor caused the company to be identified as scrutinized; and
- d. An explanation reciting facts the Contractor relied on in designating the company as scrutinized.

The list will be shared with internal and external account managers.

2. Bi-annual Scrutinized Company List – Inactive Business Operations

The Contractor must provide a bi-annual scrutinized company list of companies with inactive business operations in state sponsors of terror in Microsoft Excel format via e-mail, to the Program Manager or designee, by the first business day of January and July of each calendar year. See MCL 38.1133c(1)(h), MCL 38.1133d(1)(g), and MCL 129.292(f) for what constitutes inactive business operations. The list must include the following information:

- a. Identify the scrutinized company, including any parent corporation or subsidiary of the company;
- b. Identify the scrutinized company/parent or corporation/subsidiary by CUSIP, ISIN, and Ticker;
- c. Notice of what statutory factor caused the company to be identified as scrutinized; and

- d. An explanation reciting facts the Contractor relied on in designating the company as scrutinized.

The list will be shared with internal and external account managers.

3. Monthly Change Log

The Contractor must provide a monthly report notifying the SMRS of any changes made to the scrutinized company list in a Microsoft Excel format via e-mail, to the Program Manager or designee, by the first business day of each month. The Contractor must notify the SMRS if any companies previously identified as scrutinized no longer qualify as scrutinized. The changes log must include the following information:

- a. Identify the company previously or newly identified as scrutinized, including any parent corporation or subsidiary of the company;
- b. Identify the scrutinized company/parent or corporation/subsidiary by CUSIP, ISIN, and Ticker; and
- c. An explanation of why the company was removed from or added to the scrutinized company list.

4. 24 Month Look-Back Rule

When assessing whether a company should be identified as scrutinized, the Contractor must use a look-back screening period of 24 months. To determine if a company has any involvement or ties to a state sponsor of terror, the Contractor must look at the company's active business operations in a state sponsor of terror for the past 24 months. Any activity occurring prior to 24 months is discounted and may result in the company being removed from the scrutinized companies list.

5. Contact Information for Certain Scrutinized Companies

The Contractor must provide the following information on certain scrutinized companies identified by the SMRS as deserving of engagement, via e-mail, to the Program Manager or designee, within five business days of request:

- a. Name, e-mail, phone number, and mailing address of the appropriate investor relations contact within each scrutinized company.

6. Correspond with Representatives of Scrutinized Companies

- a. Timely review and respond to the SMRS regarding communications submitted by scrutinized companies to rebut the company's scrutinized status within 10 business days.
- b. Following review of the rebuttal materials, as submitted by the SMRS, the Contractor must make a determination and notify the SMRS as to whether the company's status should be changed within five business days. When the Contractor has made a determination on the company's status, the Contractor must inform the SMRS of this determination, in writing, to be approved by the Program Manager. The written communication to the SMRS must include an explanation of the Contractor's determination.

- c. If the company is removed from the list, the Contractor must state its reasons for removal.
- d. If the company is to retain scrutinized status, then the Contractor must state its reasons.

7. Optional Services:

The following service is not required at this time; however, BOI may potentially require this service in the future. If the services are needed, a new Statement of Work (SOW) will be added to the Contract via the Change Notice Process. The Bidder’s capability/cost to provide these services is requested (cost information should be provided in Schedule B, Pricing):

Provide on-line access to research regarding companies identified as scrutinized.

1.2 Transition

See Standard Contract Terms, Section 26, Transition Responsibilities.

2. Reserved

3. Staffing

a. Contractor Representative

The Contractor must appoint one individual, specifically assigned to State of Michigan accounts, who will respond to State inquiries regarding the Contract Activities, answer questions related to ordering and delivery, etc. (the “Contractor Representative”).

The Contractor must notify the Contract Administrator at least 14 calendar days before removing or assigning a new Contractor Representative.

b. Contractor Representative

The Contract Administrator for each party is the only person authorized to modify any terms of this Contract, and approve and execute any change under this Contract (each a “Contract Administrator”):

State:	Contractor:
Kyle Elzinga 7285 Parsons Drive Dimondale, MI 48913 ElzingaK1@michigan.gov 517-614-0956	Allen Heery 702 King Farm Boulevard, Suite 400 Rockville, Maryland 20850 Allen.Heery@issgovernance.com

c. Program Manager

The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract (each a “Program Manager”):

State:	Contractor:
Jeannette Brya 2501 Coolidge Rd East Lansing, MI 48823 Bryaj@michigan.gov 517-604-8243	Edouard Ruelle 702 King Farm Boulevard Suite 400 Rockville, Maryland 20850 NA ESG Client Success@issgovernance.com 857-268-4457

d. Customer Service

The Contractor must specify a Help Desk for the State to contact a Customer Service Representative. The Customer Service Representative must be available for calls Monday through Friday, during the hours of 8:00 a.m. to 5:00 p.m. Eastern Standard Time (EST).

The Contractor must respond to all inquiries sent [NA ESG Client Success@issgovernance.com](mailto:NA_ESG_Client_Success@issgovernance.com) within two business days.

e. Technical Support, Repairs and Maintenance

The Contractor must specify a Help Desk for the State to contact the Contractor for technical support, repairs and maintenance. The Contractor must be available for calls and service during the hours of 8:00 a.m. to 5:00 p.m. Eastern Standard Time (EST), Monday through Friday.

The Contractor must respond to all inquiries sent to esghelpdesk@iss-esg.com within two business days.

f. Work Hours

The Contractor must provide Contract Activities during the State’s normal working hours Monday – Friday, 8:00 a.m. to 5:00 p.m. EST.

g. Organizational Chart

See attachment A

h. Disclosure of Subcontractors

No subcontractors will be utilized on this Contract.

4. Project Management

a. Meetings

The Contractor must attend the following meetings:

1. Kick-Off Meeting within five calendar days of the Effective Contract Date, and once within 30 days before Contract expiration. Remote participation by the Contractor is permitted.
2. There must be continuous liaising between the Program Manager and Contractor during the Implementation Period. Program Manager will meet with the Contractor’s Representative for initial review and updated status of the Contractor’s project plan periodically during the Implementation Period. The meetings will provide for reviewing progress and providing necessary guidance to the Contractor regarding the timing of activities and solving issues or problems.

3. Although there will be continuous liaison with the Contractor team, Program Manager will meet quarterly as a minimum, or as requested by the Program Manager, with the Contractor's Project Manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.
4. The State may request other meetings, as it deems appropriate.

b. Background Checks

Although background checks are not needed at this time, the State reserves the right to perform them upon request. The work performed by this Contractor will not involve federal tax information at this time. Should any data change, the State will redefine this through a change notice, mutually agreed upon by both parties.

5. Pricing

a. Price Term

Pricing is firm for the entire length of the Contract.

6. Ordering

a. Authorizing Document

The appropriate authorizing document for the Contract will be a Purchase Order (PO) or Delivery Order (DO).

7. Invoice and Payment

a. Invoice Requirements

- i. The Contractor must provide detailed invoices for services rendered which clearly outline the scope of billing.
- ii. All invoices submitted to the State must include: (a) date of work completed; (b) purchase order or delivery order number; (c) quantity; (d) description of the Contract Activities/actual work performed and progress of project; (e) unit price/firm fixed fees as outlined in this Contract; (f) shipping cost (if any); and (g) total price. Overtime, holiday pay, travel or other out of pocket or miscellaneous expenses will not be paid by the State.

b. Payment Methods

The State will make payment for Contract Activities within 45 days of the State's receipt of an approved invoice.

c. Procedure

Invoices are sent to TREAS-BOI-INVOICES@michigan.gov and treas_fadinvoices@michigan.gov - which is received and processed by BOI. The invoice is checked against the Contract to make sure terms align, then sent to the Program Manager for approval. The approved invoices are then directed to Treasury's Accounting Services for payment. Purchasing may be brought in if there are questions surrounding the contract or if Accounting Services and/or BOI need a new PO/DO. Accounting Services verifies and enters the payment into SIGMA.

8. Service Level Agreement (SLA)

State of Michigan Public Act 431 of 1984; 18.1261 Sec 261.(14) requires that multiyear contracts include either Liquidated Damages and/or Service-Level Agreements. The State has determined SLAs are applicable to the services of this proposal and subsequent Contract.

The Contractor will be held accountable to meet the requirements and the service level requirements established in this Contract.

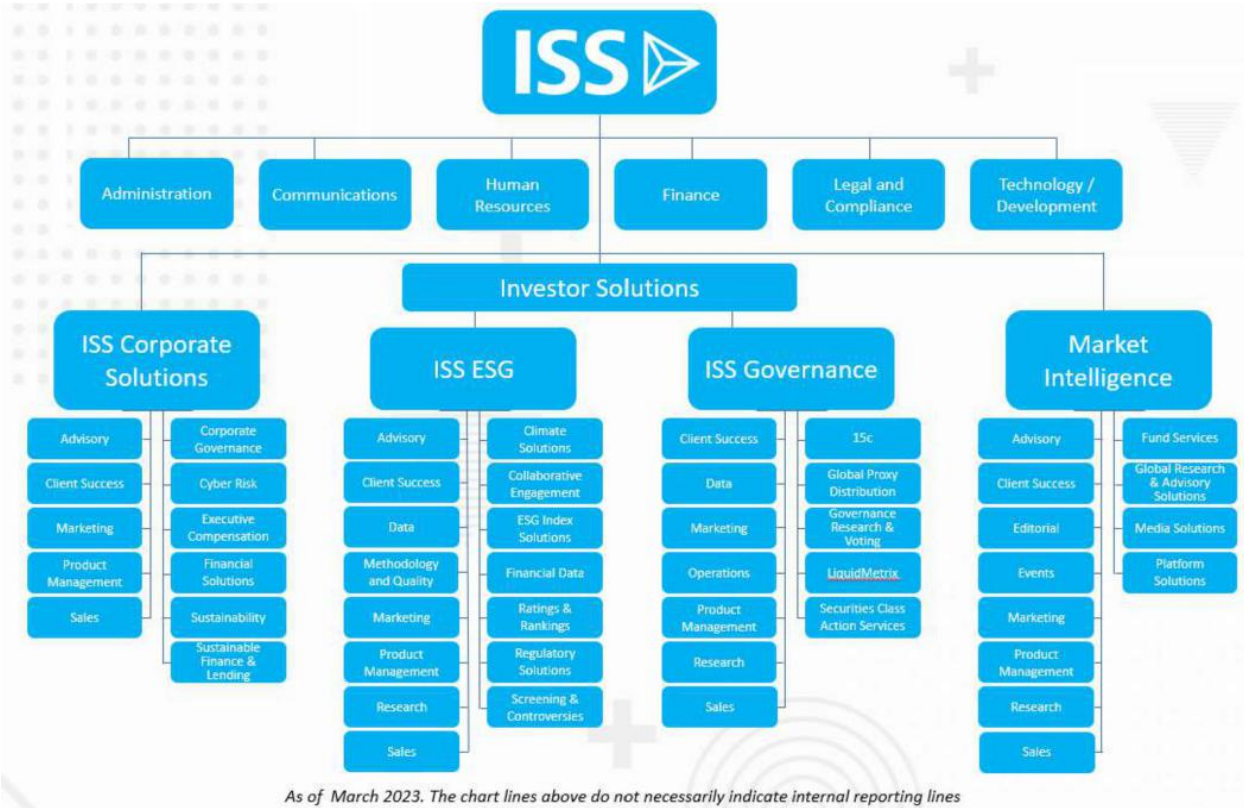
Service Level Agreements for this Contract will be as follows:

SLA Metrics	
Deliverables	<ul style="list-style-type: none"> A. Quarterly Scrutinized Company List – Active Business Operations B. Bi-annual Scrutinized Company List – Inactive Business Operations C. Monthly Change Log
Acceptable Standard	<ul style="list-style-type: none"> A. The Contractor must provide a quarterly scrutinized list of companies with active business operations in state sponsors of terror in a Microsoft Excel format via e-mail by the first business day of January, April, July, and October, for the prior quarter of each calendar year. B. The Contractor must provide a bi-annual scrutinized company list of companies with inactive business operations in state sponsors of terror in Microsoft Excel format via e-mail, to the Program Manager or designee, by the first business day of January and July of each calendar year. C. The Contractor must provide a monthly report notifying the SMRS of any changes made to the scrutinized company list in a Microsoft Excel format via e-mail, to the Program Manager or designee, by the first day of each month.
Credit Due for Failing to Meet the Service Level Agreements	<ul style="list-style-type: none"> A. If Contractor fails to deliver any of the Quarterly Scrutinized Company Lists at the times stated in Section 1.A.1. of this Statement of Work, Contractor must provide the State with a service credit in the amount of \$1,000 and an additional service credit in the amount \$50 per day for each business day Contractor fails to deliver such Quarterly Scrutinized Company List, beginning on the third business day after the scheduled date for delivery of the Quarterly Scrutinized Company List. B. If Contractor fails to deliver any of the Bi-annual Scrutinized Company Lists at the times stated in Section 1.A.2. of this Statement of Work, Contractor must provide the State with a service credit in the amount of \$1,000 and an additional service credit in the amount \$50 per business day for each business day Contractor fails to deliver such Bi-annual Scrutinized Company List, beginning on the third business day after the scheduled date for delivery of the Bi-annual Scrutinized Company Lists.

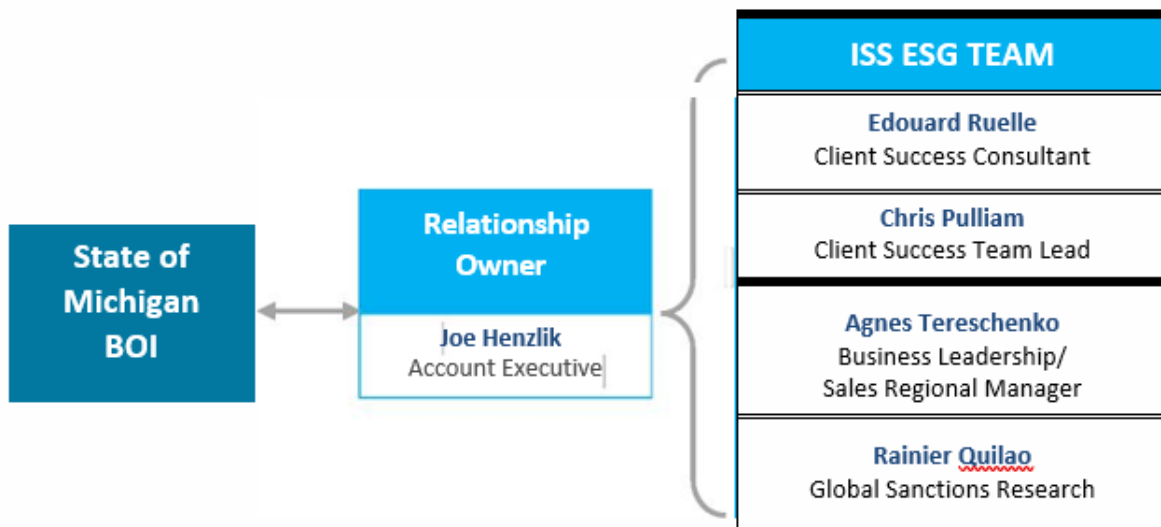
	C. If Contractor fails to deliver any of the Monthly Change Logs at the time stated in Section 1.A.3. of this Statement of Work, Contractor must provide the State with a service credit in the amount of \$500 and an additional service credit in the amount \$50 per day for each day Contractor fails to deliver such Monthly Change Log.
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Notwithstanding the foregoing, the aggregate service credit for a particular Quarterly Scrutinized Company List, Bi-annual Scrutinized Company List or Monthly Change Log must not exceed the applicable fee for such Quarterly Scrutinized Company List, Bi-annual Scrutinized Company List or Monthly Change Log. Such service credits must apply to future invoices from Contractor.

Attachment A Organizational Chart



ISS ESG Support Chart for State of Michigan BOI



SCHEDULE B - PRICING

Divestment Services

1. Pricing includes all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).
2. The State does not guarantee a minimum or maximum volume of work.

Divestment Screening Services				
1. Quarterly Scrutinized Company List – Active Business Operations	\$5,863.00	X	12	\$70,356.00
2. Bi-annual Scrutinized Company List – Inactive Business Operations	\$ 7,462.00	X	6	\$44,772.00
3. Monthly Change Log	\$1,066.00	X	36	\$38,376.00
4. Contact Information for Certain Scrutinized Companies	Included	X	36	Included
5. Correspond with Representatives of Scrutinized Companies	Included	X	36	Included
Grand Total				\$153,504.00
6. Optional Services				
a. Provide on-line access to research regarding companies identified as scrutinized.	\$10,000.00/annum			

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Institutional Shareholder Services Inc. (“**Contractor**”), a Delaware corporation. This Contract is effective on July 1, 2024 (“**Effective Date**”), and unless terminated, expires on June 30, 2027 (the “**Term**”).

This Contract may be renewed for up to three additional one year period(s). Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice.

The parties agree as follows:

1. **Duties of Contractor.** Contractor must perform the services and provide the deliverables described in **Schedule A – Statement of Work** (the “**Contract Activities**”). An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

Contractor must furnish all labor, equipment, materials, and supplies necessary for the performance of the Contract Activities, and meet operational standards, unless otherwise specified in Schedule A.

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality; (d) not interfere with the State’s operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State’s quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; (j) comply with all State physical and IT security policies and standards once such policies and standards have been made available to Contractor; and (k) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

Contractor must also be clearly identifiable while on State property by wearing identification issued by the State, and clearly identify themselves whenever making contact with the State.

2. **Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
See Contract Administrator Information shown below.	Joe Henzlik 900 19 th St. NW Washington, D.C., 20006 joe.henzlik@iss-stoxx.com 312-350-4165

3. **Contract Administrator.** The Contract Administrator for each party is the only person authorized to modify any terms of this Contract, and approve and execute any change under this Contract (each a “**Contract Administrator**”):

State:	Contractor:
Kyle Elzinga 7285 Parsons Drive Dimondale, MI 48821 ElzingaK1@michigan.gov 517-614-0956	Joanna Wallace 702 King Farm Boulevard, Suite 400 Rockville, Maryland 20850 joanna.wallace@issgovernance.com

4. **Program Manager.** The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract (each a “**Program Manager**”):

State:	Contractor:
Jeannette Brya 2501 Coolidge Road, Suite 400 East Lansing, MI 48823 Bryaj@michigan.gov 517-614-8243	Ivo Kresta 702 King Farm Boulevard Suite 400 Rockville, Maryland 20850 Ivo.Kresta@iss-esg.com 857-268-4457

5. **Performance Guarantee.** Contractor must at all times have financial resources sufficient, in the reasonable determination of the State, to ensure performance of the Contract and must provide proof upon request.

6. **Insurance Requirements.** Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (b) be provided by a company with an A.M. Best rating of "A" or better, and a financial size of VII or better.

Required Limits	Additional Requirements
Commercial General Liability Insurance	

<u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations	
Automobile Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	
Workers' Compensation Insurance	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	
Employers Liability Insurance	
<u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	
Professional Liability (Errors and Omissions) Insurance	
<u>Minimal Limits:</u> \$3,000,000 Each Occurrence \$3,000,000 Annual Aggregate	

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation; and (b) require that subcontractors maintain the required insurances contained in this Section; (c) endeavor to notify the Contract Administrator within five business days if any required insurance is cancelled.

This Section is not intended to and is not construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

7. Reserved.

8. Reserved.

9. Independent Contractor. Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the

State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor.

- 10. Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.
- 11. Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.
- 12. Background Checks.** Pursuant to Michigan law, all agencies subject to IRS Pub. 1075 are required to ask the Michigan State Police to perform fingerprint background checks on all employees, including Contractor and Subcontractor employees, who may have access to any database of information maintained by the federal government that contains confidential or personal information, including, but not limited to, federal tax information. Further, pursuant to Michigan law, any agency described above is prohibited from providing Contractors or Subcontractors with the result of such background check. For more information, please see Michigan Public Act 427 of 2018. Upon request, or as may be specified in a Statement of Work, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.
- 13. Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State, such approval not to be unreasonably withheld. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation and provide all necessary documentation and signatures.
- 14. Change of Control.** Contractor will notify the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of

Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

In the event of a change of control, the Contract and all of Contractor's obligations under it will either be assumed by the successor or retained by Contractor.

15. Ordering. Contractor is not authorized to begin performance until receipt of authorization as identified in Schedule A.

16. Reserved.

17. Reserved.

18. Reserved.

19. Reserved.

20. Terms of Payment. Invoices must conform to the reasonable requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities performed as specified in Schedule A. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services purchased under this Agreement are for the State's exclusive use.

The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within 60 days following State's receipt of the applicable invoice. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Contract Activities.

The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/SIGMAVSS> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment. Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

21. Service Credits. Service credits, if applicable, will be calculated and credited as described in Schedule A.

22. Stop Work Order. The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) subject to the provisions of Section 23 or Section 24 below, terminate the Contract or purchase order. In the event that the State terminates the Contract after a stop work order and such termination is for cause (as defined in Section 23 below) or for convenience (as defined in Section 24 below) the State will pay to Contractor all applicable fees as stated in Section 23 or Section 24 below.

23. Termination for Cause. Either party may terminate this Contract for cause, in whole or in part, if the other party: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) breaches any of its material duties or obligations; or (d) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Section 24, Termination for Convenience.

The State will only pay for amounts due to Contractor for Contract Activities performed on or before the date of termination.

24. Termination for Convenience. The State may terminate this Contract in whole or in part for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 24, Transition Responsibilities. If the State terminates this Contract pursuant to this Section, except for cases of appropriation or budget shortfalls, the State will pay all fees due for the next three (3) months from the date of termination or through the upcoming anniversary of the Effective Date of the Contract, if shorter, and all reasonable costs for State approved Transition Responsibilities, if applicable.

25. Transition Responsibilities. Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days) and at the State's expense, provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of

the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking reasonable measures to transition performance of the applicable Contract Activities, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; and (d) delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date, provided that any partially completed deliverables will be provided to the State on an "as-is" basis (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

26. Return of State Property. Upon termination or expiration of this Contract for any reason, Contractor must take all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to the Contractor by any entity, agent, vendor, or employee of the State.

27. General Indemnification. Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, from and against any and all actions, claims, losses, liabilities, damages, costs, reasonable attorney fees, and expenses, arising out of or relating to: (a) any infringement, misappropriation, or other violation of any intellectual property right of any third party by or in connection with the Contract Activities; and (b) any bodily injury, death, or damage to real or tangible personal property caused by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) in the course of Contractor performing Contract Activities.

The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced.

The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding at the State's expense; and (iii) employ its own counsel at the State's expense. Contractor will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. An attorney

designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

- 28. Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges.
- 29. Limitation of Liability and Disclaimer of Damages. (a) Disclaimer of Damages. NEITHER PARTY WILL BE LIABLE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS AND LOST BUSINESS OPPORTUNITIES.**

(b) Limitation of Liability. IN NO EVENT WILL EITHER PARTY'S AGGREGATE LIABILITY TO THE OTHER PARTY UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THREE TIMES (3X) THE FEES PAID BY THE STATE IN ANY ONE YEAR TERM OF THE CONTRACT FOR ANY AND ALL CLAIMS MADE WITHIN THAT YEAR, WHETHER ARISING OUT OF OR RELATED TO EVENTS OCCURRING DURING THAT YEAR OR EARLIER.. .

(c) Exceptions. Subsections (a) (Disclaimer of Damages) and (b) (Limitation of Liability) above, shall not apply to: (i) Contractor's obligation to indemnify under **Section 27** of this Contract; or (ii) damages arising from either party's gross negligence or intentional misconduct. Subsection (a) (Disclaimer of Damages) shall not apply to the breach of the State's obligations under Section 31 of this Contract and Subsection (b) (Limitation of Liability) shall not apply to the breach of the State's obligations under Section 31 of this Contract provided that the State's liability for such breach shall not exceed two times (2X) the Aggregate Contract Price. As used in this clause, the term "Aggregate Contract Price" means the total price for the initial Term and all renewal terms of the Contract.

(d) Nothing herein shall be construed to waive any law regarding sovereign immunity, or any other immunity, restriction, or limitation on recovery provided by law.

30. Disclosure of Litigation, or Other Proceeding. Contractor must use reasonable efforts to notify the State within 14 calendar days of receiving notice of the following proceedings (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract: (a) a criminal Proceeding, including claims for criminal fraud; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; or (d) a civil Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.

31. Proprietary Rights; State Data. Contractor grants to the State a limited, non-exclusive, non-transferable license to use the information provided as part of, or connection with, the Contract Activities (the "Information") for internal business purposes only, subject to the Contract. The Information is exclusively for the State's internal use and is strictly confidential, except that Information related to securities class action filings as well as research for specific accounts ("Account Information") may be disclosed and used to comply with applicable law and rules adopted by government agencies, and to report to each account's owners or as otherwise provided for in the Statement of Work. The State shall not use the Information for any other purpose nor disclose the Information to other third parties, except as otherwise required by law. The State shall not copy, transfer, reproduce, or create derivative works from the Information for re-distribution to any third party except for disclosure of Account Information as permitted above. All proprietary rights in the Information belong to Contractor and its third-party licensors (if any). The Information was prepared, selected, coordinated and arranged through the expenditure of substantial time, effort, judgment and money and constitutes valuable property of Contractor and its licensors (as the case may be). All data and information provided to Contractor by or on behalf of the State, and all data and information derived therefrom, is the exclusive property of the State ("**State Data**"); this definition is to be construed as broadly as possible. Upon request, Contractor must provide to the State, or a third party designated by the State, all State Data within 10 calendar days of the request and in the format requested by the State. Contractor will assume all costs incurred in compiling and supplying State Data. No State Data may be used for any marketing purposes.

32. Reserved.

33. Non-Disclosure of Confidential Information; Data Protection. The parties acknowledge that Contractor may be exposed to or acquire communication or data of the State that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.

- a. Meaning of Confidential Information. For the purposes of this Contract, the term "**Confidential Information**" means all information and documentation of the State that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar

meaning, was subsequently summarized in writing by the State and marked “confidential” or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the State. The term “Confidential Information” does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the Contractor without an obligation of confidentiality; (c) developed independently by the Contractor, as demonstrated by the Contractor, without violating the State’s proprietary rights; (d) obtained from a source other than the State without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the Contractor). For purposes of this Contract, in all cases and for all matters, State Data and Information are deemed to be Confidential Information.

- b. Obligation of Confidentiality.** Contractor agrees to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract and except as disclosure may be required by law, regulation, court order, subpoena or similar process (provided that in such event Contractor shall endeavor to provide prompt written notice of such required disclosure to State so that the State may seek a protective order or other appropriate remedy) or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. Contractor agrees to advise and require its respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence.
- c. Cooperation to Prevent Disclosure of Confidential Information.** Contractor must use its best efforts to assist the State in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, Contractor must advise the State immediately in the event that Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated the terms of this Contract and Contractor will cooperate with the State in seeking injunctive or other equitable relief against any such person.
- d. Remedies for Breach of Obligation of Confidentiality.** Contractor acknowledges that breach of its obligation of confidentiality may give rise

to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, the State may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available.

- e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, Contractor must, within 5 calendar days from the date of termination, return to the State any and all Confidential Information received from the State, , which are in Contractor's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor determine that the return of any Confidential Information is not feasible, Contractor must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party. Notwithstanding any provision herein to the contrary, Contractor shall have the right to retain a copy of the State's Confidential Information and State Data only to the extent required for legal, regulatory or other governmental compliance purposes and neither party shall be obligated to return or destroy Confidential Information or State Data contained in a party's electronic back-up systems (such as system caches and email back-up tapes).

34. Reserved.

35. Reserved.

36. Reserved.

- 37. Records Maintenance, Inspection, Examination, and Audit.** The State or its designee (provided that such designee enters into a confidentiality agreement with Contractor) may audit Contractor's books, documents and records to verify billing and invoicing of the State with respect to this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all billing and invoicing records related to the Contract through the term of the Contract and for three years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records to the extent required by law until all issues are resolved.

Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Contract Activities are being performed during reasonable business hours, and examine, copy, and audit all records related to this Contract in order to verify billing and invoicing of the State with respect to this

Contract. The performance of any such audit shall be reasonably limited in duration and scope with respect to its purpose. Contractor must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 45 calendar days.

This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

- 38. Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) the Contract signatory has the authority to enter into this Contract; (e) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information; (f) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading; and that (g) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.
- 39. Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.
- 40. Compliance with Laws.** Contractor must perform the Contract Activities in compliance with all applicable federal, state and local laws, rules and regulations.
- 41. Additional Terms.** Attached hereto as Schedule C are certain additional terms for specific materials which are available as part of certain Contractor products and services. To the extent that the State has access to the material referenced in

Schedule C, then the terms on Schedule C are incorporated herein and shall apply to this Contract.

42. Reserved.

43. Nondiscrimination. Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.

44. Unfair Labor Practice. Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.

45. Governing Law. This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*.

46. Non-Exclusivity. Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.

47. Force Majeure. Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.

48. Dispute Resolution. The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit either party's right to terminate the Contract.

- 49. Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.
- 50. Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
- 51. Schedules.** All Schedules and Exhibits that are referenced herein and attached hereto are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

Document Title	Document Description
Schedule A	Statement of Work
Schedule B	Pricing
Contract Terms	Standard Contract Terms
Schedule C	Additional Terms

- 52. Entire Agreement and Order of Precedence.** This Contract, which includes Schedule A – Statement of Work, and expressly incorporated schedules and exhibits, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE

DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.

- 53. Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
- 54. Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
- 55. Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, limitations on liability, indemnification, and confidentiality, will survive the expiration or termination of this Contract.
- 56. Contract Modification.** This Contract may not be amended except by signed agreement between the parties (a “**Contract Change Notice**”). Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.

SCHEDULE C ADDITIONAL TERMS

For purposes of this Schedule C, the term “Subscriber” shall mean the State, the term “Provider” shall mean the Contractor, the term “Agreement” shall mean the Contract, and the term “Services” shall mean the Contract Activities.

STANDARD & POOR’S CUSIP SERVICE BUREAU

Subscriber agrees and acknowledges that the CUSIP Database and the information contained therein is and shall remain valuable intellectual property owned by, or licensed to, Standard & Poor's CUSIP Service Bureau (“CSB”) and the American Bankers Association (“ABA”), and that no proprietary rights are being transferred to Subscriber in such materials or in any of the information contained therein. Any use by Subscriber outside of the clearing and settlement of transactions requires a license from CSB, along with an associated fee based on usage. Subscriber agrees that misappropriation or misuse of such materials will cause serious damage to CSB and ABA, and that in such event money damages may not constitute sufficient compensation to CSB and ABA; consequently, Subscriber agrees that in the event of any misappropriation or misuse, CSB and ABA shall have the right to obtain injunctive relief in addition to any other legal or financial remedies to which CSB and ABA may be entitled.

Subscriber agrees that Subscriber shall not publish or distribute in any medium the CUSIP Database or any information contained therein or summaries or subsets thereof to any person or entity except in connection with the normal clearing and settlement of security transactions. Subscriber further agrees that the use of CUSIP numbers and descriptions is not intended to create or maintain, and does not serve the purpose of the creation or maintenance of, a master file or database of CUSIP descriptions or numbers for itself or any third party recipient of such service and is not intended to create and does not serve in any way as a substitute for the CUSIP MASTER TAPE, PRINT, DB, INTERNET, ELECTRONIC, CD-ROM Services and/or any other future services developed by the CSB.

NEITHER CSB, ABA NOR ANY OF THEIR AFFILIATES MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO THE ACCURACY, ADEQUACY OR COMPLETENESS OF ANY OF THE INFORMATION CONTAINED IN THE CUSIP DATABASE. ALL SUCH MATERIALS ARE PROVIDED TO SUBSCRIBER ON AN “AS IS” BASIS, WITHOUT ANY WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE NOR WITH RESPECT TO THE RESULTS WHICH MAY BE OBTAINED FROM THE USE OF SUCH MATERIALS. NEITHER CSB, ABA NOR THEIR AFFILIATES SHALL HAVE ANY RESPONSIBILITY OR LIABILITY FOR ANY ERRORS OR OMISSIONS NOR SHALL THEY BE LIABLE FOR ANY DAMAGES, WHETHER DIRECT OR INDIRECT, SPECIAL OR CONSEQUENTIAL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL THE LIABILITY OF CSB, ABA OR ANY OF THEIR AFFILIATES PURSUANT TO ANY CAUSE OF ACTION, WHETHER IN CONTRACT, TORT, OR OTHERWISE, EXCEED THE FEE PAID BY SUBSCRIBER FOR ACCESS TO SUCH MATERIALS IN

THE MONTH IN WHICH SUCH CAUSE OF ACTION IS ALLEGED TO HAVE ARISEN. FURTHERMORE, CSB AND ABA SHALL HAVE NO RESPONSIBILITY OR LIABILITY FOR DELAYS OR FAILURES DUE TO CIRCUMSTANCES BEYOND THEIR CONTROL.

Subscriber agrees that the foregoing terms and conditions shall survive any termination of its right of access to the materials identified above.