State of Washington

Office of the State Treasurer,

Washington State Investment Board

And

[CUSTODIAN]

Contract For  
Global Custodial Services — Washington State Investment Board

1. **General Provisions**
   1. Contracting Parties

This Contract for Global Custodial Services (this “Contract”) is entered into by and amongst the Office of the State Treasurer of the State of Washington (hereinafter the “**State Treasurer**”), a Constitutional Office established by Article III, Section 19 of the Washington State Constitution, [NAME OF CUSTODIAN], a bank organized under the laws of [●] with its principal address at [●] (hereinafter the “**Custodian**”), and the Washington State Investment Board (hereinafter “**Board**” or “**WSIB**”), an agency of the Washington State government, 2100 Evergreen Park Drive SW, P.O. Box 40916, Olympia, Washington 98504-0916 (the Custodian, the State Treasurer, and the WSIB being hereinafter collectively known as the “**Parties**”; the State Treasurer and the WSIB being hereinafter collectively known as the “**State Parties**” or individually as a “**State Party**”).]

* 1. Recitals

[RESERVED]

1. **Appointment of Global Custodian for Assets of the WSIB**

The State Treasurer, in accordance with RCW 43.08.015 hereby appoints [NAME OF CUSTODIAN] as the global custodian of certain Cash and Securities of the State under the investment responsibility of the Board in accordance with RCW 43.33A.030 (collectively, the “**Assets**”). The Custodian represents and warrants that the Custodian possesses and will employ professional knowledge, experience and expertise in rendering its global custodial services as Custodian. All property delivered to the Custodian, its agents or Subcustodians shall be held and dealt with as herein provided. The Custodian shall have no responsibility or liability for the acts or omissions of prior custodians, and shall not be responsible for any property of the State not delivered to the Custodian, its agents or Subcustodians, and shall only be obligated to accept such property that is in street name or other good delivery form. The Custodian hereby accepts this appointment.

1. **Definitions**

Unless the context clearly indicates otherwise, the following terms shall have the meanings in this Contract and its attachments as set forth below:

1. “**Account**” has the meaning set forth in Section 5.
2. “**Account Records**” means material records maintained by the Custodian in the regular and ordinary course of business relating directly and exclusively to Account holdings, Account-specific transactions and activity, including records of funds received and disbursed from the Accounts, and other similar Account-specific records created by the Custodian or its agents in connection with this Contract. For the avoidance of doubt, “Account Records” shall not include records of the Custodian’s internal communications or materials created or maintained by the Custodian or its Affiliates for operational, regulatory, audit, regulatory reporting and/or other internal/operational purposes.
3. “**Affiliate**” means, with respect to any entity, any other entity that directly or indirectly controls, is controlled by or under common control with such entity.
4. “**Assets**” has the meaning set forth in Section 2.
5. “**Authentication Procedures**” means the use of security codes, passwords, tested communications or other authentication procedures as may be agreed upon in writing by the WSIB and the Custodian from time to time for purposes of enabling the Custodian to verify that purported Proper Instructions have been originated by an Authorized Person.
6. “**Authorized Person**” means any person duly authorized by the WSIB or the Investment Manager as set forth on an authorized signatory list or in a form agreed by the WSIB and the Custodian from time to time.
7. “**Authorized User**” means an individual with an authorized business need to access Confidential Information under this Contract.
8. “**Board**” or “**WSIB**” means the Washington State Investment Board of the state of Washington, any division, section, office, unit or other entity of the Board, or any of the officers or other officials lawfully representing that Board.
9. “**Business Day**” means any day of the week other than Saturday, Sunday, or a Washington state legal holiday as set forth in RCW 1.16.050 as well as any day on which the New York Stock Exchange and the Federal Reserve Bank of New York are open for business.
10. “**Cash**” means cash in any currency from time to time deposited with the Custodian or Subcustodian under this Contract.
11. “**Cash Account**” has the meaning set forth in Section 5.
12. “**Claim**” means demands, claims, causes of action, losses, fines, penalties, judgments, damages, or liabilities of any nature and kind whatsoever (including attorney’s fees and other legal fees and expenses).
13. “**Confidential Information**” means WSIB information that is exempt from disclosure to the public or other unauthorized persons under Chapter 42.56 RCW or other federal or state laws. Confidential Information comprises Category 3 Confidential Information as described herein, which includes, but is not limited to, certain financial, commercial, proprietary or other similar information relating to WSIB investment holdings, investment opportunities, or operations. If the Receiving Party questions whether a particular piece of information should be deemed Confidential Information for purposes of this Contract (for example, because it is not marked as such), the Receiving Party agrees to promptly seek the guidance of appropriate WSIB staff.
14. “**Contract Manager**” means the representative of the WSIB or the Custodian identified in the text of the Contract who is delegated the authority to administer the Contract.
15. “**Country Risk Event**” means any nationalization, expropriation or other governmental actions; a country’s regulation of the banking or securities industry; exchange or currency exchange controls or restrictions, devaluations or fluctuations or currency redenomination; asset freezes, laws, rules, regulations or orders that at any time prohibit or impose burdens or costs on the transfer of Assets to, by or for the account of the WSIB or any applicable Fund; or market conditions which prevent the transfer of property or the execution of Securities transactions or affect the value of property.
16. “**Custodian**” has the meaning set forth in Section 1A.
17. “**Overdraft**” means a payment made by the Custodian under this Contract that exceeds the Cash available in the relevant Account on, for and during the date on which such payment is made.
18. “**Depository**” means [the Depository Trust Company, Euroclear, Clearstream Banking S.A. and any other securities depository, book-entry system or clearing agency authorized to act as a system for the central handling of Securities pursuant to the laws of the applicable jurisdiction, and any successors to, and/or nominees of, any of the foregoing.]
19. “**Executive Director**” also referred to as “**Chief Executive Officer**” means that individual described in RCW 43.33A.100 who has been delegated the authority to lead and manage all investments, operations and administrative functions of the WSIB.
20. “**Fee Schedule**” has the meaning set forth in Section 10.A.
21. “**Foreign Depository**” means an “Eligible Securities Depository” (as defined in Rule 17f-7 under the Investment Company Act).
22. “**Funds**” means each fund, separate account or series containing assets of the State.
23. “**Investment Fund Account**” has the meaning set forth in Section 9.B.
24. “**Investment Manager**” means each person specified as such by the WSIB, including its agents and delegates.
25. “**Non-U.S. Securities**” means securities that are issued by any entity that has its principal place of business outside the United States and that is organized under the laws of a jurisdiction other than the United States or any state thereof or that are issued by the government of a country other than the United States or any political subdivision or governmental agency or instrumentality thereof and that are principally cleared and settled outside the United States, but does not include securities that are principally cleared and settled in the United States.
26. “**Operational Losses**” has the meaning set forth in Section 27.
27. “**Proper Instructions**” means instructions (which may be standing instructions, and which includes any security trade advice) received by the Custodian through an agreed Authentication Procedure in any of the following forms:
    1. in writing given by an Authorized Person;
    2. in an electronic communication as may be agreed upon between the Custodian and the WSIB in writing from time to time; or
    3. by such other means as may be agreed in writing from time to time by the Custodian and the WSIB.
28. “**Receiving Party**” means the Custodian and any person that receives information pursuant to this Contract, including, but not limited to, the Custodian’s members, officers, directors, partners, trustees, employees, and Subcustodians, Subcontractors, and third-party service providers, and their owners, members, officers, directors, partners, trustees, and employees.
29. “**Required Care**” has the meaning set forth in Section 27.
30. “**RCW**” means the Revised Code of Washington (Washington State Law).
31. **“RFP”** has the meaning set forth in Section 1.B.
32. “**Securities**” means all (a) debt and equity securities and (b) instruments representing rights or interests therein, including rights to receive, subscribe to or purchase the foregoing; in each case as may be agreed upon from time to time by the Custodian and the WSIB and which are from time to time delivered to or received by the Custodian and/or any Subcustodian for deposit in an Account.
33. “**Securities Account**” has the meaning set forth in Section 5.
34. “**Security Incident**” means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of Confidential Information or interference with system operations in an information system.
35. “**State**” means the state of Washington [●]
36. "State Party” and “State Parties” have the meaning set forth in Section 1.A.
37. “**State Treasurer**” has the meaning set forth in the preamble.
38. “**STIF**” means a short-term investment fund, which may include funds offered by the Custodian or third parties and designated/approved by the WSIB.
39. “**Subaccount**” has the meaning set forth in Section 5.
40. “**Subcustodian**” means a bank or other financial institution (other than a Depository) that is selected and used by the Custodian in connection with the settlement of transactions and/or custody of Cash or Securities under this Contract, and any successors to, and/or nominees of, any of the foregoing.
41. “**Use**” includes the sharing, employment, application, utilization, examination, or analysis, of Confidential Information within an entity that maintains such information.
42. **Scope Of Services and Order of Authority of Documents**

The Custodian shall provide the services and deliverables set forth below in subsection “5. Services to be Provided” and as specified in the required elements of the RFP and the Custodian’s proposal, or as otherwise negotiated and agreed to and documented in writing.

The scope of services is to provide global master custody services relating to the investments and assets of the WSIB. The Custodian shall furnish all services, materials and personnel necessary to provide custody services for the WSIB in compliance with those professional and fiduciary standards established as reasonable and customary by the industry for similar services. In the provision of custodial bank services, the Custodian shall conform to all applicable local, state and federal laws, rules and regulations governing such services. The WSIB reserves the right to forego or terminate the services described in the sections below “Compliance Monitoring & Reporting” and “Class Actions Filing” at any time during the Contract.

In the event of conflict between the Contract and/or attachments, the order of precedence among the documents is as follows:

| ***Document*** | ***Identification*** | ***Dated*** |
| --- | --- | --- |
| Contract for Global Custodial Services |  | [ ] |
| Custodian’s Proposal (to include any written supplemental materials provided at on-site visits, interviews or meetings regarding the search for such services) | Attachment A | [ ] |
| RFP for Global Custodial and Securities Lending Services | Attachment B | [ ] |
|  |  |  |

1. **Services to be Provided**
   1. **Custodial Account Management**

The Custodian will establish and maintain one or more segregated, separately identifiable Cash or deposit accounts in the name of each of the relevant Funds (each a “**Cash Account**”; each subdivision of a Cash Account or a Securities Account specified or directed by Proper Instructions shall be a “**Subaccount**”) in such currencies as may be required in connection with the investment activity of the WSIB and each of its Investment Managers. Each Subaccount shall contain only Cash or Securities under management by a particular Investment Manager or Cash or Securities under management by the WSIB and shall not contain any Assets under management by any other Investment Manager or, except in the case of a Subaccount for the WSIB, by the WSIB.

Subject to the terms and conditions of this Contract, the Custodian will provide safekeeping services and hold all Cash of each Fund in the Cash Account established for such Fund and in the Subaccount established for the applicable Investment Manager or the WSIB, as the case may be, as specified in Proper Instructions relating to such Cash. Subject to the terms and conditions of this Contract, the Custodian will provide safekeeping services and hold all Securities of such Fund in one or more securities accounts in the name of the WSIB [or such other name as the WSIB may reasonably request] (each, a “**Securities Account**”, and together with each Cash Account, the “**Accounts**”) established for such Fund and in the Subaccount established for the applicable Investment Manager or the WSIB, as the case may be, as specified in Proper Instructions relating to such Securities. Subject to the terms and conditions of this Contract, the Custodian will hold all investments in a STIF in the Securities Account established for the related Fund and in the Subaccount established for the applicable Investment Manager or the WSIB, as the case may be, as specified in Proper Instructions relating to such STIF.

Cash and Securities belonging to the Funds will be identified on the books and records of the Custodian and segregated on the books and records of the Custodian from the assets of the Custodian and any third party. The Custodian may not commingle any Assets with any assets or funds of the Custodian or any third party except as otherwise provided herein.

The WSIB may issue standing Proper Instructions to invest Cash in one or more STIF vehicles selected by WSIB in writing. At the end of each day on which the Federal Reserve Bank of New York is open for business, the Custodian shall sweep or wire all collected balances into the STIF or other investment vehicle designated by WSIB or the applicable Investment Manager pursuant to Proper Instructions. Interest earnings from the STIF or other investment vehicle shall accrue daily and be credited to the appropriate Securities Account at least monthly, not later than the [TBD] Business Day of the following month or as otherwise approved pursuant to Proper Instructions from WSIB or the applicable Investment Manager.

* 1. **Accounting and Custody Requirements**

1. Serve as the official “book of record” for the WSIB.
2. Provide [trade date] multi-currency accounting (local and base-U.S. dollars) with full accruals.
3. [Investments will be booked at cost and reported with updated market values daily.]
4. Gains and losses shall be calculated on an average cost basis.
5. Accounting shall be on a fiscal year basis, July 1 to June 30.
6. Provide accounting services for all investments in the WSIB portfolio including (but not limited to) the following:
   1. domestic and international equity and fixed income portfolios,
   2. Cash equivalents,
   3. private asset investments (excluding back-office services), and
   4. options, futures, forwards, swaps, and any other derivative instruments.
7. Provide accounting services for all income and security transactions (Cash and non-Cash) including (but not limited to) the following:
   1. Securities lending income (please note the WSIB reports gross lending income with deductions reported as expenses for broker rebates and lending fees paid to lending agent pursuant to applicable accounting standards),
   2. tax reclaim receivables,
   3. dividend reinvestment programs,
   4. corporate actions, including (but not limited to) mergers, acquisitions, tenders, stock splits, warrants, dividends, and spinoffs, and
   5. additional services as may be requested by the WSIB.
8. Accurate segregation and accounting of income and expense by type reported in the statement of changes in net assets to include interest income, dividend income, capital gains, capital losses, unrealized gains/losses, accrual basis fees, foreign exchange gains and losses, etc.
9. Accrued expenses posted monthly to the net asset value of each account.
10. Provide Cash adjusted market values for private assets investments daily.
11. Facilitate foreign market opening, filing global tax reclaims, monitor global tax reclaims, income recovery and foreign tax laws changes.
12. Foreign tax liability will be filed and monitored, and the tax reclaim process will be actively managed with tax reclaims and collections aggressively processed to the extent provided by the most recent tax treaties. Detailed tax reclaim treaty provision information and monthly reconciliations of outstanding tax reclaims for WSIB will be provided. Please note the WSIB manages several different account types with different tax status (i.e., pension fund versus general government).
13. All portfolios (where daily information is available) will be priced daily and have daily accounting for computing daily performance and net asset values. Where daily pricing is not available, pricing direction will be provided by WSIB.
14. Provide a comprehensive pricing protocol and system, which will independently ensure the accuracy of the prices received from various external sources daily. This system will employ procedures to verify the primary price to a secondary pricing source, compare prior day’s prices to current day’s prices, and investigate changes outside established tolerances as well as changes from prior period that appear unreasonable in relation to current market trends.
15. Provide a clear mapping of custodian general ledger accounts to the WSIB corresponding general ledger accounts. Provide a monthly general ledger feed in a format and manner prescribed by the State of Washington, Office of Financial Management.
16. Provide daily net asset values (i.e., price per unit) for the WSIB’s daily valued portfolios; provide an unaudited daily net asset value price per unit and an audited monthly daily net asset value price per unit for the WSIB’s Commingled Trust Fund.
17. Provide necessary ledger and reporting composites.
18. Provide GASB reporting for annual financials, including but not limited to GASB 72 and GASB 53. Providing technical assistance in implementing recently released accounting pronouncements issued by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).
19. At the WSIB,’s request, provide a year-end financial reporting package to enable preparation of WSIB’s annual report. Reporting should include detailed support that agrees to each line item for audit purposes. Combine accounts into one report using various reporting and aggregation scenarios.
20. Support accounting ad hoc queries and reporting requirements and provide additional reporting as may be requested by WSIB.
21. Reconcile custody positions to accounting records daily.
22. Close all monthly books by the 6th Business Day and provide audited monthly accounting reports no later than the 7th Business Day for all custodied accounts.
23. Support multiple manager asset transitions in conjunction with the WSIB or appointed transition managers.
24. Provide sophisticated asset management services to our external equity managers including but not limited to:
    1. adequate staffing to meet daily needs,
    2. timely market opening and maintenance documentation, and
    3. Cash management support including foreign exchange trade services.
25. Reconcile WSIB Cash and Securities positions with Depositories and Subcustodians daily, except where market standards differ.
26. Provide a comprehensive system for the automation and accounting of vendor expense payments and the proper reporting of fees by type, account, and vendor in the accounting system. Provide 1099 tracking and filing, tax withholding and payment, for vendors covered by applicable Internal Revenue Service regulations. Compute and [automatically] allocate expenses across funds based on net asset value.
27. Provide signature ready foreign market opening documents that are specific to the WSIB entity type (public pension fund or state government) required by each foreign market for each account trading in those markets in a tax efficient manner. Monitor foreign market documentation requirements on an on-going basis to maintain open accounts in the foreign markets; notify and assist WSIB with those requirements. Provide research and insight into markets enabling the WSIB to make decision on market openings.
28. Provide a corporate action system for collection and notification (including timely detailed reporting of client entitlements and deadlines) that allows WSIB to input their elections and view reports via an online interface; the system must have a flexible user interface to maximize the efficiency and minimize the needs for repetitive activities resulting in the elections being reflected in all accounting systems.
29. Within a timeframe sufficient for relevant receipt, analysis and vote determination, provide proxies and proxy statements to the WSIB or their designee prior to annual and special meetings for U.S. corporations. For foreign corporations such proxies and proxy statements will be provided to the WSIB or their designee subject to local market practice for international assets, but at minimum, for the relevant market, in such a manner consistent with the practice of the Custodian’s industrial peers.
30. At the request of the WSIB, provide proxy voting capabilities for U.S. and foreign holdings, including proxy voting services, notification of proxy information, translation of foreign proxies, and a monthly report detailing all proxy voting activity.
31. Timely set-up of new proxy voting accounts in conjunction with WSIB and their designee, provide record/audit of those accounts upon request.
32. Provide assurances through a third-party auditor opinion and analysis that internal controls reviews are being conducted in compliance with standards under the Custodian’s Public Fund Service Organization Control (SOC) reporting and any successor disclosures.
33. Undertake a comprehensive system of selecting Subcustodians, evaluating, and monitoring their internal control structures, performance and financial condition, enabling assurance that proper settlement will be coordinated for non-US equity, non-US fixed income and other non-US investments including derivative instruments.
    1. **Trade Settlement Requirements**
34. Provide security clearing (for any market approved by WSIB) at all security clearing operations, i.e., Depository Trust Company, Federal Reserve, Euroclear, Cedel, etc.
35. Settle, and safe keep or electronically register all book entry, and physically held Securities.
36. Settlement will be performed on a delivery versus payment basis and free of payment when required.
37. The Custodian is expected to process trades in a straight-through-processing (STP) environment to the greatest extent possible, enabling linkages and technologies to eliminate manual settlement processes.
38. Provide real time settlement status with appropriate comments from clearing agent.
39. Settle and instruct the authorized transfer and delivery of physically held Securities and provide vault facilities for the safekeeping of Securities not eligible for depositories.
40. Provide afterhours settlement support (follow the sun model) with the ability to amend and correct trades in the local market.
41. Process and settle cleared and uncleared derivative products.
42. Fail float protection on all traded Securities; credit sales on contractual settlement date and benefit from failed buys, within the restrictions of each country.
43. Accept electronic trade instructions (SWIFT, FIX, etc.) from internal and external WSIB managers for all trading activity.
44. Correct open trades for mandatory corporate actions.
45. Monitor and pursue claims with sub-custodians and tax authorities.
46. Coordinate clearing account transactions with the designated third-party recordkeepers for the defined contribution and deferred compensation program.
    1. **Cash Management & Cash Control**
47. Provide an automated daily sweep, by account, to a STIF, as directed by the WSIB on a contractual settlement basis.
48. Provide, if necessary, a collateralized investment vehicle for funds received after the daily wire cutoff.
49. Provide Cash reporting including the following:
    1. daily Cash projection reports for WSIB internally managed accounts,
    2. same day sweep report to reconcile actual sweep balances prior to sweep cutoff,
    3. reports that detail any overdraft positions globally, and
    4. Cash reports via the online system that include:
       1. any reversals changing the cash position,
       2. custody Cash and accounting Cash,
       3. trade date Cash and settlement date Cash,
       4. other Cash management reports as requested by WSIB, and
       5. settlement date income for all accounts.
50. Support multiple STIF vehicles with varying deadlines. The Custodian shall have an automated system to calculate cash flows generated in one account which could be combined and swept to different accounts automatically.
51. Support a daily wire transfer to/from the State Treasurer.
52. Account for gross Cash management income and Cash management fees separately.
53. At the discretion and direction of the WSIB, undertake purchase, sale, or crossing of foreign currencies, or foreign exchange transactions on eligible accounts identified by the WSIB, including transactions executed with or through the Custodian, its affiliated business units, its agents or sub-custodians in the best interest of the WSIB and its beneficiaries. The Custodian shall provide the WSIB with the best price and execution on foreign exchange transactions and currencies traded. Where foreign markets allow, invest any foreign currency balances left overnight in appropriate, agreed upon STIF. Provide WSIB next day reports on these balances including interest earned or accrued.
54. Conduct foreign exchange transactions in an automated fashion with full transparency of price, actual execution time, and mark-up or spread charged, if any. Full transparency means the actual price available in the market for the exact type of transaction, on the day of the transaction, at the time of execution. In addition, the Custodian shall provide the WSIB with documentation of best execution, price, actual execution time, and spread daily.
55. Provide a secure online system allowing WSIB operations to purchase and sell foreign currencies to support the private market cashflow needs.
56. Provide a standard pricing schedule for WM Reuters Benchmark spot foreign exchange transactions.
57. Provide accurate daily trade date Cash balances, preferably from the accounting system, to support the Cash overlay program.
58. Provide a secure online wire instruction platform for domestic and non-domestic wire transfers that, at a minimum, includes the following features:
    1. audit trail tied to each user profile and tracks all Cash movement activities,
    2. different levels of wire approvers,
    3. user authentication,
    4. separation of duties between wire initiators and approvers,
    5. time and date stamps on all activities,
    6. reflection of outstanding wires,
    7. payment templates and storage of common and repetitive wire instructions,
    8. Cash reporting capabilities in excel and text formats, and
    9. instruction of accounting treatment of wire.
    10. **Performance Measurement and Analytics (At WSIB’s Option)**
59. Provide daily and/or monthly performance reports detailing market performance, portfolio performance, and any level of detail or any aggregate deemed necessary by the WSIB. Reports are to include current as well as historical data. Existing reports include but are not limited to:
    1. daily (unaudited but reasonable) reports to be provided by 5:00 A.M. PT,
    2. monthly portfolio benchmark data (unaudited but reasonable) to be provided by 5:00 A.M. PT on 1st Business Day after month-end,
    3. preliminary returns of daily funds (audited) by 3rd Business Day of the month,
    4. index report (audited) by 3rd Business Day of the month,
    5. monthly audited core performance reports for the prior month’s reporting cycle by the 9th Business Day of the month provided by email,
    6. monthly sector/sub-industry, region/country, and CUSIP level reports by the 9th Business Day of the month,
    7. final monthly portfolio data available in the system by 10th Business Day of the month, and
    8. quarterly file with underlying information for daily funds including but not limited to sector, issuer, composition, ratings, and characteristics provided by the 10th Business Day after quarter end.
60. Performance reports should detail market values, cash flows and returns of each portfolio, both custodied and non-custodied (look-through), as well as any consolidations deemed necessary by the WSIB.
61. Portfolio returns are to be gross, net of management fees, or net of all fees, and calculation methodologies should be current with industry standards. Audited reports provided to the WSIB will use net of all fees.
62. Review cash flow policy annually. This document outlines overall performance methodology, tolerance levels, and procedures around when to make cash flow adjustments.
63. Provide monthly cash flow file delivered by email outlining what was reviewed, and any adjustments made, no later than the 9th Business Day of the month.
64. Provide impact analysis of proposed change or corrections that impact performance returns.
65. Support all WSIB policy benchmarks, including but not limited to Bloomberg, Russell, and MSCI indices.
66. Provide returns (and/or access) for Trust Universe Comparison Service (TUCS) in accordance with the following parameters:
    1. Preliminary TUCs returns to be provided on the 3rd business day of the following month after quarter end, and
    2. Final TUCs report to be provided approximately 6 weeks after quarter end.
67. Support *ad hoc* queries and provide additional reporting that may be requested by WSIB at no additional cost.
68. Load and store all historical performance data into the performance measurement and analytics system.
69. Transmit raw performance data, transactions data, rates of return, index returns for WSIB benchmarks or any other information concerning the WSIB’s accounts to vendor(s) selected by the WSIB daily, monthly and any other frequency determined by the WSIB.
70. Provide performance analytics and attribution analysis for WSIB accounts versus relevant agreed-upon benchmarks in a format acceptable to the WSIB. Regarding global equity performance attribution, it needs to include no less than the following:
    1. performance calculated daily and monthly,
    2. look-through capability to plan participants,
    3. impacts from local and currency to the attribution model, and
    4. single-level and multi-level structures capabilities by country and region/country.
71. Quarterly, the Custodian’s performance and analytics staff will electronically deliver professional capital markets review to the necessary WSIB staff. This review will be due 25 calendar days after the close of the prior calendar quarter.
72. WSIB and the Custodian may mutually agree (by documenting in a signed Memorandum of Understanding) to a later delivery schedule for performance reports subject to availability of third-party information or substantive changes in WSIB portfolio composition or structure.
    1. **Investment Data**
73. Provide access to accounting, performance, and other custodial data via online channels including:
    1. interactive web portal that enables authorized users to define and run ad hoc reporting to access data,
    2. automated data feeds which export and transmit data via secure file transfer protocol (SFTP) or similar data transfer protocol,
    3. data feeds support both standard bulk extracts and custom reports defined by a user via a web portal, and
    4. access to real-time custodian data via an Application Programming Interface (API).
74. Provide access to daily, monthly, yearly, core accounting reporting including but not limited to:
    1. trial balances,
    2. positions,
    3. Cash statements,
    4. income receivable/payable, and
    5. Net Asset Values (NAV).
75. Provide access to a master list of all Securities held in the Account and benchmarks including:
    1. security master data for new Securities and changes to existing master data (daily),
    2. all available security identifiers and names, and
    3. other known information such as industry classification or instrument type.
76. Provide access to a master list of all accounts, composites, and benchmarks the WSIB is invested in including:
    1. names and identifiers of the accounts, composites, and benchmarks, and
    2. other known information about the funds such as inception date.
77. Provide access to security level portfolio positions for all WSIB accounts including:
    1. daily unaudited positions and audited monthly positions,
    2. monthly security-level look-through positions for commingled accounts, and
    3. position data should include price, shares, base and local valuations, and other available detail.
78. Provide access to custodian performance data for all WSIB accounts including:
    1. unaudited daily performance at the composite, account, and security level,
    2. monthly and daily audited returns at the composite, account, and security level, and
    3. performance data including return type (e.g., gross, net), return window (e.g., 1 day, 3 months), valuation used for performance, and other available detail.
79. Provide access to benchmark data including:
    1. daily and monthly index returns for all relevant WSIB benchmarks including non-policy benchmarks that are of interest, and
    2. return type should include return type (e.g., gross, net), return window (e.g., 1 day, 3 months), and other available detail.
80. Provide access to additional accounting detail data including daily:
    1. transaction-level data,
    2. general ledger activity and balances, include monthly data,
    3. foreign exchange activity including forward and spot transactions,
    4. open payables and receivables, include monthly data, and
    5. daily lot-level holdings.
81. Provide access to underlying custody data (e.g., SWIFT transaction detail) upstream of accounting controls for WSIB research purposes.
82. Provide access to a document management system and provide designated WSIB staff with online access:
    1. the system should capture investment documents such as capital call and distribution notices;
    2. documents should be available via online channels including a web-portal, FTP, and API; and
    3. the system should provide meta-data about the documents such as date received and document type.
83. Implement data controls to ensure data integrity and proactively flag and resolve data issues before it is released to the WSIB.
84. Designate a technical point of contact available to engage WSIB technical staff to partner and develop data integrations and resolve technical issues as they arise.
85. All data, documents and other records maintained or created in connection with the provision of the scope of services shall be and remain the exclusive property of the WSIB and shall be retained in accordance with instructions provided by the WSIB.
    1. **Secure Interface**
86. Interface with the WSIB’s external equity investment managers and with those managers, which may be added by the WSIB from time-to-time.
87. Interface with the WSIB’s back-office private market consultant to support monthly valuations and other investment related data.
88. Requirements for Interfacing with the WSIB Verification System:
    1. Electronically transmit all audited transactions and month-end positions by the fourth (4th) Business Day following the end of each month for internally managed funds and the sixth (6th) Business Day for external equity manager accounts. However, the WSIB may otherwise agreeto, in writing, a later delivery schedule for transaction reports subject to availability of third-party information or substantive changes in WSIB portfolio composition or structure.
    2. Should there be a subsequent conversion to another verification system or service at any time during the term of this Contract, including any extensions thereof, the Custodian will similarly provide an electronic interface to such other system in the necessary data formats and may be required to provide such interfaces to both the former and successor systems during a period of parallel operation of both systems.
    3. Provide a daily feed of positions and transactions including any backdated transactions and valuations not sent initially.
    4. Provide a daily feed of Cash and accounting transactions prior to the daily sweep in the private market funds to the verification system.
    5. **Technical Support**
89. Provide a technical point of contact within the firm familiar with the overall business relationship to work with the WSIB to answer questions, discuss advances in the online service or risk measurement, and address concerns.
90. Provide on-site training to WSIB staff during the initial conversion process and at any time when substantial changes have been made to the master trust/custody software or other information-delivery software.
    1. **Data Sharing and Use**
91. The Receiving Party represents and warrants that it shall comply, and shall ensure that any Subcustodians and third-party service providers comply, with all applicable national, federal, local and state law and policies regarding IT, security, access, data protection, and privacy, for example, Office of the Chief Information Officer of Washington State (OCIO) Policy No. 141.10. All Confidential Information will be transferred, transmitted, and stored in a method that meets the data’s security classification, as set forth herein, and to be updated when necessary. The Receiving Party shall adhere to industry standards such as National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) and/or Center for Internet Security (CIS) Controls to protect IT systems, applications, and data.
92. Purpose of Sharing and Authority to Share

The Confidential Information shared under this Contract is needed for the Receiving Party to provide custody services. The Confidential Information is shared pursuant to this Contract and RCW 43.33A.010.

1. Data Classification and Restrictions on Usage
   * 1. Confidential Information shared pursuant to this Contract is classified as Category 3 as described in OCIO Policy No. 141.10.
     2. Subject to the terms and conditions of this Contract, the WSIB hereby grants the Receiving Party a limited license for the access and use the Confidential Information for the sole purpose of providing the services described in this Contract. This grant of access will not be deemed as providing the Receiving Party with ownership rights to the Confidential Information. The Confidential Information being shared/accessed is owned and belongs to the WSIB.
     3. This Contract does not constitute a release of the Confidential Information for the Receiving Party’s discretionary use. The Receiving Party must use the Confidential Information received or accessed under this Contract only to carry out the purpose and justification of this Contract. Any analysis, use, or reporting that is not within the purpose of this Contract is not permitted without the WSIB’s prior written consent.
     4. This Contract does not constitute a release for the Receiving Party to share the Confidential Information to third parties, including Subcontractors or other third parties, without the WSIB’s prior written consent.
     5. All reports derived from the Confidential Information shared under this Contract, produced by the Receiving Party that are created with the intention of being published for or shared with external customers must be sent to the WSIB for review of usability, data sensitivity, data accuracy, completeness, and consistency with the WSIB standards prior to disclosure.
     6. Any disclosure of Confidential Information contrary to this Contract is unauthorized and is subject to penalties identified by law and the relevant provisions of this Contract, including the provisions related to termination, hold harmless, or indemnification.
2. Account Management and User Provisioning
   1. There may be only one user associated with an account. Users may not share an account.
   2. Role-based access controls should be used whenever feasible, to support changes in Custodian staff or assigned duties and provide separation of duties.
   3. The standard security principle of granting the least privilege necessary to perform assigned duties must always be used, where administratively feasible.
3. Additional Information

If, in the performance of this contract, the Custodian receives any other confidential information that is not also WSIB information, the Custodian will treat any such information the same as it treats the WSIB’s Confidential Information.

* 1. **Systems and Operations Information Security Requirements**

1. Audit Logging
   1. The Custodian must keep an audit record of:
      1. every log-in and log-off of the hosted system;
      2. every unsuccessful log-in attempt to the hosted system;
      3. every time a user’s account is disabled by the hosted system;
      4. every transaction that adds, deletes, or modifies WSIB Confidential Information;
      5. every attempt to access information that the user is not authorized to access; and
      6. every activity, successful or failed, within the hosted system by trusted user/administrators.

Audit records must be available upon request and kept for 90 calendar days.

1. Encryption Standards
   1. The transmission of Confidential Information must be encrypted end to end. Confidential Information at rest must be encrypted.
   2. Confidential Information must be encrypted with one of the following encryption algorithms at rest or in transit:

|  |  |
| --- | --- |
| **Algorithm** | **Minimum Key Length** |
| DSA | 2048 bits |
| ECDSA | 256 bits |
| RSA | 2048 bits |
| Diffie-Hellman | 2048 bits |
| ECDH | 256 bits |

1. Additional Controls
   1. WSIB data and structure must not be visible to other customers of the Custodian or the third-party service provider or be available to use in “general” literature and benchmarking.
   2. WSIB data must reside solely on systems hosted within the continental U.S. No WSIB data shall be stored, backed-up, or collocated outside the continental U.S.
   3. Independent verification through the following audit reports must be provided to the WSIB. The WSIB will determine the report type required based on the data involved and/or solution proposed.
      1. SOC2, type II attestation.
      2. SOC reports must be within the last 12 months and shall be provided to WSIB annually, each year thereafter.
      3. The service organization must provide a plan to correct negative findings prior to the delivery of any services. Negative findings must be formally accepted by the WSIB.
   4. A disaster recovery plan may be required and will be determined by the WSIB based on the data involved and /or solution proposed.
   5. Upon WSIB request, all data must be returned to in a format reasonably acceptable by the WSIB. After the WSIB formally accepts the returned data, and on the WSIB’s written instructions, all such data must be permanently removed and written assurances provided to the WSIB.
2. Security Controls and Authorized Access
   1. The Receiving Party shall implement physical security controls, including:
      1. key card badging system,
      2. logs of all inbound and outbound access of facility (up to 90 calendar days),
      3. fire detection and protections capabilities, and
      4. confidential information shredding or destruction onsite if WSIB physical media is involved.
   2. The Receiving Party must protect and maintain all Confidential Information gained by reason of this Contract against unauthorized use, access, disclosure, modification or loss. This duty requires the Receiving Party to employ necessary security measures, which include restricting access to the Confidential Information by allowing access only to Authorized Users, and physically securing any computers, documents, or other media containing the Confidential Information.
3. Security Incident Notification
   1. The Receiving Party must report any Security Incidents involving Confidential Information to the WSIB Innovation & Technology Director at computerhelp@sib.wa.gov within one (1) Business Day of discovery. If the Receiving Party does not have full details about the Security Incident, it will report all available information within one (1) Business Day and provide ongoing updates with all available details no less frequently than every five (5) Business Days thereafter. To the extent possible, these reports must include at least:
      1. The nature of the unauthorized use or disclosure, including a brief description of what happened, the date of the event(s), and the date of discovery;
      2. A description of the types of information involved;
      3. The investigative and remedial actions the Receiving Party or its Subcontractor took or will take to prevent and mitigate harmful effects and protect against recurrence;
      4. Any details necessary for a determination of whether the incident is a breach that requires notification under RCW 19.255.010, RCW 42.56.590, or any other applicable breach notification law or rule; and
      5. Any other information the WSIB reasonably requests.
   2. Receiving Party must also take actions to mitigate the risk of loss and comply with any notification or other requirements imposed by applicable law or reasonably requested by the WSIB in order to meet its regulatory obligations.
   3. The Receiving Party is responsible for all costs incurred in connection with a Security Incident, privacy breach, or potential compromise of Data, including:
      1. Computer forensics assistance to assess the impact of a Security Incident, determine root cause, and help determine whether and the extent to which notification must be provided to comply with breach notification laws;
      2. Notification and call center services for individuals affected by a Security Incident or privacy breach, including fraud prevention, credit monitoring, and identify theft assistance; and
      3. Regulatory defense, fines, and penalties from any claim in the form of a regulatory proceeding resulting from a violation of any applicable privacy or security law(s) or regulation(s).
   4. **Technology / Systems Requirements**
4. Provide adequate protection against unauthorized access to WSIB records under the Custodian’s control. The system must provide the ability to authenticate users, audit access and changes to data, and restrict or grant users privileges in accessing and changing data based on their role. The infrastructure controls, and processes supporting the Custodian’s service must be comparable or superior to Washington State IT security standards (see https://ocio.wa.gov/policy/securing-information-technology-assets-standards).
5. Safeguard records against potential loss or destruction by fire, theft, vandalism, storm, earthquake, terrorism or any other hazard, by replication data to a secure location so that records can be recreated which are current at least to the prior month-end and any daily activity immediately preceding the occurrence of such event. Safeguards should include contingency sites for key operational sites, restricted access and authentication for data centers, backup power and telecommunication options that can be immediately deployed.
6. Provide an established and proven plan for business continuation in emergency situations. The Custodian shall recreate records and resume operations necessary for the daily investment activities of the WSIB, including but not limited to, trade settlement, money movement and cash sweep (to include a verbal authorization plan to move from written or electronic signatures to verbal), and portfolio holding data essential to portfolio management, within eight hours of any occurrence of any major disaster or other cause which destroys records and/or interrupts normal operation of the Custodian’s systems. The Custodian shall periodically test its business continuation plan and operating procedures. Every twelve months, the Custodian shall provide assurances that testing confirmed their abilities to operate as indicated in the Custodian’s business continuation plan.
7. Retain records of all audited investment transactions and month-end positions on electronically readable storage media for six years in compliance with the provisions of Chapter 40.14 RCW. The Custodian shall ensure that records maintained on electronically readable storage media are checked for viability on an annual basis and migrated, if necessary, to more current technology in order to maintain accessibility during the entire retention period. Upon contract termination, the Custodian shall translate the information to a flat file, or other format mutually determined, for retention by the WSIB.
8. Provide business critical reports by alternate means (e.g., facsimile transmission or email) upon request, or store business critical reports for future transmission when normal business processes have been restored.
9. Provide the means to connect to the Custodian’s systems via an alternate route to be used in the event that the internet or other connection normally used is not functional or the WSIB has experienced a circumstance that requires using the WSIB’s offsite backup location. Provide testing of these systems, at the WSIB’s request.
   1. **Middle Office Trade Settlement**
10. Manage the trade lifecycle post-execution through notification and settlement.
    1. Real-time receipt of allocated compliant trade instructions from WSIB via Bloomberg AIM.
    2. TIMS message acknowledgement sent back to client confirming that the transaction has passed initial rules and validation.
11. Match and confirm trade details with brokers.
    1. Transaction confirmation counterparties at the block and allocation level either electronically or manually, within tolerances defined by WSIB for equity, fixed income, and foreign exchange transactions.
    2. Communicate trade details and instructions to custody for settlement.
12. Facilitate resolution of issues related to trade settlement.
    1. **Statutory Accounting Requirements – Labor & Industry Funds**
13. For Labor and Industry Funds only: Provide required GAAP based accounting and reporting in compliance with standards issued by the Governmental Accounting Standards Board (GASB) and statutory accounting and reporting in compliance Statements of Statutory Accounting Principles (SSAP) issued by the National Association of Insurance Commissioners (NAIC). Please note this will require two separate sets of accounting records for these fund types. In addition, the Custodian shall price Securities for SSAP accounting purposes utilizing the NAIC Securities Valuation Office fair values. When NAIC fair value measurements are not available, the source of the valuation methodology must be disclosed. The NAIC fair value measurement shall be different than the source used for the GAAP basis financial information. The Custodian shall have adequate staff and systems available to meet SSAP requirements and all related reporting to include, but not limited to:
    1. SSAP No. 26R – Bonds;
    2. SSAP No. 30R – Unaffiliated Common Stocks;
    3. SSAP No. 34R – Investment Income Due and Accrued;
    4. SSAP No. 43R – Loan Backed and Structured Securities;
    5. SSAP No. 91R – Accounting for transfers and servicing of financial assets and extinguishment of liabilities;
    6. SSAP 100R – Fair Value;
    7. SSAP 103R – Transferring and servicing of financial assts and extinguishment of liabilities;
    8. SSAP 97 – Investments in Subsidiaries, Controlled, and Affiliated Entities (Real Estate Investments); and
    9. all other SSAP requirements both current and future as deemed applicable by the WSIB.
    10. **Compliance Monitoring and Reporting**
14. The Custodian shall provide the WSIB with an investment compliance reporting service that will identify, and provide notification of investment trades that are outside established policies, tolerances and parameters based on available holdings and transaction data.
15. The Custodian shall provide investment compliance reporting based on tests, derived from the WSIB’s investment management guidelines, WSIB policies, and in consultation with WSIB staff.
16. The Custodian’s compliance monitoring and reporting service shall encompass the following:
    1. formal investment management guideline and policy review and gap analysis for each specified guideline and/or policy requirement;
    2. formal confirmation, by the WSIB, of proper interpretation of the tests and results;
    3. creation of the initial set of tests and reports to meet the WSIB’s requirements;
    4. on-going assistance in creating new and/or modifying existing tests and reports;
    5. performance of compliance monitoring daily, and monthly for all individual funds/subaccounts and the total fund as a whole, as requested by the WSIB;
    6. capture the reason why exceptions occurred, the detailed data of the exception and the ability to retain history of compliance monitoring results and make available electronically through a secure internet based system for one year;
    7. compliance monitoring reports delivered to the WSIB via email in a PDF file format and electronically through a secure internet based system;
    8. performance of an annual comparison of all coded investment guidelines within the compliance monitoring system to the most recent investment guidelines; and
    9. tracking changes or updates to rules to document the date of change and user authorizing the change.

1. Compliance reports shall include a summary for each system portfolio or group of portfolios specified by the WSIB. Reports shall display the status of each test; a pass, an alert or a warning, the reason for the alert, and the detailed data of the alert. Reports shall be based on post-trade date, pre-settlement date holdings previously reported to the Custodian.
2. The Custodian shall provide an on-line compliance monitoring and reporting application, providing the WSIB with on-line access to alert and warning notifications, alert histories, rule matrices, resolution documentation, and a set of core compliance reports. The application should have the capability to filter and download the data to PDF or Excel.
3. The application shall incorporate compliance fail management capabilities. Those will include the ability to assign severities, breaches and approvals for each alert. WSIB staff or assigned Custodian employees shall view the test breaches, assign breaches to individuals for follow-up, and record commentary or research results on-line.
4. The Custodian shall identify and resolve repeat compliance alerts that continue to occur, and to stop alerts from reappearing in reports if the WSIB has deemed the transaction or holding acceptable.
   1. **Class Action Filing**
5. Receive class action notifications and ascertain the WSIB’s eligibility for participation in class actions based on transactions and holdings data in the Custodian’s records.
6. Incorporate data from the previous custodian/s for class actions that span time periods prior to the Custodian becoming the custodian under this Contract.
7. As instructed, file on behalf of the WSIB to participate in class action litigation and settlements or other monetary recovery.
8. Respond to class actions administrators on questions regarding the class actions submissions.
9. Upon request of the WSIB, feed data to any WSIB litigation monitoring provider(s).
   1. **Organization Resources And Staffing**
10. At WSIB’s discretion, a dedicated client service team must be available during regular hours of operation. The team must be knowledgeable in the custody and accounting practices of all assets. They must be well versed in proposer’s technological systems and provide expert advice on day-to-day activities.
11. The Custodian shall make appropriate personnel available to meet with WSIB at dates and times determined by WSIB.
12. The Custodian shall provide and maintain personnel that exhibit responsiveness, flexibility, knowledge, proactivity and problem resolution skills which will include the following requirements:
    1. Provide an experienced client service team commensurate with the complexity of the WSIB portfolio including detailed knowledge of WSIB requirements and procedures and industry practices.
    2. Provide a relationship management protocol which provides for the appropriate escalation of issues and special projects within the context of the overall relationship.
13. In connection with the foregoing, the Custodian shall draft and sign a service level agreement, mutually agreed by the WSIB, which will be in place by the end of the transition period, and which will cover deliverables and expectations to ensure that business is handled in a timely manner and controls are in place to mitigate errors. The WSIB and the Custodian may amend the service level agreement upon mutual consent.
14. To the extent the Custodian conducts client conferences, the Custodian will invite WSIB Board members and relevant WSIB staff to participate in the Custodian’s client conferences and any and all other client conferences or similar educational activities provided by the Custodian and normally offered to Custodian’s clients. Any invitations to the WSIB Board members and relevant WSIB staff given by the Custodian to participate in the Custodian’s client conferences and any and all other client conferences or educational activities normally offered to Custodian’s clients shall be considered part of services rendered by the Custodian under this Contract, and all costs normally paid or reimbursed by the Custodian, such as registration fees, materials, lodging, conference meals and refreshments, related to such client conferences or similar educational activities shall be deemed part of this Contract. If the costs normally borne by the Custodian are initially borne by the WSIB, the Custodian shall reimburse the WSIB for such client conferences and educational activity costs. Such reimbursements and services shall comply with Washington State law.
    1. **Transition Planning And Support**
15. Takeover Planning (if applicable)
    1. All non-incumbent institutions must prepare a detailed takeover plan for the one-time services required to prepare to assume all responsibilities itemized within the scope of work of this Contract.
    2. The Custodian and WSIB will work closely together to validate the Custodian’s approach to implementing and delivering the services required.
    3. All non-incumbent institutions must prepare a transition plan that includes:
       1. timing of transition phases,
       2. staffing levels (including those of WSIB), and
       3. resource commitments (including those of WSIB).
    4. Detailed transference of all historical data from current custodian.
    5. The conversion process shall be compensated according to your fee estimate provided for transition services and will cover a one-year period July 1, 2023 to June 30, 2024. The plan must include, at a minimum, 3 months of daily practice processing with WSIB and full live operations on July 1, 2024.
16. Turnover Planning:
    1. Turnover specifies the services required to successfully transition the Custodian’s services, in part or in whole, to a successor custodian. Turnover may occur multiple times over the life of the Contract if the WSIB decides to de-scope all or any part of the services. Turnover may also occur as a single event, whereby the Custodian shall transition the entirety of the services at one time.
    2. **Additional Services**

The Parties further agree that optional services or other additional services similar in nature and appropriate to the scope of this Contract, may be added to this Contract by an instrument in writing by the [Applicable State Party/ies] at Contract rates. Such writing shall include a specific description of the additional services, pricing and additional terms and conditions as relevant. The additional services and fee schedules shall be available under the same terms and conditions established herein except as approved by the [Applicable State Party/ies] and specifically amended by the Parties.

1. **Duties of the Custodian**

Except as otherwise explicitly set forth in this Contract (or an amendment thereto), the Custodian agrees to perform its contractual obligations as a fiduciary to the State, the Board, and the various state retirement and other funds from which investments are made. The Custodian’s fiduciary obligations shall include, but are not limited to, a duty of loyalty, to take action and otherwise perform solely in the interest, and for the benefit, of the State, the Board, those funds, and their participants and beneficiaries.

Accordingly, the Custodian shall not: (1) deal with the Assets in the Custodian’s own interests or for its own account, or the account of its principals or Affiliates; (2) act in any transaction involving the Assets, or any Fund from which those Assets are being invested, on behalf of a party, or represent a party, whose interests are adverse to the interests of the Board, the interest of any such Fund, or the interest of its participants or beneficiaries; or (3) receive any consideration for its own personal account, or for the account of any of its principals or Affiliates, from any party dealing with the Board or such Funds in connection with a transaction involving the Assets of the Funds for which the Board has investment responsibility.

The Custodian shall perform its contractual duties with “Due Care.” For purposes of this Contract, “Due Care” shall mean the degree of care and skill demonstrated by fiduciaries, including, without limitation, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity as a safekeeping custodian or depositary and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Custodian shall use the prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity as a safekeeping custodian and familiar with such matters would use in the selection or retention, monitoring or continued use of Subcustodians and Depositaries, including, without limitation, by taking the following actions: (i) annually assessing the financial condition of each Subcustodian and Depositary by reviewing their financial information, (ii) on a daily basis monitoring the performance by each Subcustodian and Depositary of its respective duties relative to the services, (iii) confirming on an annual basis that each Subcustodian and Depositary is licensed to act as a subcustodian or depositary in its relevant market, and (iv) ensuring that the Subcustodian (A) waives any right, charge, security interest, lien, encumbrance or other claim that it may at any time have against any Assets and (B) holds all such Assets in an account segregated on the books and records from all assets of such Subcustodian.

1. **Overdrafts**

**Overdrafts**. In the event of an Overdraft, the Custodian may, in its sole discretion, for such date, advance an amount equal to the excess and pay the required amount for any or all of the purposes specified in this Contract, so long as the WSIB or the Investment Manager provides reasonable assurance that Cash will be deposited in the appropriate Account or Subaccount on that same date to cover the Overdraft. The Custodian shall not charge any interest or fee on any Overdraft for and to the extent repaid on the same date on which it is made. In the event that that Cash is not deposited or otherwise available in the appropriate Account or Subaccount on the date of such Overdraft and such Overdraft (including overdrafts incurred in connection with the settlement of Securities transactions, funds transfers or foreign exchange transactions) condition continues beyond the date that such overdraft advance is made or permitted, the WSIB agrees that such overdraft advance will constitute an operational loan from the Custodian under this Contract to the applicable Fund (but that it will not constitute a lending of credit or money), which shall accrue interest for each day from the date of such overdraft advance until the date paid at the overdraft rate set forth in the Fee Schedule and shall be payable by the applicable Fund upon the WSIB becoming aware thereof or upon demand.

1. **Contract Manager**

Unless otherwise expressly provided in this Contract, the Contract Managers for each of the Parties shall be the contact person for all communications and billings regarding the performance of this Contract. However, the WSIB day-to-day management of communication and activities under this Contract shall be accomplished by the designated WSIB staff as representatives of the WSIB’s Contract Manager.

Each party shall promptly notify the other, in writing, of any change in its Contract Managers designation or any change in their Contract Manager’s contact information.

|  |  |
| --- | --- |
| **Contract Manager for**  **the Custodian**  **is:** | **Contract Manager[s] for**  **the [Applicable State Parties]:** |
| [ ]  [ ]  Mailing Address: [ ]  Phone: [ ]  Fax: [ ]  Email address: [ ] | [ ]  [ ]  Mailing Address: [ ]  Phone: [ ]  Fax: [ ]  Email address: [ ] |

1. **Investment Manager**
   1. **Appointment and Termination of Appointment**. The WSIB may at any time appoint one or more Investment Managers to manage the investment of all or any portion of the Funds. In such event, the WSIB shall notify the Custodian in writing of the appointment of such Investment Manager, and of the portion of the Funds over which the Investment Manager may exercise its authority. The WSIB similarly shall notify the Custodian of the termination of the appointment of any Investment Manager.
   2. **Separate Accounts**. The WSIB from time to time may direct the Custodian to establish one or more separate investment accounts as separate Accounts or Subaccounts within the Funds (each separate account being hereinafter referred to as an “**Investment Fund Account**”). The Custodian shall transfer to each such Investment Fund Account such portion of the Assets of the Funds as the WSIB directs.
   3. **Allocation to Investment Fund Accounts**.
      * 1. All interest, dividends and other income received with respect to, and any proceeds received from the sale or other disposition of Securities or other property held in any Investment Fund Account shall be credited to and reinvested in such Investment Fund Account, unless otherwise instructed in writing by the WSIB. All expenses of the Funds which are allocable to a particular Investment Fund Account shall be allocated to such particular Investment Fund Account.
        2. To the extent that the Custodian is a party under the Washington State Investment Board Contract for Securities Lending, as set forth under Attachment 2 hereto (the “**Securities Lending Contract**”), Custodian, as the “Contractor” under such Securities Lending Contract, shall remit to (or cause to be remitted to) WSIB all interest, dividends and other income received, or required to be received, with respect to, and any proceeds received from the sale or other disposition of Securities on any loan made under, the Securities Lending Contract, even if such Securities were not held in a Securities Account as of such record date or if such proceeds were not paid by the counterparty to such Securities Lending Contract.TheWSIB shall provide written instructions to the Custodian identifying the appropriate Investment Fund Account such funds shall be credited to.
   4. **Authority**. The Custodian, in performing its duties under this Contract, shall be entitled to rely upon Proper Instructions from the Investment Manager, with such limitations as the WSIB and the Custodian by written agreement provide. In the absence of such limitations, the Custodian shall accept Proper Instructions from the Investment Manager to the same extent as the Custodian would be entitled to accept such Proper Instructions from the WSIB if no Investment Manager has been appointed.
2. **Compensation and Payment**
   1. The WSIB shall pay the Custodian in arrears for its services a fee computed in accordance with the “Washington State Investment Board Global Custody Fee Schedule” referenced in Schedule A after provision of services (the “**Fee Schedule**”).

The Custodian shall submit a quarterly bill to the WSIB for payment no later than two months following the close of a calendar quarter, at the address listed below. Bills shall be as necessarily detailed as required by the WSIB and shall include cost breakdowns and backup.

Invoices shall be directed to in Adobe Portable Document Format (PDF) via email to [FinanceServices@sib.wa.gov](mailto:FinanceServices@sib.wa.gov).

All expenses that may be incurred by the Custodian under this Contract are included in the fees paid under this Contract. Unless the WSIB has granted prior written approval, the WSIB will not be responsible for any additional costs or expenses incurred by the Custodian in the performance of work described in this Contract, which include, but are not limited to, travel, lodging, meals, other miscellaneous operational expenses, or market related charges.

* 1. **Fee Schedule**: The Fee Schedule details all charges allowable during the initial term of the Contract for all global custodial services rendered by the Custodian hereunder. Therefore, any fee charged by the Custodian which is not detailed herein will not be paid.
  2. **Payment of Taxes**: The Custodian (or the applicable Subcustodian) shall pay all applicable taxes assessed on the compensation received under this Contract and shall identify and pay those taxes under the Custodian’s (or the applicable Subcustodian’s) federal and state identification number(s).
  3. **Withholding of Payment**: The WSIB reserves the right to withhold payment for non-compliance and/or non-performance with the terms and scope of work of this Contract. Payment shall not be unreasonably withheld. Nothing herein impairs the right of the [Applicable State Party/ies] to terminate the Contract as set forth in the “Termination” section of this Contract.

Additionally, the WSIB reserves the right to offset against payments due the Custodian any delinquent payment due the WSIB from the Custodian (including, but not necessarily limited to, the Custodian’s reimbursement obligation for the costs of the procurement leading to the award of this Contract). For these purposes, a payment is delinquent if it is not paid within thirty (30) days of transmittal to the Custodian of an invoice setting forth the amount due and the justification therefore.

1. **Term**

Regardless of the date of signature and subject to its other provisions, this Contract shall be effective from [\_\_\_] through [\_\_\_], unless terminated sooner under other provisions of this Contract. Notwithstanding the foregoing, the [Applicable State Party/ies] may, by written notice to the Custodian, extend the term of this Contract [\_\_] time[s] for up to [\_\_] additional years. Such notice shall specify the extended termination date and shall be effective upon delivery to the Contract Manager of the Custodian in accordance with Section 8.

1. **Termination**
   1. **Termination for Cause**: In the event the [Applicable State Party/ies] determines the Custodian has failed to comply with the conditions of this Contract in a timely manner, [Applicable State Party/ies] has the right to suspend or terminate this Contract. The [Applicable State Party/ies] shall notify the Custodian in writing of the need to take corrective action. If corrective action is not initiated in good faith, to the reasonable satisfaction of the [Applicable State Party/ies], within 3 Business Days from delivery of such notification, the Contract may be terminated. The [Applicable State Party/ies], reserves the right to suspend all or part of the Contract. The [Applicable State Party/ies] may withhold further payments, or prohibit the Custodian from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Custodian or a decision by [Applicable State Party/ies], to terminate the Contract.

In the event of termination, the Custodian may be liable for damages as authorized by law. The termination shall be deemed to be a “Termination for Convenience” if it is determined that the Custodian was not in default. The rights and remedies of the State Parties provided in this Contract are not exclusive and are in addition to any other rights and remedies provided by law.

* 1. **Termination for Convenience**: The [Applicable State Party/ies] may, by 60 Business Days written notice (receipt-verified facsimile or email sufficient), beginning on the second day after transmittal of such notice, terminate this Contract, in whole or in part. If this Contract is so terminated, the WSIB shall be liable only for payment required under the terms of this Contract for services rendered prior to the effective date of termination.

In the event the termination date does not coincide with the last day of a quarter, the Custodian shall be entitled to a prorated portion of the fee for the quarter during which termination occurs, utilizing the intramonth fee calculation formula adopted by the [Applicable State Party/ies].

* 1. **Savings:** In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, the [Applicable State Party/ies] may terminate the Contract under the “Termination for Convenience” section, (without the 60-day notice requirement) subject to renegotiation under those new funding limitations and conditions.
  2. **Termination Procedure**: Upon termination of this Contract, the [Applicable State Party/ies] in addition to any other rights provided in this Contract, may require the Custodian to deliver to the [Applicable State Party/ies] any property specifically produced or acquired for the performance of such part of this Contract as has been terminated. The provisions of the “Treatment of Assets” section of this Contract shall apply in such property transfer.

The WSIB shall pay to the Custodian the agreed upon price, if separately stated, for completed work and services accepted by the [Applicable State Party/ies], and the amount agreed upon by the Custodian and [Applicable State Party/ies]for (1) completed work and services for which no separate price is stated, (2) partially complete work and services, (3) other property or services which are accepted by the [Applicable State Party/ies], and (4) the protection and preservation of property, unless the termination is for default, in which case the [Applicable State Party/ies]shall determine the extent of the liability of the [Appliable State Party/ies]. Failure to agree with such determination shall be a dispute within the meaning of the “Disputes” section of this Contract. The WSIB may withhold from any amounts due to the Custodian such sum as the Chief Executive Officer (or designee) determines to be necessary to protect the WSIB against potential loss or liability.

The rights and remedies of the [Applicable State Party/ies] provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

* 1. **Obligations upon Termination**: After receipt of a notice of termination, and except as otherwise directed by the [Applicable State Party/ies]’s Contract Manager, the Custodian shall:

Stop work under the Contract on the date, and to the extent, specified in the notice;

Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the Contract as is not terminated;

Assign to the WISB, in the manner, at the times, and to the extent directed by the [Applicable State Party/ies]’s Contract Manager all of the rights, titles, and interest of the Custodian under the orders and subcontracts so terminated, in which case the WSIB has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the WSIB’s Contract Manager to the extent he or she may require, which approval or ratification shall be final for all the purposes of this clause;

Transfer title to the WSIB and deliver in the manner, at the times, and to the extent, if any, as directed by the [Applicable State Party/ies]’s Contract Manager, any property which, if the Contract had been completed, would have been required to be furnished to the WSIB;

Complete performance of such part of the work as shall not have been terminated by the [Applicable State Party/ies];

Take such action as may be necessary, or as the [Applicable State Party/ies]’s Contract Manager may direct, for the protection and preservation of the property related to this Contract which is in the possession of the Custodian and in which the [Applicable State Party/ies] has or may acquire an interest, including, without limitation, promptly returning all Assets promptly in accordance with instructions from an Authorized Person of the [Applicable State Party/ies]; and,

[Unless waived in writing by the [Applicable State Party/ies], cooperate fully with a successor Custodian to facilitate the transition from the Custodian’s system to the successor’s system in a manner consistent with the requirements set forth in Section 5 above.]

1. **Force Majeure**

Neither party shall be liable to the other or deemed in default under this Contract if, and to the extent that, such party’s performance of this Contract is prevented by reason of Force Majeure. Notwithstanding the foregoing, the Custodian shall have in place a demonstrably rigorous and fully-tested business continuation plan structured to address and significantly mitigate the impacts of Force Majeureand shall use best efforts to implement the business continuation plan and to mitigate the impacts of Force Majeure.

* 1. **Definition**. The term “**Force Majeure**”means an occurrence that is beyond the control of the party affected and that could not have been avoided by exercising reasonable diligence. Force Majeureshall include acts of God, war, terrorism, market disorder, riots, strikes, fire, floods, earthquakes, epidemics, or other similar occurrences.
  2. **Allocation of Service**. When Force Majeure affects only part of the Custodian’s capacity to perform, the Custodian may allocate services among its customers, including regular customers not included in this Contract, in any manner which is fair and reasonable.
  3. **Notification**. If either party is delayed by Force Majeure, said party shall provide reasonable notice that there will be delay or non-delivery of reports or services. The notification shall provide evidence of the Force Majeure to the satisfaction of the other party. Such delay shall cease as soon as practicable and written notification of same shall be provided. The time of completion shall be extended by Contract modification for a period of time equal to the time that the results or effects of such delay prevented the delayed party from performing in accordance with this Contract.
  4. **Rights Reserved**. The [Applicable State Party/ies] reserves the right to cancel the Contract and/or purchase services from the best available source during the time of Force Majeure, and the Custodian shall have no recourse against the WSIB or the State Treasurer in such case.

1. **Conflict of Interest**

The Custodian warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Contract. Except as set forth in Section 6 (Duties of the Custodian) or an amendment to this Contract, the Custodian shall not engage in transactions with either itself, including any Affiliates or parent companies, or with other persons or firms that provide custodial or investment management services to the WSIB, that create or could create a conflict of interest for itself, or any other such person or firm, with regard to any services provided to the WSIB under this Contract, or that creates or could create any such conflict of interest of which the Custodian has knowledge regarding any services provided to the WSIB under any other contract with the Custodian or any of its Affiliates, provided that this prohibition shall not apply to any transaction covered by any other contract between the WSIB and the Custodian or any of its Affiliates that is made pursuant to the written direction of the WSIB.

The [Applicable State Party/ies, in its/their sole discretion], by written notice to the Custodian terminate this Contract if the [Applicable State Party/ies] finds that there is a violation of the Custodian’s warranties in this Section 14 or any statute involving the Custodian in the services under this Contract.

In the event this Contract is terminated as provided above, the [Applicable State Party/ies] shall be entitled to pursue the same remedies against the Custodian as it could pursue in the event of a breach of the Contract by the Custodian. The rights and remedies of the [Applicable State Party/ies] provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law.

1. **Notice of Political Contributions**.

The Custodian shall, upon request, disclose to the [Applicable State Party/ies] in writing, any political contributions which are provided by the Custodian or its Affiliates to any member of the WSIB [, or ●] or to any political committee or state party which, to the knowledge of the Custodian, provides political contributions to any member of the Board [, or ●]. For purposes of this provision “contribution” is defined by RCW 42.17A.005 and shall include both direct contributions and indirect or independent expenditures made on behalf of a Board member. The report shall include, for each reportable item, the date of contribution, the name of the person or entity making the contribution, the Board member benefited or to whom the contribution is given, the amount of the contribution or the item of an independent expenditure with its estimated value.

1. **Independent Capacity of the Custodian**

The Parties intend that an independent Custodian relationship will be created by this Contract. The Custodian and their employees or agents performing under this Contract are not employees or agents of the WSIB or the State Treasurer. The Custodian will not hold himself/herself out as or claim to be an officer or employee of the WSIB, the State Treasurer, or of the State by reason hereof, nor will the Custodian make any claim of right, privilege or benefit which would accrue to such employee under law. Conduct and control of the work will be solely with the Custodian.

1. **Nondiscrimination**

During the performance of this Contract, the Custodian shall comply with all federal and state nondiscrimination statutes and regulations, and Board non-discrimination policies. In the event of the Custodian’s noncompliance or refusal to comply with the nondiscrimination requirements, this Contract may be rescinded, canceled or terminated in whole or in part by the [Applicable State Party/ies], and the Custodian may be declared ineligible for further Contracts with the State Parties.

In the event this Contract is terminated as provided above, the State Treasurer and the WSIB shall be entitled to pursue the same remedies against the Custodian or any other person as it could pursue in the event of a breach of the Contract by the Custodian. The rights and remedies of the State Treasurer and the WSIB provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law.

1. **Error Correction and Allocation of Risk**
   1. The Custodian agrees that it shall be responsible in accordance with the standard of care required of it under this Contract for taking all actions necessary to correct errors that result directly from the Custodian’s negligence, fraud or willful misconduct in the performance of its powers and responsibilities under the Contract including, without limitation, making financial contributions to the Fund.
   2. To the fullest extent permitted by law, the Custodian agrees to, and shall, indemnify, defend and hold harmless the State, the WSIB, the State Treasurer, and all officials, agents and employees of the State, and members and employees of the WSIB or the State Treasurer, and any funds for which the WSIB has responsibility to invest which are held in custody under this Contract, from and against all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, losses, liabilities, suits, judgments, fines, penalties, charges, interest, attorney’s fees, costs and expenses of whatsoever kind or nature (“**Loss**” or “**Losses**”), arising out of or resulting from the Custodian’s (i) failure to perform its obligations as required under this Contract; (ii) negligence, fraud, willful misconduct or violation of law; or (iii) failure to exercise the standard of care set forth in this Contract; provided, however, that such indemnity shall not apply to any Loss arising out of the failure to perform its obligations as required under this Contract, negligence, fraud, willful misconduct or violation of law of the State of Washington, the WSIB, [●], or any of their agents.
   3. The WSIB and the State Treasurer agree to be responsible to the Custodian for their own acts and/or omissions and those of their officers, employees and agents including but not limited to claims or lawsuits brought by third parties resulting from such acts or omissions.
   4. Nothing in this section shall be construed to mean either party is prevented from commencing a legal action against the other.
   5. **Indemnification Procedures**. In connection with any indemnification provided pursuant hereto or to this Contract, the [Applicable State Party/ies] may make claims for indemnification by giving written notice thereof to the Custodian after it receives notice of a third-party claim or liability being asserted, but the failure to do so shall not relieve the Custodian from any liability except to the extent that it is materially prejudiced by the failure or delay in giving such notice. Such notice shall summarize the bases for the claim for indemnification and any claim or liability being asserted by the third party. Within thirty (30) days after receiving any such notice, the Custodian shall give written notice to the indemnified party stating whether it disputes the claim for indemnification and whether it will defend against any third-party claim or liability at its own cost and expense. If the Custodian fails to give notice that it disputes an indemnification claim within thirty (30) days after the receipt of notice thereof, the tender of defense shall be deemed rejected.

The Custodian shall be entitled to direct the defense against a third-party claim or liability with counsel selected by it (subject to the consent of the indemnified party, which consent shall not be unreasonably withheld) as long as the Custodian is conducting a good faith and diligent defense. The indemnified party shall at all times have the right to fully participate in the defense of a third-party claim or liability at its own expense directly or through counsel; provided, however, that if the named parties to the action or proceeding include both the Custodian and the indemnified party, and the indemnified party is advised that representation of the Parties by the same counsel would be inappropriate under applicable standards of professional conduct, the indemnified party may engage separate counsel at the expense of the Custodian. If no such notice of intent to dispute and defend a third-party claim or liability is given by the Custodian, or if such good faith and diligent defense is not being or ceases to be conducted by the Custodian, the indemnified party shall have the right, at the expense of the Custodian, to undertake the defense of such claim or liability (with counsel selected by the indemnified party), and to compromise or settle it, exercising reasonable business judgment. If the third-party claim or liability is one that by its nature cannot be defended solely by the Custodian, then the indemnified party shall make available such information and assistance as the Custodian may reasonably request and shall cooperate with the Custodian in such defense, at the reasonable expense of the Custodian. The Custodian shall have the right to settle any third-party claim or liability without the consent of the indemnified party provided that such settlement (i) fully releases the indemnified party from any liability and provides no admission of wrongdoing, and (ii) does not subject the indemnified party to any additional obligation, whether financial or otherwise. In the event that any such settlement does not meet the requirements of (i) and (ii) above, then the indemnified party must consent to such settlement in writing, which consent shall not be unreasonably withheld, conditioned or delayed. The indemnified party shall use reasonable efforts to mitigate any Loss for which the Custodian may be liable under its indemnification.

* 1. **Sovereign Immunity**. Notwithstanding any provisions to the contrary contained in this Contract, it is agreed and understood that none of the State of Washington, the WSIB, nor the State Treasurer shall be construed to have waived any rights or defenses of sovereign immunity, which the State of Washington, the WSIB, or the State Treasurer may have with respect to all matters arising out of this Contract. The WSIB and the State Treasurer hereby reserve all immunities, defenses, rights or actions arising out of the State of Washington’s sovereign status under the United States Constitution, and no waiver of any such immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by the WSIB and the State Treasurer’s entry into this Contract, by any express or implied provisions of this Contract, or by any actions or omissions to act of the State of Washington, the WSIB or the State Treasurer, whether taken pursuant hereto, prior to or after the WSIB and the State Treasurer’s entry into this Contract.

Notwithstanding any express provision to the contrary herein, neither party shall be liable for any indirect, consequential, incidental, punitive, special or exemplary damages, even if the other party has been apprised of the likelihood of such damages occurring.

1. **Insurance**

The Custodian shall provide insurance coverage as set out in this Section 19.

The Custodian shall provide insurance coverage and will maintain in full force and effect during the term of this Contract, as follows, but not limited to:

* 1. **Professional Liability Insurance (i.e., Errors and Omissions)**. The Custodian shall maintain professional liability insurance from an insurance carrier with an A.M. Best Financial Strength Rating of “A” or higher, at a level sufficient to protect against legal liability arising out of Contract activity but no less than [$X] per occurrence and [$X] for a general aggregate limit.  Additionally, the Custodian is responsible for ensuring that any Subcustodian maintain professional indemnity insurance coverage that the Custodian reasonably considers as adequate for the activities arising out of the relevant subcontract.
  2. **Fidelity Bond**. The Custodian shall maintain a fidelity bond from an insurance carrier with an A.M. Best Financial Strength Rating of “A” or higher, to cover losses resulting from loss of money, securities, or inventory resulting from crime such as employee dishonesty, forgery, robbery, safe burglary, theft, misappropriation, computer fraud, wire transfer fraud, counterfeiting, and other criminal acts.  The Custodian shall maintain this coverage with annual aggregate limits no less than [$X] and [$X] for a general aggregate limit.  The fidelity bond will apply when an individual causes a loss with the manifest intent to cause the insured to sustain such loss or with the manifest intent to obtain an improper financial benefit.
  3. **Comprehensive Crime Coverage.** The Custodian shall maintain comprehensive crime coverage that protects against, at a minimum, theft, forgery, fraud, embezzlement and extortion. The Custodian shall maintain this coverage with a per-claim limit of liability of no less than [$X].
  4. **Privacy and Cyber Liability.** The Custodian shall maintain privacy and cyber liability insurance coverage from an insurance carrier with an A.M. Best Financial Strength Rating of “A” or higher, in adequate quantity to protect against privacy and cyber legal liability arising out of Contract activity, but no less than [$X] per occurrence and [$X] for a general aggregate limit.  The cyber liability insurance will provide coverage for data breach liability, electronic funds transfer liability, network security liability, and breach response expenses.

The insurance required shall be issued by an insurance company authorized to do business within the state of Washington. All policies shall be primary to any other valid and collectable insurance.  If any of the policies described in this section are “claims made” policies, the Custodian will either continue coverage in effect for at least three (3) years from expiration of this Contract or purchase run-off coverage for at least three (3) years from the expiration of this Contract. The Custodian shall be solely responsible for paying the self-insured retention or deductible.

The Custodian shall submit to the [Applicable State Party/ies], fifteen (15) days prior to the Contract effective date, a complete copy of the applicable insurance policies described in this section.  Upon request, the Custodian shall submit to the [Applicable State Party/ies] a certificate of insurance or certificates of insurance, which outlines the coverage and limits defined in this section and demonstrates that such limits and coverage have been met or exceeded.  Certificates of insurance which are accepted by the [Applicable State Party/ies] are incorporated as part of the Contract.  The Custodian shall provide renewal certificates as appropriate during the term of the Contract, or as requested by the [Applicable State Party/ies]. The Custodian shall give the [Applicable State Party/ies] written notice of the following with regards to any of the insurances described in this section: (i) thirty (30) days’ advance written notice of cancellation or non-renewal, (ii) any increase in the self-insured retention or deductible, (iii) a reduction in the available limits of liability, whether such reduction is due to the outside vendor’s request or by payment of covered claims, and (iv) any significant change of coverage terms.

By requiring insurance, the State Parties do not represent that coverage and limits will be adequate to protect the Custodian, or the State Parties, and such coverage and limits will not limit the Custodian’s liability under the indemnities and reimbursements or other provisions in this Contract.

Failure of the Custodian to obtain and maintain the required insurance is a material breach of this Contract which may result in termination by the [Applicable State Party/ies] of the Contract, for cause, at the [Applicable State Party/ies]’s option.

1. **Covenant against Contingent Fees**

The Custodian warrants that no person or selling agent has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the Custodian for the purpose of securing business. The [Applicable State Party/ies] shall have the right, in the event of breach of this clause by the Custodian, to annul this Contract without liability or, in its discretion, to deduct from the Contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

1. **Treatment of Assets**
   1. Title to all property and Assets furnished by the WSIB shall remain in the WSIB, whether held by the Custodian directly or by and through a Subcustodian or Depository. Title to all property and Assets furnished by the Custodian for the cost of which the Custodian is entitled to be reimbursed as a direct item of cost under this Contract shall pass to and vest in the WSIB upon delivery and reimbursement of such property by the Custodian. Title to other property, the cost of which is reimbursable to the Custodian under this Contract, shall pass to and vest in the WSIB upon (i) issuance of such property for use in the performance of this Contract, or (ii) commencement of use of such property in the performance of this Contract, or (iii) reimbursement of the cost thereof by the WSIB in whole or in part, whichever first occurs.
   2. The Custodian may not assign, hypothecate, pledge, use, or otherwise dispose of any property or Assets of the WSIB except pursuant to instructions or the express provisions of this Contract. The Custodian may not assert any right, charge, security interest, lien, encumbrance, or other claim of any kind to or in respect any property or Assets of the WSIB.
   3. Any property or Assets of the WSIB furnished to the Custodian shall, unless otherwise provided in this Contract, or approved by the WSIB, be used only for the performance of this Contract.
   4. The Custodian shall be responsible in accordance with the standard of care required of it under this Contract for any loss or damage to property of the WSIB which results from the negligence of the Custodian or which results from the failure on the part of the Custodian to maintain and administer the property in accordance with sound management practices.
   5. If any WSIB property is lost, destroyed or damaged, the Custodian shall immediately so notify the WSIB and shall take all reasonable steps to protect the property from further damage.
   6. The Custodian shall surrender to the WSIB all property and Assets of the WSIB upon completion, termination or cancellation of this Contract.
   7. All reference to the Custodian under this clause shall include any of their employees or agents (or Subcustodians if the Contract allows).
2. **Assignability**
   1. **Nonassignability of Claims**. No claim arising under this Contract shall be transferred or assigned by the Custodian without prior written consent of the [Applicable State Party/ies].
   2. **Nonassignability of Contract**. This Contract and the services or work to be performed hereunder is not assignable by the Custodian without prior written consent of the [Applicable State Party/ies].
3. **Records, Documents, and Reports**

The Custodian shall maintain complete financial records relating to this Contract and the services rendered including all books, records, documents, magnetic media, receipts, invoices and other evidence relating to this Contract and performance of the services described herein, including but not limited to, accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. The Custodian shall retain such records for a period of six years following the date of final payment.

At no additional cost, [●] shall, upon reasonable prior notice, have access to all data and records generated under this Contract. The foregoing shall also have the right at no additional cost to inspect, review or audit all data and records generated under this Contract. This includes access to information from the Custodian’s internal audits such as audit reports and working papers of the Custodian’s internal audit division that pertain to the services utilized by the WSIB, and all information that supports the findings, conclusions, and recommendations of the Custodian’s reports, including computer models and methodology for those models. The Custodian shall be responsible for any audit exceptions or disallowed costs incurred by the Custodian or any of its Subcustodians.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the WSIB shall notify the Custodian that the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

1. **Confidentiality**

The Custodian shall maintain as confidential all information concerning the business of the [Applicable State Party/ies], [its] financial affairs, relations with stakeholders and employees, and any other information which may be specifically classified as confidential by the [Applicable State Party/ies] in writing to the Custodian. The use or disclosure by any party of any information concerning the State Treasurer or the WSIB, for any purpose not directly connected with the administration of the [Applicable State Party/ies] or the Custodian’s responsibilities with respect to services provided under this Contract, is prohibited except by prior written consent of the [Applicable State Party/ies]. Notwithstanding the foregoing, the Custodian may aggregate WSIB data with similar data of other clients of the Custodian and may use such aggregated data for purposes of constructing statistical models so long as such aggregated data is sufficiently large a sample that no WSIB data can be identified either directly or by inference or by implication.

To the extent consistent with the State Treasurer and WSIB’s obligations under Chapter RCW 42.56 or other applicable law, the [Applicable State Party/ies] shall maintain all information which the Custodian specifies in writing as confidential.

The Custodian agrees that, with respect to any website designated by the Custodian to deliver notices or to otherwise disseminate information to the WSIB, the State Treasurer, any State agency, or the foregoing’s third party service provider, if the terms of use, end-user agreement, license agreement, or “clickwrap,” “clickthrough” or other confidentiality agreement of such website are inconsistent with or contrary to the terms of this Contract, the terms of this Contract shall control.

1. **Rights in Data**

Unless otherwise provided, all Materials produced under this Contract for the WSIB and intended to be used solely by the WSIB or by those the WSIB permits to use them shall be considered “works for hire” as defined by the U.S. Copyright Act and shall be owned by the WSIB. The WSIB shall be considered the author of such Materials. In the event the Materials are not considered “works for hire” under the U.S. Copyright laws, the Custodian hereby irrevocably assigns all right, title, and interest in Materials, including all intellectual property rights, to the WSIB effective from the moment of creation of such Materials.

The Custodian will cooperate fully with the WSIB to establish, protect, and/or confirm the WSIB’s exclusive rights in such works and/or enable it to transfer legal title together with any patents that may be issued. In the event of termination of this Contract, the Custodian shall promptly return all such works (and any copies thereof) any Materials containing or derived from confidential information, and all documents (hard copy or electronic) or other Materials, obtained from, relating to, or developed in the course of providing services for the WSIB which are then in the possession of the Custodian, provided however, that the Custodian shall retain any such information as may be required for compliance with any law or regulations applicable to it.

“**Materials**” means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

The Custodian retains all ownership rights to any generic design models or templates upon which any work for hire may be produced for the WSIB. The WSIB shall protect any generic design models or templates of the Custodian according to the existing policies and procedures which the WSIB uses for its own similar proprietary information and intellectual property. Notwithstanding the foregoing the WSIB may reproduce and disseminate any work for hire, or other Materials licensed to the WSIB under the following paragraph, produced by the Custodian for the WSIB using the design models or templates.

For Materials that are delivered under the Contract, but that incorporate pre-existing Materials not produced under the Contract, the Custodian hereby grants to the WSIB a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display, provided, that such license shall be limited to the extent which the Custodian has a right to grant such a license. The Custodian warrants and represents that the Custodian has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the WSIB, except for such limitations upon those rights to which the Custodian is subject and of which the Custodian has notified the WSIB in writing at the time of delivery of the Materials to the WSIB.

Any use or release of Materials prepared by the Custodian, whether exclusively for the WSIB or otherwise, and whether works for hire or otherwise, contracts, supporting documents, communications or any other Materials respecting the provision of services by the Custodian or its Affiliates to any person or entity other than the WSIB, its Board members and employees, shall be subject to confidentiality restrictions or other limitations and notice to and an opportunity for the Custodian to assert and protect its rights under applicable laws and regulations.

1. **Subcustodians, Depositories and Agents**
   * 1. All Securities held under this Contract which are eligible for deposit with a Depository that meet the standards set out in Section 28 of this Contract shall be held by the Custodian through such Depository and shall be registered in the name of the Custodian or the Custodian’s nominee.
     2. Subject to the terms of this Contract, Non-U.S. Securities and Cash in a currency other than U.S. Dollars may be held through a Subcustodian. The Custodian shall cause the Subcustodian to hold all Non-U.S. Securities and Cash in a currency other than U.S. Dollars to be held, in the case of Non-U.S. Securities, in the jurisdiction in which the principal trading market for such Securities is located, where such Securities are to be presented for payment or where such Securities are acquired, and in the case of Cash, in the jurisdiction in which such Cash originates.
     3. All Securities issued or guaranteed by the full faith and credit of the United States held under this Contract which are deliverable in book-entry form and eligible for deposit through the U.S. Federal Reserve/Treasury book‑entry system for receiving and delivering Securities, shall be held by the Custodian under the Federal Reserve/Treasury book-entry system for receiving and delivering those Securities, through the Federal Reserve Bank in which the Custodian participates.
     4. All other Assets held under this Contract not held through the Federal Reserve book entry system, a Depository or a Subcustodian shall be held by the Custodian in physical custody and shall be physically segregated and set apart at all times from the Custodian’s proprietary assets and, unless in bearer form, shall be registered in the name of the Custodian, the Custodian’s nominee, the WSIB or the applicable Fund. The Custodian shall not be required to physically segregate the Assets held in physical custody from other Securities or assets held in physical custody by the Custodian as custodian, executor, or trustee or other representative capacity or for its own account; provided, however, that the Custodian shall maintain adequate records showing the WSIB’s or the applicable Fund’s ownership of such Assets.
     5. Assets may be held in custody and deposit accounts that have been established by the Custodian with one or more of its Subcustodians or Depositories on the terms and conditions set out in this Section 26 and otherwise subject to the provisions of this Contract.
     6. Assets deposited in a Depository will be held subject to the rules, procedures, terms and conditions of such Depository. Subcustodians may hold Assets in Depositories in which such Subcustodians participate.
     7. The liability of the Custodian for the appointment of, and transfer of Assets to, a Subcustodian shall be as described in this Contract.
     8. The Custodian shall require that Securities held by a Subcustodian on the Custodian’s behalf be identified on the Subcustodian’s books as separate from the Subcustodian’s proprietary assets and, where consistent with local law and practice, held solely for the benefit of the Custodian as custodian on behalf of the WSIB or the applicable Fund. Unless otherwise required by local law or practice or a particular Subcustodian agreement, Assets deposited with Subcustodians may be held in a commingled account with Subcustodians in the name of the Custodian or an Affiliate of the Custodian for its clients that shall not contain any proprietary assets of the Custodian, any Affiliate of the Custodian or the Subcustodian. The Custodian acknowledges and agrees that Securities are and shall at all times remain beneficially owned by the WSIB or the applicable Fund whether held by the Custodian directly or by and through a Subcustodian.
     9. The Custodian may permit Assets to be held by a Subcustodian only if:
        1. neither the Subcustodian nor the Subcustodian’s creditors are able to assert any right, charge, security interest, lien, encumbrance, or other Claim of any kind to such Assets, except a Claim of payment for compensation for its safe custody or administration;
        2. the beneficial ownership of those Assets may be freely transferred without the payment of money or value other than as compensation for its safe custody or administration;
        3. the Subcustodian has agreed by contract that:
           1. any Assets not held through a Depository shall be held by the Subcustodian in its own custody and physically segregated and set apart at all times from the Subcustodian’s assets and, unless in bearer form, shall be registered in the name of the Custodian, the Custodian’s nominee, the WSIB, the applicable Fund, the Subcustodian, or the Subcustodian’s nominee; and
           2. the Subcustodian waives any right, charge, security interest, lien, encumbrance, or other Claim it might then or at any later time have to any Securities, except a claim for payment for compensation for safe custody or administration.
        4. such Subcustodian and the related subcustody account is located outside the United States and the Securities or other Assets held by such Subcustodian are Non-U.S. Securities or Cash not in U.S. Dollars.
     10. The Custodian shall make available to the WSIB a list of the Subcustodians and Depositaries utilized by the Custodian from time to time and shall make available any change to such list either not less than 30 days prior to the effective date of the change, or if 30 days prior notice of such change is not possible or practicable under the circumstances, as promptly as possible under the circumstances. In addition, the Custodian shall attempt to obtain from any Subcustodian with which it deposits Securities an undertaking, to the extent consistent with the laws of the jurisdiction or jurisdictions to which that the Subcustodian is subject, to permit the WSIB’s independent public accountants, personnel, or agents such reasonable access to the Subcustodian’s records, which directly relate to the WSIB’s Account Records and does not include information relating to other clients of the Custodian or the Subcustodian as may reasonably be required by the WSIB in connection with the examination of the WSIB’s affairs. If such an undertaking is prohibited by the laws of the local jurisdiction, Subcustodian shall take such other reasonable actions as the Custodian is able to agree upon with the Subcustodian, such as an undertaking by the Subcustodian to provide to such accountants, personnel, or agents confirmation of the contents of those records of the Subcustodian directly relating to the WSIB’s Account Records. The WSIB’s access to such records shall be subject to any advance notice requirements required by the Subcustodian and any local privacy laws.
     11. The Custodian shall make available to the WSIB a copy of the quarterly report concerning the Subcustodians and the Depositories that is provided by the Custodian to its customers that are subject to the Investment Company Act of 1940 and/or for which the Custodian or its Affiliate acts as a “Foreign Custody Manager” under Rule 17f-5 (17 C.F.R. Section 270.17f-5) of the Investment Company Act, (“**Rule 17f-5**”).
     12. The Custodian shall establish a system to monitor (i) the appropriateness of maintaining the WSIB’s foreign assets with each Subcustodian and (ii) the compliance of the Subcustodian with the contract governing the custody arrangements established between the Custodian and the Subcustodian.
2. **Liability for** **Subcustodians**
   * 1. The Custodian will exercise Due Care as set forth in Section 6 hereof in the selection or retention, monitoring or continued use of Subcustodians in light of prevailing rules, practices, procedures and circumstances in the relevant market (for purposes of this Section 27, “**Required Care**”). Only Non-U.S. Securities and Cash in a currency other than U.S. Dollars may be held outside of the U.S. through a Subcustodian.
     2. With respect to Assets held by a Subcustodian, the Custodian will be liable to the WSIB for the activities of such Subcustodian under this Contract to the extent that the Custodian would have been liable to the WSIB under this Contract if the Custodian had performed such activities itself; provided, however, that with respect to Securities held by a Subcustodian that is not an Affiliate of the Custodian:
        1. the Custodian’s liability will be limited solely to the extent resulting directly from the Custodian’s failure to exercise Due Care in selecting, retaining, and monitoring such Subcustodian; and
        2. to the extent that the Custodian is not liable pursuant to Section 27.B.(a), the Custodian’s sole responsibility to the WSIB will be to: (A) take reasonable and appropriate action to recover from such Subcustodian, and (B) forward to the WSIB any amounts so recovered (exclusive of costs and expenses incurred by the Custodian in connection therewith).
     3. With respect to any Claims incurred by the WSIB and/or any Fund as a result of the acts or the failure to act by any Subcustodian (“**Operational Losses**,” which specifically excludes losses arising out of or relating to Country Risk Events), the Custodian shall be liable for:
        1. operational Losses with respect to Securities or Cash held by the Custodian with or through its Affiliate;
        2. operational Losses with respect to Securities or Cash held by the Custodian with or through a Subcustodian (other than an Affiliate of the Custodian) to the extent that such Operational Losses were directly caused by failure on the part of the Custodian to exercise Required Care; and
        3. with respect to all other Operational Losses not covered by clauses (a) and (b) above, the Custodian shall take all commercially appropriate action under the prevailing circumstances to pursue claims and enforce such rights as it may have against any such Subcustodians to recover Operational Losses from such Subcustodian.
     4. The Custodian shall be liable for repayment (to the WSIB or the applicable Fund) of Cash credited to the WSIB’s or the applicable Fund’s Cash Account at the Subcustodian that the Custodian is not able to recover from the Subcustodian (other than as a result of a Country Risk Event).
3. **Liability for Depositories**
   * 1. Subject to compliance with the provisions of this Contract, the Custodian will have no responsibility or liability for the activities of any Depository arising out of or relating to this Contract or any cost or burden imposed on the transfer or holding of Assets held with such Depository.
     2. The Custodian may hold Assets through a Depository and may hold Non-U.S. Securities and non-U.S Dollar Cash through a Foreign Depository.
     3. With respect to each Foreign Depository the Custodian will exercise reasonable care, prudence and diligence in (i) providing an analysis of the custody risks associated with maintaining Assets with a Depository and in monitoring the custody risks associated with maintaining Assets with Depositories, and (ii) promptly notifying the WSIB of any material change in those risks. The WSIB acknowledges and agrees that such analysis and monitoring will be made on the basis of, and limited by, information gathered from certain Subcustodians or through publicly available information otherwise obtained by the Custodian, and will not include any evaluation of Country Risk Events.
4. **Use of Agents**

The Custodian may appoint agents, including Affiliates, on such terms and conditions as it deems appropriate to perform its obligations hereunder; provided, that the Custodian shall not delegate any of its duties or obligations under Section 2 or 5.A. hereof. Except as otherwise specifically provided herein, no such appointment will relieve or discharge the Custodian of its responsibilities or liabilities under this Contract.

1. **Registration with Washington State Department of Revenue**

If applicable, the Custodian shall complete registration with the Washington State Department of Revenue, Business Licensing Service, PO Box 9034, Olympia, WA 98507-9034 and be responsible for payment of all taxes due on payments made under this Contract.

1. **Worker’s Compensation Insurance**

The Contractor will comply with the provisions of Title 51 RCW, Industrial Insurance to the extent applicable to it. The [Applicable State Party/ies] will not be responsible for payment of industrial insurance premiums for the Contractor, or any subcontractor or employee of Contractor, which might arise under the workers’ compensation insurance laws during performance of duties and services under this Contract. Prior to performing work under this Contract, the Contractor will provide or purchase industrial insurance coverage for the Contractor’s employees, as may be required of an “employer” as defined in Title 51 RCW, and must maintain full compliance with Title 51RCW to the extent such Title is applicable to the Contractor during the course of this Contract. If the Contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, the [Applicable State Party/ies] may collect from the Contractor the full amount payable to the Industrial Insurance accident fund. The [Applicable State Party/ies] may deduct the amount owed by the Contractor to the accident fund from the amount payable to the Contractor by the [Applicable State Party/ies] under this Contract, and transmit the deducted amount to the Washington State Department of Labor and Industries (L&I), Division of Insurance Services. This provision does not waive any of L&I’s rights to collect from the Contractor.

1. **Licensing and Accreditation Standards**

The Custodian shall comply with all applicable local, state, and federal licensing, accrediting and registration requirements/standards, necessary in the performance of this Contract.

1. **Rights of Inspection**

The Custodian shall provide right of access to its facilities to the [Applicable State Party/ies] and the foregoing’s service providers and any of their officers, or, with advance approval of the WSIB, to any other authorized agent or official of the state of Washington upon reasonable prior written notice at all reasonable times, during normal business hours in a manner which is least disruptive to the Custodian in order to monitor and evaluate performance, compliance, and/or quality assurance under this Contract or to conduct reasonable audits. All such access and persons authorized for such access shall comply with the Custodian’s confidentiality requirements, security and proprietary rights.

1. **Limitation of Authority; No Waiver**

No failure or delay by a party to exercise any right, remedy or power it has under this Contract will impair or be construed as a waiver of such right, remedy or power. Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by the [Applicable State Party/ies].

1. **Amendments**

This Contract may be amended by mutual agreement of the Parties. Such amendments shall not be binding unless they are in writing and signed by the Parties. Notwithstanding this provision, the [Applicable State Party/ies] may provide clarifying instructions to the Custodian in order to implement the services under this Contract.

1. **Modification to Scope of Services**

The [Applicable State Party/ies)] may, at any time, by written notification to the Custodian, and without notice to any known guarantor or surety, make changes within the general scope of the services to be performed under the Contract, provided that no such changes shall be binding upon the Custodian unless accepted and agreed by the Custodian in writing, such agreement not to be unreasonably withheld. If any such changes cause an increase or decrease in the cost of, or the time required for the performance of this Contract, an equitable adjustment may be made in the Contract price, or period of performance, or both, and the Contract shall be modified in writing accordingly. Any claim by the Custodian for adjustment under this clause must be asserted within 30 days from the date of receipt by the Custodian of the notice of such change or the right to any covered claim or relief therefore related to the change shall be deemed waived. Failure to agree to any adjustment for which a timely claim has been made shall be a dispute concerning a question of fact within the meaning of the section of this Contract entitled “Disputes.”

1. **Disputes**

Except as otherwise provided in this Contract, when a dispute arises among the Parties and it cannot be resolved, any party may request a dispute hearing with the [Applicable State Party/ies]. Disputes shall be resolved as quickly as possible.

* 1. The request for a dispute hearing must:
     + 1. be in writing; state the disputed issue(s);
       2. state the relative positions of the Parties;
       3. state the Custodian’s name, address, and Contract number; and
       4. be mailed to the [Applicable State Party/ies] and other Parties’ Contract Managers within 3 Business Days after the Parties agree that they cannot resolve the dispute.
  2. The respondent shall send a written answer to the requester’s statement to all Parties within 5 Business Days.
  3. The [Applicable State Party/ies] shall review the written statements and reply in writing to the Parties within 10 Business Days. The [Applicable State Party/ies] may extend this period if necessary by notifying the Parties.
  4. The Custodian agrees that this dispute process shall precede any action by the Custodian in a judicial or quasi-judicial tribunal.

The [Applicable State Party/ies] and the Custodian agree that the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this Contract which are not affected by the dispute. The Parties agree to exercise good faith in the dispute resolution and to settle disputes prior to using the dispute resolution panel whenever possible.

1. **Governing Law**

This Contract shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this Contract, venue shall be proper only in the Superior Court of the State of Washington, in, and for, Thurston County, Olympia, Washington. The Custodian, by execution of this Contract, acknowledges the jurisdiction of the courts of the State of Washington in this matter.

1. **Service of Process**

The Custodian shall designate a registered agent for service of process in all matters concerning the Contract. If no other agent is designated, the Custodian shall designate the Secretary of the State of Washington as registered agent for service of process.

1. **Severability**

The provisions of this Contract are intended to be severable. If any provision of this Contract or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Contract which can be given effect without the invalid provisions, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Contract.

1. **No Third-Party Beneficiaries**

This Contract is entered into solely among, and may be enforced only by, the Parties. Each party intends that this Contract will not, and no provision of this Contract will be interpreted to, benefit, or create any right or cause of action in or on behalf of, any person or entity other than the Parties.

1. **Counterparts**

This Contract may be executed in any number of counterparts, either manually or by electronic signature, each of which will be deemed an original, and said counterparts when taken together will constitute one and the same instrument and may be sufficiently evidenced by one set of counterparts. Executed counterparts may be delivered by facsimile or email.

1. **Interpretation**

The terms and conditions of this Contract are the result of negotiations among the Parties. The Parties intend that this Contract will not be construed in favor of or against a party by reason of the extent to which such party or its professional advisors participated in the preparation or drafting of this Contract.

1. **Headings**

All section and subsection headings in this Contract are included for convenience of reference only and will not be considered in the interpretation of the scope or intent of any provision of this Contract.

1. **Conformance with Statutes and Rules of Law**

If any provisions of this Contract shall be deemed in conflict with any statute or rule of law, such provision shall be deemed modified to be in conformance with said statute or rule of law.

1. **Scope of Contract; Notices**

This Contract, including referenced exhibits, represents all the terms and conditions agreed upon by the Parties. No other understandings or representations, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the Parties hereto.

All notices and instructions with respect to matters contemplated by this Contract shall be deemed duly given when received in accordance with Section 8 of this Contract and, if applicable, in accordance with the timing requirements of this Contract.

1. **Change of Control or Personnel**

The Custodian shall promptly notify the [Applicable State Party/ies]in writing:

* 1. if any of the representations and warranties of the Custodian set forth in this Contract shall cease to be true at any time during the term of this Contract;
  2. of any material change in the Custodian’s senior staff or in other staff specifically assigned to support the WSIB’s account;
  3. of any proposed change in control of the Custodian or in the business structure of the Custodian; or
  4. of any other material change in the Custodian’s business, partnership or corporate organization relating to the Assigned Account. All written notices regarding changes in senior staff shall contain the same information about newly assigned senior staff as was requested by the WSIB in the RFP and such additional information as may be requested by [Applicable State Party/ies]. For purposes hereof, the term “senior staff” shall mean those persons identified as senior management in any response to an RFP or who otherwise will exercise a major administrative role (to include staff specifically assigned to support the WSIB’s account) or major policy or consultant role to the provision of the Custodian’s services hereunder. All written notices regarding changes in control of the Custodian shall contain the same information about any new controlling entity as was requested by the WSIB in the RFP regarding the Custodian and such additional information as may be requested by [Applicable State Party/ies].

1. **Publicity**

The Custodian agrees to submit to the [Applicable State Party/ies] all advertising and publicity matters relating to this Contract which, in the [Applicable State Party/ies]’s judgment, imply or specifically mention the State Treasurer, WSIB, or the state of Washington or subdivision thereof. The Custodian agrees not to publish or use such advertising and publicity matters without the prior written consent of the impacted entity.

1. **Assurances**

The Custodian agrees that all activity pursuant to this Contract will be in accordance with all applicable federal, international, foreign, state and local laws, rules, and regulations and that the Custodian shall not knowingly violate any of the foregoing.

1. **Contractor Compliance Certificate; Organization Controls**

Upon request from the [Applicable State Party/ies], the Custodian shall complete and submit to the [Applicable State Party/ies] a completed compliance certificate which shall set forth that the Custodian is in material compliance with all provisions of this Contract, and which shall set forth the current levels of insurance maintained by the Custodian with copies of the then current certificate(s) of insurance attached.

The Custodian shall, on an annual basis, have had an independent examination of the organization’s controls designed to demonstrate reliability and trust in its services to current and potential customers to include objectives related to information technology controls (including, but not limited to, System and Organization Controls “SOC” 1, 2, and 3; SSAE 18; or ISAE 3402). Upon completion of the review, a copy of the report on the service organization’s (Custodian’s) controls shall be submitted to the Contract Manager[s] and to marketdocs@sib.wa.gov, no later than July of each year.

1. **Release of Public Records**

The State Treasurer is a public office of the state of Washington, and the WSIB is a public agency; the State Treasurer, the WSIB, and other state actors are subject to the provisions of the state of Washington Public Records Act, including RCW 42.56 and RCW 43.08.050. This document and all attachments constitute a public state agency contract; the entirety of this Contract, attachments, supporting documents, and communications may be subject to public disclosure under RCW 42.56 and RCW 43.08.050 regardless of any claim of confidentiality absent an exemption with respect to such document or communication. The [Applicable State Party/ies] shall notify the Custodian if a request is likely to result in a release of documents designated as confidential by the Custodian. The [Applicable State Party/ies] shall allow the Custodian the opportunity to raise and support potential exemptions under the law from public disclosure, and, if necessary, to contest the potential release of the affected records or information. The Custodian shall not make any claim against the State Treasurer or the WSIB if the State Treasurer the WSIB, or any state actor make available to the public any document or information the State Treasurer, the WSIB, or any state actor receive from the Custodian which is required to be made public by the State Treasurer, the WSIB, or any state actor pursuant to the public disclosure laws or a court order.

1. **Anti-Money Laundering**

To help the U.S. government fight the funding of terrorism and money laundering activities, federal law requires that all financial institutions obtain, verify, and record information that identifies each company that opens an account. In this regard, the Parties acknowledge that the Custodian will ask the WSIB for a completed form W-9, which will include the name, address, Tax ID/Employer ID number of each plan and/or fund (or any other registration number issued in the jurisdiction of location or incorporation) and other information that will allow the Custodian to identify the WSIB. The Custodian may request copies of legal documents establishing the identity of the WSIB as well as for information and documentation regarding the source of funds to be invested.

1. **Anti-Terrorism Representations**

The Custodian hereby warrants and represents that to the best of its knowledge it is in full compliance with all federal laws and regulations related to investments in countries outside of the United States of America, including but not limited to full compliance with laws and regulations which seek to prohibit or limit business activities which pose the potential for supporting or advancing terrorist related activities, particularly business activities in sanctioned or sensitive foreign countries (as identified by the U.S. federal government, especially by the Department of Treasury or the Securities and Exchange Commission) directly or through either a domestic or foreign subsidiary.

The Custodian further warrants and represents that to the best of its knowledge it has in place sufficient safeguards against potential violation of and the reputational and financial risks and impacts related to the violation of such laws and regulations.

The USA PATRIOT Act and regulations administered by the U.S. Department of Treasury’s Office of Foreign Assets Control (“OFAC”) require certain financial institutions to adopt an anti-money laundering program to prevent and detect money laundering and terrorist financing. The Custodian hereby agrees that it will comply with the USA PATRIOT ACT and OFAC and, upon [Applicable State Party/ies] request, will certify in writing that it is compliant with all applicable requirements of the USA PATRIOT Act and OFAC.

1. **Word Usage**

Unless the context in this Contract clearly requires otherwise, (i) the plural and singular number shall each be deemed to include the other; (ii) the masculine, feminine, and neuter genders shall each be deemed to include the others; (iii) “shall,” “will,” or “agrees” are mandatory, and “may” is permissive; (iv) “or” is not exclusive; (v) “includes” and “including” are not limiting; and (vi) “hereof,” “herein,” and other variants of “here” refer to this Contract as a whole.

1. **Specimen Signatures**

Each party shall forward from time to time to each other Parties a list of names and specimen signatures of persons authorized to act on behalf of such party. An electronic signature may be used with the same force and effect as the use of a signature affixed by hand, as long as the electronic signature and the writing conforms to the requirements in 1.80 RCW.

1. **Approval**

This Contract shall be subject to the written approval of the State Treasurer and the WSIB’s authorized representative and shall not be binding until so approved.

This Contract, consisting of [●] (●) pages, and [●] (●) attachments, is executed by the persons signing below who warrant that they have the authority to execute this Contract.

|  |  |
| --- | --- |
| **STATE OF WASHINGTON**  By:  Mike Pellicciotti  State Treasurer  Date: | **[NAME OF CUSTODIAN]**  By:  [Name]  [Title]  Date: |
| Approved as to Form:  **OFFICE OF THE WASHINGTON**  **STATE ATTORNEY GENERAL**  By:  [Name]  [Title]  Date:  **WASHINGTON STATE**  **INVESTMENT BOARD**  By:  [Name]  [Title]  Date: |  |
| Approved as to Form:  **OFFICE OF THE WASHINGTON**  **STATE ATTORNEY GENERAL**  By:  [Name]  [Title]  Date: |  |

Schedule A

Washington State Investment Board  
Global Custody Fee Schedule[[1]](#footnote-1)

Attachment A

Custodian’s Proposal

[TO BE INSERTED]

Attachment B

RFP for Custodial and Securities Lending Services

[TO BE INSERTED]

1. NTD: [Fees to be negotiated by the Parties]. [↑](#footnote-ref-1)