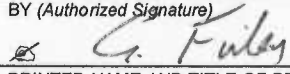


AGREEMENT NUMBER <b>2014-7143</b>
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- This Agreement is entered into between the State Agency and the Contractor named below:  
 STATE AGENCY'S NAME  
**California Public Employees' Retirement System**  
 CONTRACTOR'S NAME  
**Grant Thornton, LLP**
- The term of this Agreement shall commence on July 1, 2014, or upon execution of the Agreement by all parties, whichever date is later, and end June 30, 2019.
- The maximum amount of this Agreement is: **\$ 0.00**
- THIS AGREEMENT IS ENTERED INTO BY AND BETWEEN THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM, HEREINAFTER "CALPERS", AND GRANT THORNTON, LLP, HEREINAFTER "CONTRACTOR", AS FOLLOWS:

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

<b>CONTRACTOR</b>		<i>California Department of General Services Use Only</i>
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) <b>Grant Thornton, LLP</b>		
BY (Authorized Signature) 	DATE SIGNED (Do not type) <b>10/16/14</b>	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>GRAEME FINLEY, MANAGING DIRECTOR</b>		
ADDRESS <b>333 John Carlyle Street, Suite 500 Alexandria, VA 22314-5745</b>		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME <b>California Public Employees' Retirement System</b>		<input checked="" type="checkbox"/> Exempt per: Exempt from approval by the Department of General Services Per California Constitution, Article XVI, Section 17.
BY (Authorized Signature) 	DATE SIGNED (Do not type) <b>11/14/14</b>	
PRINTED NAME AND TITLE OF PERSON SIGNING <b>Katrina S. Hagen, Chief, Human Resources Division</b>		
ADDRESS <b>400 Q Street Sacramento, CA 95811</b>		

**PROJECTED EXPENDITURES**

AMOUNT ENCUMBERED BY THIS DOCUMENT <b>\$ 0.00</b>	PROGRAM/CATEGORY (CODE AND TITLE) <b>Not Applicable</b>	FUND TITLE <b>Not Applicable</b>
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT <b>\$ N/A</b>	ITEM <b>Not Applicable</b>	CHAPTER <b>---</b>
	STATUS <b>---</b>	FISCAL YEAR <b>Not Applicable</b>
TOTAL AMOUNT ENCUMBERED TO DATE <b>\$ 0.00</b>	OBJECT OF EXPENDITURE (CODE AND TITLE) <b>Not Applicable</b>	

*I CERTIFY upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above.*

ACCOUNTING OFFICER'S SIGNATURE 	DATE SIGNED
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1. **BUSINESS TERMS**

1.1 **Services to be Provided**

Contractor agrees to provide for CalPERS, talent management services in accordance with the terms and conditions set forth herein and as detailed in Attachment A, Statement of Work, which is attached and by this reference incorporated herein.

1.2 **Term of Agreement**

The term of this Agreement shall begin on July 01, 2014, or upon execution of the Agreement by all parties, whichever date is later, and end on June 30, 2019, unless terminated earlier or extended in accordance with the provisions of this Agreement. Notwithstanding the foregoing, this Agreement may be extended at CalPERS discretion prior to the expiration of the pool on June 30, 2019, or the Agreement will terminate automatically upon the expiration of the pool.

1.3 **Key Persons and Key Positions**

- A. If the parties have identified any member of Contractor's staff who will play a significant administrative, policy or consulting role as a "Key Person", then Contractor shall not replace any such Key Person without CalPERS prior approval, which approval will not be unreasonably withheld. These individuals shall be hereafter referred to (both individually and collectively) as "Key Personnel". Attachment C (which is incorporated into this Agreement by this reference) contains resumes for all individuals that the parties have identified as Key Persons and shall be modified to reflect changes in Key Personnel occurring during the term of this Agreement. CalPERS reserves the right to disapprove the continuing assignment of Key Personnel provided to CalPERS under this Agreement.
- B. This Agreement and any Letter of Engagement ("LOE") or Purchase Order issued pursuant to this Agreement may be terminated immediately in whole or in part of CalPERS' sole discretion and upon written notice from CalPERS to Contractor, because of any change in or departure of Contractor's Key Personnel.
- C. If the parties have identified any specific job title in Contractor's organization that will play a significant role under this Agreement as a "Key Position," (regardless of whether the individual filling the position is a Key Personnel) then Contractor shall act speedily and diligently to fill any vacancies in such Key Position.

1.4 **Required Notice of Contractor Changes**

- A. Contractor shall notify CalPERS in writing within five (5) calendar days of the occurrence of any of the following events:
  - (i) Any of Contractor's representations and warranties, as set forth in this Agreement, cease to be true at any time during the term of this Agreement;
  - (ii) Contractor intends to replace any Key Person;
  - (iii) There is a replacement of a person in a Key Position or a vacancy in a Key Position;
  - (iv) There is any change in the majority ownership, control, or business structure of Contractor; or



(v) There is any other change in Contractor's business, partnership or corporate organization that a reasonable person might believe could have a material impact on Contractor's performance of this Agreement or on CalPERS rights under this Agreement.

B. All written notices from Contractor pursuant to this section shall contain sufficient information to permit CalPERS to evaluate the changes under the same criteria that were used by CalPERS in its award of this Agreement to Contractor. Contractor agrees to provide CalPERS with such additional information as CalPERS may request. If Contractor requests confidential treatment for any information it provides, CalPERS shall treat the information as confidential, subject to applicable law.

#### 1.5 Insurance Requirements

Contractor warrants that it carries adequate liability, worker's compensation, and other necessary insurance and shall maintain such insurance at levels reasonably acceptable to CalPERS in full force and effect during the term of this Agreement. In making its determination of what levels of insurance are reasonably acceptable to CalPERS, CalPERS shall take into account the nature of the insurable risks entailed in Contractor's performance of the Agreement and Contractor's ability, if any, to self-insure any risk. Contractor agrees to furnish satisfactory evidence of this insurance coverage to CalPERS upon request.

#### 1.6 Protection of Information Assets

A. The following terms shall be given the meaning shown:

(i) **"Information Assets"** means any information necessary to the operation of either party that is created, stored, transmitted, processed or managed on any hardware, software, network components, or any printed form. For the avoidance of doubt, personally identifiable information, including personal financial information, of CalPERS personnel shall be considered Information Assets.

(ii) **"Disclosing Party"** means the party who sends Information Assets that it owns to the other party for the purposes outlined in this Agreement.

(iii) **"Receiving Party"** means the party who receives Information Assets owned by the other.

B. The Receiving Party will not use any of the Disclosing Party's Information Assets for any purpose, except as set forth in this Agreement, or as otherwise required by law.

C. The Receiving Party must take all reasonable and necessary steps to prevent the unauthorized disclosure, modification or destruction of the Disclosing Party's Information Assets. The Receiving Party must, at a minimum, use the same degree of care to protect the Disclosing Party's Information Assets that it uses to protect its own information Assets.

D. The Receiving Party agrees: (i) not to store Information Assets outside the United States; and (ii) not to disclose the Disclosing Party's Information Assets to anyone, except to employees or third parties who require access to the Information Assets pursuant to this Agreement, but only where such third parties have signed agreements regarding the Information Assets containing terms that are equivalent to, or stricter than, the terms of this section, or as otherwise required by law.

E. The Receiving Party shall notify the Disclosing Party in writing of any unauthorized disclosure, modification or destruction of the Disclosing Party's Information Assets by

the Receiving Party, its officers, directors, employees, contractors, agents or third parties. The Receiving Party shall make this notification promptly upon becoming aware of such disclosure, modification or destruction, but in any event, not later than four (4) working days after becoming aware of the unauthorized disclosure, modification or destruction. After such notification, the Receiving Party agrees to cooperate reasonably, at the Receiving Party's expense, with the Disclosing Party to remedy or limit the unauthorized disclosure, modification or destruction and/or its effects.

- F. The Receiving Party understands and agrees that the Disclosing Party may suffer immediate, irreparable harm in the event the Receiving Party fails to comply with any of its obligations under this section, that monetary damages will be inadequate to compensate the Disclosing Party for such breach and that the Disclosing Party shall have the right to enforce this section by injunctive or other equitable remedies.
- G. The provisions of this section shall survive the expiration or termination, for any reason, of this Agreement.

#### 1.7 No Assignment or Delegation by Contractor

Contractor may not assign any rights under this Agreement to any person or delegate any duties under this Agreement to any subcontractor or other person without the prior written consent of CalPERS.

#### 1.8 Rights in Work Product

- A. All inventions, discoveries, intellectual property, technical communications and records originated or prepared by the Contractor pursuant to this Agreement including papers, reports, charts, computer programs, and other Documentation of improvements thereto, and including Contractor's administrative communications and records relating to this Agreement (collectively, the "Work Product") shall be Contractor's exclusive property. The provisions of this subsection A may be revised in a Statement of Work.
- B. Software and other materials developed or otherwise obtained by or for Contractor or its affiliates independently of this Agreement or applicable purchase order ("Pre-Existing Materials") do not constitute Work Product. If Contractor creates derivative works of Pre-Existing Materials, the elements of such derivative works created pursuant to this Agreement constitute Work Product, but other elements do not. Nothing in this section will be construed to interfere with Contractor's or its affiliates' ownership of Pre-Existing Materials.
- C. CalPERS will have Government Purpose Rights to the Work Product as deliverable or delivered to CalPERS hereunder. "Government Purpose Rights" are the unlimited, irrevocable, worldwide, perpetual, royalty-free, non-exclusive rights and licenses to use, modify, reproduce, perform, release, display, create derivative works from, and disclose the Work Product. "Government Purpose Rights" also include the right to release or disclose the Work Product outside CalPERS for any State government purpose and to authorize recipients to use, modify, reproduce, perform, release, display, create derivative works from, and disclose the Work Product for any State government purpose. Such recipients of the Work Product may include, without limitation, State, Contractors, California local governments, the U.S. federal government, and the State and local governments of other states. "Government Purpose Rights" do not include any rights to use, modify, reproduce, perform,