



Service Agreement Governmental Pension Actuarial Services

December 23, 2024

Vienna Township
Postretirement Medical Plan

Re: Vienna Township Postretirement Health and Welfare Plan (“Plan”)

1) Acknowledgement.

By entering into this agreement (“Agreement”), you (“Client”) have contracted with our firm, Definiti LLC (“Definiti”), to provide to perform certain actuarial valuation and consulting services of a ministerial nature, in connection with Client’s role as Plan Sponsor and Plan Administrator of the Plan. This agreement, and the fees herein will be effective on the earlier of:

- 1) Your signature date; or
- 2) the first day of the quarter following 60 days from its issuance.

2) Agreement.

Upon the terms and conditions of this Agreement, DEFINITI and Client (“the Parties”) agree that DEFINITI shall provide actuarial valuation and consulting services of a ministerial nature, as described in Section 4 of this Agreement and such additional services that may be from time to time agreed upon in writing pursuant to Section 6, within a framework of directions, documents, data, policies, administrative forms, interpretations, rules, practices and procedures adopted by Client (collectively, “Governmental Pension Actuarial Services”).

3) Term.

The term of this Agreement shall commence on the Effective Date and shall end: (i) on such date as is agreed to by the Parties in writing, or (ii) such earlier date upon which this Agreement may be terminated in accordance with the terms of this Agreement. DEFINITI shall commence its services for the biennial valuation as of December 31, 2024, or such other date that shall be agreed upon by the Parties in writing (the “Services Commencement Date”).

4) **Services.**

During the course of our engagement, DEFINITI will perform the Governmental Pension Actuarial Services (“Services”) in connection with the administration of the Plan and related trust funds (“Fund”). The Services are as follows:

a) **General Responsibilities**

- i. The Parties agree that Definiti will perform ministerial and administrative services and functions without assuming the responsibilities of Plan Sponsor under the Plan, and without becoming the Plan Administrator as defined in the Plan and within the meaning of applicable law, and nothing in this Agreement is intended to bestow upon Definiti the status of Plan Sponsor, Plan Administrator or fiduciary.
- ii. Definiti shall deliver to Client the reports and statements set forth in Appendix B: Schedule of Deliverables within a reasonable time after Definiti receives all necessary Client Data, as described in Section 9, or any other data as the case may be.
- iii. If Client Data is not submitted in a format consistent with Appendix C, or if Definiti detects errors in the Client Data submitted, Definiti shall promptly return such data to Client unless Client and DEFINITI agree that Definiti shall make corrections to the Client Data as directed by Client.
- iv. If Financial Data is not submitted in acceptable form, or if Definiti detects errors in the Financial Data or the Financial Data is incorrect or incomplete, Definiti shall promptly notify Client and work with Client to resolve the error or inconsistency or complete the missing information, as the case may be.
- v. Definiti shall promptly notify Client if Definiti becomes aware of any failure to receive Client Data or Financial Data in a timely manner, or any inaccurate or conflicting report or information contained in the Client Data or Financial Data.
- vi. Notwithstanding the foregoing or any other provision in the Agreement, Definiti shall have no duty or obligation to review data received from Client for accuracy or for any other reason.

b) **Biennial Actuarial Valuation Services**

- i. Meeting to discuss initial project planning for the biennial actuarial valuation.
- ii. Measure aggregate actuarial gain/loss analysis of plan assets and liabilities.
- iii. Prepare accounting disclosure information in accordance with GASB Nos. 74 and 75.
- iv. Finalize and prepare final comprehensive actuarial report.

c) **Other Actuarial Services.** In addition to the recurring actuarial services described above, Definiti will perform other special actuarial services as requested by Client which may include but are not limited to:

- i. Attendance at additional meetings and conferences as requested by client.
- ii. Analysis of alternative actuarial assumptions and methods.
- iii. Study of plan design changes.
- iv. Study of proposed changes in governmental accounting pronouncements.
- v. Study of proposed changes in legislation, administrative rules or court cases.
- vi. Forecast valuations under additional alternative economic scenarios requested by client.
- vii. Data editing and consolidation of information not supplied according to Definiti format.
- viii. Plan auditor assistance beyond standard information request.
- ix. Custom actuarial studies and special reports requested by client.

5) Billing and Costs.

- d) Definiti service fees are listed in the table below and in **Appendix A: Fee Schedule – Pension Actuarial Services**.

PENSION ACTUARIAL SERVICE FEES

<input checked="" type="checkbox"/> Comprehensive Biennial Valuation Base Fixed Fee (“Base Fixed Fee”)	\$6,000
<input checked="" type="checkbox"/> GASB 74 and 75 Measurements*	Included
<input checked="" type="checkbox"/> Project Planning Meeting	Included
<input checked="" type="checkbox"/> Aggregate Gain/Loss Analysis	Included
<input checked="" type="checkbox"/> Changes in Assumptions adopted in the baseline results	Included
<input checked="" type="checkbox"/> Other Actuarial Consulting Services	Time and Expense

* The GASB 74 and 75 measurements referenced above are for the year in which the actuarial valuation is performed. Upon request, additional fees of \$5,000 will apply for the separate GASB 74 and GASB 75 report in the off-cycle valuation years.

- e) Client acknowledges the Base Fixed Fee will be billed monthly based on progress made.
- f) Base Fixed Fee includes all related computer expenses as well as reasonable and customary cost for production of the actuarial reports. Our recurring fee also includes routine Client phone calls that are directly related to the biennial valuation and auditor questions related to our actuarial report, but additional information requests and preparation of additional schedules are beyond the scope of our recurring valuation services. Any other actuarial consulting or special projects will be performed on a time and expense basis unless noted above.
- g) Base Fixed Fee shall increase on each January 1 following the anniversary of this Agreement in an amount equal to 2.5% per year, rounded up to the nearest \$100. In addition, Definiti reserves the right to modify the Based Fixed Fee based on changes in staff hourly rates or significant changes in project scope (number of participants, plan complexity, etc.) upon at least thirty (30) days’ prior written notice to Client. Unless Client objects in writing to the proposed increase before the date on which it becomes effective, Client will be deemed to have agreed to the proposed increase. Absent any significant changes, Definiti fee for the December 31, 2024 biennial valuation will be \$6,000.
- h) All fees and reimbursements for costs and expenses are due and payable to Definiti no later than thirty (30) days after receipt of the invoice.
- i) If Client fails to pay any undisputed amount due within thirty (30) days after receipt, interest in the amount of the lesser of one-and-one-half percent (1.5%) per month, or the maximum allowable under applicable law shall also become payable.

6) Changes to Services.

Client may request additions or changes to the Services. Upon receipt of each such request from Client (“Change Request”), Definiti will evaluate additional resources required by Definiti to perform the requested services and will notify Client in writing as to the results of such evaluation (the “Change Proposal”). In the event the Change Proposal contemplates an increase in Definiti’s fees under the Agreement, Definiti and Client will work together in good faith to negotiate a revised fee for such Change Request.

7) Discretionary Issues.

Both Parties agree that Definiti shall not provide any services under this Agreement which require the use of its discretion. All issues requiring discretion shall be resolved by Client's project manager or designated employee. Definiti is only authorized to perform services requiring the use of discretion when acting upon specific instructions provided by Client.

8) Duties of Client to Plan and Participants/Beneficiaries.

Client shall maintain the Plan in full compliance with all governing laws, regulations and ordinances. Client agrees that Definiti is responsible only for providing the Services detailed in this Agreement and not for any other services or tasks. Nothing in this Agreement is intended to create any obligation of Definiti to any employee or former employee of Client, nor to make any employee or former employee a third-party beneficiary of this Agreement.

9) Plan Information, Reliance on Information and Client Responsibilities.

- j) Client represents that it is authorized to act for the Plan, to engage Definiti in the performance of the Services to be provided herein and that in so doing, Client will not be in breach of any other agreement, law or other obligation binding on Client.
- k) Definiti is and shall be entitled to accept as correct, accurate, complete, and reliable, without further inquiry, all information, data, documents and other records provided by Client or at the direction of Client ("Client Data").
- l) Definiti shall have no responsibility or liability to Client or any party claiming for any error, inadequacy, or omission which results from inaccurate or incomplete information, data, documents, or other records provided to Definiti by Client under this Agreement.
- m) Client shall provide Definiti on a timely basis with accurate and reliable information, in a format consistent with the attached Appendix C, required by Definiti, and provide Definiti with requested management decisions, approval, and acceptances.
- n) Client is and shall be solely responsible for all benefits-related services and functions other than the Services specified in this Agreement.
- o) Client shall advise Definiti promptly and in writing of any fault or defect in Services provided under this Agreement. To the extent permitted by law, Definiti shall be fully discharged from liability for any matter contained in any report to which Client has failed to object within sixty (60) days of receipt.

10) Client Data.

Client Data supplied to Definiti will remain Client's property and, upon termination of this Agreement, such data will be returned upon request. Definiti will establish and maintain commercially reasonable safeguards against the destruction, loss or alteration of Client Data in the possession of Definiti. In the event additional safeguards for Client Data are requested by Client, and Definiti elects to provide such additional safeguards, Client will reimburse Definiti for any costs incurred by Definiti to provide such additional safeguards. This provision shall not preclude Definiti from retaining copies of Client Data that Definiti may reasonably need or that it may be required by law to retain.

Definiti shall maintain ownership of its workpapers generated under this Agreement, except for any Client Data which is included therein. Definiti and Client shall, at reasonable times, during the term of this Agreement and thereafter, for purposes related to this Agreement, have access to the relevant records and data of the other. Each Party shall be responsible for retaining duplicate copies of data or materials delivered to the other Party and for taking other precautions as it deems necessary in case such data or materials are lost or destroyed.

11) Confidentiality.

Each Party (a "Receiving Party") agrees that it shall not disclose to any third party any proprietary or confidential information of the other Party (the "Disclosing Party") without the prior written consent of the Disclosing Party, unless required under this Agreement or by law, provided, however, that the Receiving Party under such obligation of disclosure shall promptly notify the Disclosing Party to afford the Disclosing Party an opportunity to object to such disclosure.

Notwithstanding the foregoing, these confidentiality obligations will not apply if: (i) such information is already known to the public other than by act or omission of the Receiving Party; (ii) said information is known by the Receiving Party prior to the disclosure by the Disclosing Party; or (iii) the Receiving Party received said information from a third

party whom the Receiving Party reasonably believes has a legal right to make such disclosure. The confidentiality obligations of this paragraph shall survive termination of this Agreement.

12) Definiti System Rights.

For purposes of this Agreement, "Definiti System" shall mean all software owned, developed or used by Definiti in the performance of Services, including all programs and documentation, and the tangible media on which such programs are recorded. Each Definiti System is and will remain the property and confidential information of Definiti or the third-party licensor of that Definiti System, and Client shall have no right, title or interest therein.

13) Inspection Rights.

Definiti will provide Client's auditors and inspectors with reasonable access to Definiti's records and controls for the limited purpose of performing audits or examinations of the Client's Plan. Client shall pay Definiti's Standard Hourly Rates, as detailed in Appendix A, for any services rendered by Definiti in connection with any such audit or inspection.

Client acknowledges that Definiti is not responsible for providing financial audit or tax services to Client for the Plan or otherwise auditing Client's records or data. Following any audit or examination of Client, Client will conduct an exit conference with Definiti and brief Definiti with respect to the applicable portions of such audit report regarding Definiti or Services and provide copies of applicable portions for Definiti's confidential workpaper record of its Services under this Agreement.

14) Termination.

- a) Termination for Cause – In the event that either Party materially defaults in the performance of any of its duties or obligations under this Agreement (except for a default in payments to Definiti which is addressed in Section 5) and does not cure such default within thirty (30) days after being given written notice specifying the default; or, with respect to those defaults which cannot reasonably be cured within thirty (30) days, if the defaulting Party fails to proceed promptly after being given such notice to commence curing the default and to proceed diligently to cure the default, then the Party not in default may, by giving written notice to the defaulting Party, terminate this Agreement as of a date specified in such notice of termination.
- b) Termination for Insolvency – In the event that either Party becomes or is declared insolvent or bankrupt, is the subject of any proceedings relating to its liquidation, insolvency or for the appointment of a receiver or similar officer for it, makes an assignment for the benefit of all or substantially all of its creditors, or enters into agreement for the composition, extension, or readjustment of all or substantially all of its obligations, then the other Party may, by giving written notice to such Party, terminate this Agreement as of a date specified in such notice of termination.
- c) Termination Without Cause – Either Party may elect to terminate this Agreement without cause at any time effective upon sixty (60) days prior written notice. Definiti shall continue to provide Services and Client shall continue to pay Definiti fees in accordance with the terms of this Agreement through the effective date of termination.
- d) Termination Assistance – Upon its receipt of notice of the termination of this Agreement for any reason, Definiti will provide to Client such reasonable termination assistance related to the Services, at Definiti's Standard Hourly Rates, as detailed in Appendix A. Client will pay Definiti, on the first day of each month, an amount equal to Definiti's reasonable estimate of the total amount payable to Definiti for such assistance for that month, subject to month-end reconciliation.

15) Dispute Resolution.

In the event of any dispute between the Parties arising from this Agreement which the Parties cannot in good faith resolve, the Parties shall attempt to resolve such dispute by mediation and then, if necessary, by binding arbitration administered by a mutually agreed upon arbitrator, in an arbitration proceeding to be conducted in Kent County, Delaware. If the Parties cannot agree on a single arbitrator within sixty (60) days after demand by one Party for arbitration, then each Party shall be entitled to name an arbitrator, and the two arbitrators so chosen shall decide on a third independent arbitrator. Each arbitrator nominated by a Party and the third independent arbitrator shall be experienced and knowledgeable in the subject matter of the dispute. Judgment upon any award rendered by the arbitrator may be entered by any court having jurisdiction regarding the issue.

16) Indemnification.

- a) Client's Indemnity - Client shall indemnify, defend, and hold harmless Definiti, including its directors, officers, employees, principals, representatives and agents, from all claims, actions, obligations, damages, liabilities, and expenses, including reasonable attorneys' fees and expenses, but excluding incidental, consequential, exemplary or special damages (collectively, "Claims"), incurred by or asserted against Definiti in connection with, or arising out of or relating to: (i) a breach of this Agreement by Client, (ii) the performance by Definiti under this Agreement, except to the extent that such Claims are solely, directly and proximately caused by Definiti's negligence, (iii) any action taken by Definiti in accordance with any direction or instructions of Client, and (iv) any matter relating to the Plan for which Definiti has no responsibility, control or liability under this Agreement.
- b) Definiti Indemnity – Definiti shall indemnify, defend, and hold harmless Client, including its directors, officers, employees, principals, representatives and agents, from all Claims asserted against Client arising out of this Agreement to the extent that such Claims are solely, directly and proximately caused by Definiti's negligence.
- c) Intellectual Property Rights Indemnity – Definiti and Client shall each indemnify, defend and hold the other harmless from any and all Claims arising out of any alleged infringement of any United States patent, trade secret, copyright, trademark, service mark, trade name or similar property rights related to property provided or work performed by the infringing Party.
- d) Indemnification Procedures – The indemnitee shall promptly notify the indemnitor of its knowledge of any Claim in respect of which an indemnity may apply and shall give to the indemnitor full opportunity to control the defense or settlement of such Claim. Should the indemnitor not take control of the defense or settlement of such Claim within the lesser of fifteen (15) days or the legally available time to take control of the defense or settlement of such Claim, the indemnitee may do so at the indemnitor's expense. The indemnitor shall not enter into any settlement agreement nor consent to entry of judgment relating to a Claim unless the indemnitee consents in writing or first receives an unconditional release from the Claim from each plaintiff or claimant and the indemnitor.

17) Remedies.

To the extent that Definiti negligently misprocesses, miscalculates, or misfiles information and it is for that reason necessary for Definiti to re-work any portion of the Services, Definiti shall re-work such Services at its expense.

18) Disclaimer of Warranty.

EXCEPT AS OTHERWISE PROVIDED FOR HEREIN, Definiti MAKES NO WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

19) Limitation of Liability.

To the extent that a Party is liable for a claim relating to or arising out of this Agreement, the Parties agree that any insurance coverage maintained by such liable Party will be treated as the primary coverage for such claim.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, TO THE MAXIMUM EXTENT PERMITTED UNDER ERISA AND OTHER APPLICABLE LAW, DEFINITI SHALL HAVE NO LIABILITY WITH RESPECT TO ITS OBLIGATIONS UNDER THIS AGREEMENT OR OTHERWISE, FOR INDIRECT, COMPENSATORY, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS AND TRADING LOSSES). IN THE EVENT OF A CLAIM BY CLIENT AGAINST DEFINITI FOR OTHER, NON-EXCLUDED LOSSES OR DAMAGES (INCLUDING AN INDEMNITY CLAIM, IF APPLICABLE), CLIENT AGREES THAT ANY SUCH LOSSES OR DAMAGES ARE LIMITED TO THE LESSER OF: (i) THE AMOUNT OF THE NON-EXCLUDED LOSS OR DAMAGE; OR (ii) THE AGGREGATE AMOUNT OF FEES ACTUALLY PAID TO DEFINITI UNDER THIS AGREEMENT DURING THE TWELVE-MONTH PERIOD PRECEDING THE DATE THE DEFINITI RECEIVES NOTICE OF THE CLAIM. THE LIMITATIONS AND EXCLUSIONS CONTAINED HEREIN REPRESENT THE PARTIES' AGREEMENT AS TO THE ALLOCATION OF RISK HEREUNDER AND APPLY TO ALL CAUSES OF ACTION OR CLAIMS IN THE AGGREGATE, INCLUDING WITHOUT LIMITATION, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATIONS, CLAIMS FOR FAILURE TO EXERCISE DUE CARE IN THE PERFORMANCE OF SERVICES HEREUNDER, AND OTHER TORTS.

Miscellaneous

1) Assignment.

Neither Party shall assign its rights, duties or obligations under this Agreement without the prior written consent of the other Party; provided, however, that Definiti may assign this Agreement to any affiliate or acquirer of the business of Definiti to which this Agreement relates, whether by merger, sale of all or substantially all of its assets, sale of stock or otherwise, without the prior written consent of Client.

2) Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of Delaware.

3) Notices.

Any notice provided pursuant to this Agreement shall be in writing and effective upon actual receipt and shall be made by hand delivery, overnight courier, electronically or by certified mail via return receipt. Notices shall be addressed as follows, or to such other address as either Party advises the other in accordance with this paragraph:

If to Definiti, to:

Definiti LLC via email notices@definiti.com

If to Client, to the then-current address for Client on file in Definiti's records.

4) Services for Others and Publicity.

Definiti may perform for third parties similar Services using equipment or software that Definiti utilizes for rendering Services under this Agreement, but not Client Data. Definiti may use the name of and identify Client as a client, in advertising, publicity, or similar materials distributed to prospective clients.

5) Force Majeure.

Neither Party shall be liable to the other for any delay or failure to perform any of the Services or obligations set forth in this Agreement due to causes beyond its reasonable control, including, but not limited to, unauthorized access, war, natural disaster or exceptional conditions, governmental restriction, interruption in or malfunction of internet or electronic transmission systems or services, or disruptions in orderly trading on any relevant exchange or market.

6) Headings.

The description headings used in this Agreement are inserted for convenience of reference only and do not and shall not be deemed to modify the construction of any of the provisions of this Agreement.

7) Other.

Each Party represents and warrants that it has full power and authority to execute and deliver this Agreement and consummate the transactions contemplated hereby. This Agreement constitutes the entire agreement, including the Appendices incorporated into this Agreement, between the Parties with respect to the subject matter, and any and all written or oral agreements previously existing between the Parties pertaining to the subject matter are expressly canceled. This Agreement may be changed only by the written agreement of the Parties. In the event any provision of this Agreement shall be held by law or found by a court or other tribunal of competent jurisdiction to be unenforceable as stated herein, such provision shall remain enforceable to the extent permitted by applicable law or the findings of the court or other tribunal of competent jurisdiction, and the remaining portions hereof shall remain in full force and effect. In such event, the Parties agree to negotiate in good faith a substitute enforceable provision that most nearly affects the Parties' intent in entering into this Agreement. The failure of either Party to exercise any right shall not be deemed a waiver of that right.

Signature

By signing this Agreement, Client agrees to the terms and conditions as set forth in this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be an original instrument, but all of which shall constitute one and the same Agreement.

CLIENT SIGNATURE

DATE

DEFINITI SIGNATURE

DATE

Appendix A: Fee Schedule - Pension Actuarial Services

Standard Hourly Rates

DEFINITI professional fees for other actuarial consulting services are generally based on hourly rates and the time spent by each staff member on the project. Before commencing work on any special project, we will provide an estimate of expected fees for client review and approval:

CONSULTING RATES

Lead Actuary	\$350 per hour
Support Actuary	\$300 per hour
Actuarial Manager	\$250 per hour
Other Credentialed Actuaries	\$250 per hour
Actuarial Analyst	\$200 per hour

Out-of-Pocket Expenses

In addition to its professional fees, DEFINITI bills any out-of-pocket expenses incurred on behalf of Client, passed through without mark-up. DEFINITI will not incur any significant out-of-pocket expense without advance client approval. For this engagement our recurring valuation service fee includes reasonable and customary travel costs for attending a meeting to discuss the valuation with the Board. Reasonable and customary travel expenses may be billed for additional meetings requested by the Board.

Appendix B: Schedule of Deliverables

Deliverables

1. Biennial GASB 74 and 75 Valuation
2. Biennial GASB 74 and 75 Roll-forward Measurements

Appendix C: Standard Data Format

Census Data Format

Census data may be submitted in a flat ASCII file (space delimited) or an Excel spreadsheet, along with a hard-copy print out for verification (control totals only will work as well). Definiti will rely upon census data as supplied by Client, performing routine edits to ensure the information is complete and reasonable. Any missing or inconsistent data will be edited based on average demographic statistics appropriate for the plan, with the assumptions used and number of records affected summarized in the final actuarial report.

Financial Data

Definiti will require a consolidated financial statement covering the current and previous valuation periods. The report should contain a balance sheet summary of fair market value by type of asset as well as a standard income statement reconciling the fair value between current and previous valuation dates identifying changes such as contributions, interest, dividends, realized and unrealized gains and losses, benefit payments and expenses.

Plan Provisions Data

Definiti will also need copies of the plan documents and any recent amendments that have taken effect since the prior valuation, as well as those currently proposed or under consideration.