GRANT AGREEMENT

This grant agreement (this "Agreement") is made effective on September 6, 2019 (the "Effective Date") between the University of Pittsburgh – Of the Commonwealth System of Higher Education (the "University"), a Pennsylvania nonprofit corporation and state-related institution of higher education, and the Charles Koch Foundation, a Kansas nonprofit corporation (the "Donor"). This Agreement is for the benefit of The Center for Governance and Markets (the "Center"), currently under the direction of Dr. Jennifer Murtazashvili and co-director Dr. Ilia Murtazashvili. The University and the Donor are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties." The Parties agree as follows:

1. **Promoting Academic Freedom.** Consistent with the Donor’s principles of supporting open inquiry and a diversity of ideas in higher education, the Donor’s grant is intended to help promote a republic of science at the University where ideas can be exchanged freely and useful knowledge will benefit the well-being of individuals and society. Thus, the Parties agree that the academic freedom of the University, the Center, and their faculty, students, and staff is critical to the success of the Center’s research, scholarship, teaching, and service.

2. **The University’s Proposal.** The Parties enter into this Agreement based on the University’s proposal, which is hereby incorporated into and made part of this Agreement and attached as Attachment A (the "Proposal"). The Proposal reflects the vision of and relies on the leadership of Dr. Jennifer Murtazashvili, who was selected by the University, according to its normal procedures, to be the director of the Center (the "Center Director"). As stated in the Proposal the mission of the Center is to create space for scholars to explore diverse ideas and produce rigorous scholarship and teaching on the impact of political institutions, markets, and technology on human prosperity and well-being in the United States and around the world (the "Center’s Mission").

3. **The Center Programs.**

   a. **Generally.** To support the Center’s Mission, the University desires to create the following positions and activities to affiliate with the Center, collectively referred to as the "Center Programs." The Center Programs are described more fully in the Proposal and include "Center Director, Faculty, and Administration," ten "Ph.D. Fellowships," twelve "Post-Doctoral Fellowships," "Research Support," "Academic Program Support," and "Travel Support." The University shall use any funds received under this Agreement to support the Center Programs in accordance with the terms of this Agreement. According to the University’s normal practices, the Center Director is responsible for directing the Center Programs, which includes allocating and administering the Center’s budget, supervising Center staff, mentorship, and other duties to advance the Center’s Mission as deemed appropriate by the Center Director.

   b. **Selection According to the University’s Normal Procedures.** The Parties mutually agree that the selection of the foregoing positions and fellowships by the University will follow the University’s normal procedures for selecting such positions and fellowships for the applicable academic units. As a matter of academic freedom for academic units at the University, individuals who hold positions with or are affiliated with the Center must be approved by the Center Director, in accordance with School’s and University’s normal procedures.

4. **The University’s Support for the Center.** The University shall support the Center Programs to advance the University’s mission. As part of this support, the University shall ensure that the faculty, students, and staff working with the Center have adequate space to achieve the Center’s Mission. Therefore, the University shall provide the Center with sufficient contiguous office space including shared conference and meeting spaces for a minimum of 15 people.
5. **The Donor’s Support for the Center Programs.**

   a. **Contributed Amount.** Subject to the terms of this Agreement, the Donor will contribute funds to the University solely to support the Center Programs to advance the Center’s Mission (all or part of such funds are referred to as the “Contributed Amount(s)”). The maximum Contributed Amount for each Center Program is as follows:

<table>
<thead>
<tr>
<th>Center Programs</th>
<th>Contributed Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary and fringe benefits for the Center Director, Faculty, and Administration</td>
<td>Up to $1,347,200</td>
</tr>
<tr>
<td>Costs and expenses for the ten Ph.D. Fellowships</td>
<td>Up to $716,640</td>
</tr>
<tr>
<td>Costs and expenses for the twelve Post-Doctoral Fellowships</td>
<td>Up to $688,000</td>
</tr>
<tr>
<td>Costs and expenses for Research Support</td>
<td>Up to $653,160</td>
</tr>
<tr>
<td>Costs and expenses for Academic Program Support</td>
<td>Up to $535,000</td>
</tr>
<tr>
<td>Costs and expenses for Travel Support</td>
<td>Up to $260,000</td>
</tr>
</tbody>
</table>

   b. **Other Support.** If the University and Donor mutually agree, the Donor may also contribute in-kind services to the University to help promote the work of the Center.

6. **Grant Process and Administration.**

   a. **The University Grant Request.** The University shall submit an annual written request according to the schedule below to the Donor for the Donor’s consideration (the “University Grant Request”). If the Donor approves the University Grant Request, the Donor shall make a contribution up to the amount listed in the below schedule to the University. If the Donor does not approve the University Grant Request, the Donor is under no obligation to contribute any funds to the University.

   b. **The University Grant Request and Proposed Grant Award Schedule.**

<table>
<thead>
<tr>
<th>7. University Grant Request Date</th>
<th>Donor Response and Proposed Contribution Date</th>
<th>Contributed Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submitted as the Proposal</td>
<td>Within sixty (60) days of the Parties signing</td>
<td>Up to $1,035,000</td>
</tr>
<tr>
<td></td>
<td>this Agreement</td>
<td></td>
</tr>
<tr>
<td>June 1, 2020</td>
<td>On or about August 1, 2020</td>
<td>Up to $1,703,000</td>
</tr>
<tr>
<td>June 1, 2021</td>
<td>On or about August 1, 2021</td>
<td>Up to $640,000</td>
</tr>
<tr>
<td>June 1, 2022</td>
<td>On or about August 1, 2022</td>
<td>Up to $420,000</td>
</tr>
<tr>
<td>June 1, 2023</td>
<td>On or about August 1, 2023</td>
<td>Up to $402,000</td>
</tr>
</tbody>
</table>

   Total Maximum Aggregate Contributed Amount: $4,200,000

   c. **The Fund.** The University shall place all of the Contributed Amount in a segregated and restricted fund on its books and records called the “CGM-CKF Fund” (the “Fund”). The University shall solely use the Fund to support the Center Programs as stated in this Agreement. The University shall make the Fund available for contributions from other donors. If another donor makes a contribution to the Fund, the University shall notify the Donor of the amount donated and, if permitted by the other donor, the name of the other donor.

7. **Contributed Amount Used Solely for Charitable Purposes for the Center Programs.**

   a. **Tax Status.** The University has furnished the Donor with records showing that it is an organization described in Internal Revenue Code (“Code”) section 501(c)(3) and an educational institution described in Code section 170(b)(1)(A)(ii). The University shall immediately notify the Donor if its tax status changes.
b. **Charitable Purpose.** The University shall use the Contributed Amount solely for the Center Programs, which is a charitable purpose described in section 170(c)(2)(B) of the Code. The University shall not use the Contributed Amount to influence legislation as described in section 4945(d)(1) of the Code, to influence the outcome of any election, for a political campaign or intervention, to carry on any voter registration drive, or any other purpose that would jeopardize the Donor’s tax-exempt status or subject the Donor to penalties under Chapter 42 of the Code.

c. **Center Programs.** The University shall return to the Donor any Contributed Amount not spent for the Center Programs.

8. **General Terms.**

   a. **Term.** The term of this Agreement is from the Effective Date to the later of July 31, 2024, or until the University has spent all of the Contributed Amount, unless earlier terminated pursuant to this Agreement.

   b. **Termination** The Donor has the right to terminate this Agreement if: (i) the University breaches any term of this Agreement; (ii) the Center Programs are not advancing the Center’s Mission; or (iii) such action is necessary to comply with any law applicable to the University or the Donor. For University budgeting purposes, such termination is effective upon the greater of (a) the next academic semester from the date notice is provided by Donor to the University, or (b) expiration of thirty days from the date notice was provided by the Donor to the University. If the Agreement is terminated, the University shall return all unspent Contributed Amounts to the Donor within fifteen days of the Donor’s request. The University is not relying on the Donor’s proposed funding under this Agreement to incur any obligation or take any action or inaction.

   c. **Publicity.** The Parties shall give each other a reasonable opportunity to review any significant public announcement related to the Agreement. The Parties shall not use each other’s logos without the applicable Party’s express written consent.

   d. **Public Records.** The University shall notify the Donor upon receiving records requests for this Agreement or related information.

   e. **Entire Agreement.** The terms contained in this Agreement supersede all prior oral or written agreements and understandings between the Parties related to the matters contained in this Agreement and constitute the entire agreement between the Parties with respect to the matters contained in this Agreement.

   f. **Order of Precedence.** If there is a conflict between the terms of this Agreement and the terms in the Proposal, this Agreement controls.

   g. **Amendments.** No amendment to this Agreement will be effective unless it is in writing and signed by the Parties.

   h. **Severability.** The terms of this Agreement are severable. If any court of competent jurisdiction construes any term of this Agreement to be illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining terms of this Agreement will not be affected.

   i. **No Waiver.** No delay or failure by any Party to enforce any right or claim under this Agreement is a waiver of such right or claim. Any waiver by any Party of any term of this Agreement is not a further or continuing waiver of such term.
j. Third Party Rights. This Agreement does not confer any rights or remedies upon any third party other than the permitted assigns of the Parties.

k. No Assignment. The University shall not transfer or assign its respective interests in the Agreement or any amount to be contributed pursuant to this Agreement without the express written consent of the Donor.

l. Notice. All notices in connection with this Agreement must be in writing and are effective when delivered personally by hand or one business day after the day sent by overnight courier at the address below, or to another address provided by a Party to the other Parties.

<table>
<thead>
<tr>
<th>If to the Donor</th>
<th>If to the University:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charles Koch Foundation</td>
<td>University of Pittsburgh</td>
</tr>
<tr>
<td>1320 N. Courthouse Road, Suite 500</td>
<td>Division of Philanthropic and Alumni Engagement</td>
</tr>
<tr>
<td>Arlington, VA 22201</td>
<td>128 North Craig Street</td>
</tr>
<tr>
<td>Attn: Grant Administrator</td>
<td>Pittsburgh, PA 15213</td>
</tr>
<tr>
<td>Cc: General Counsel's Office</td>
<td>Attn: Tom Crawford</td>
</tr>
</tbody>
</table>

m. Counterparts. This Agreement may be executed in several counterparts, each of which constitutes an original and all of which, when taken together, constitute one agreement or direction. Copies of signatures (whether facsimile or other electronic transmission) to this Agreement are deemed to be originals and may be relied upon to the same extent as the originals.

The Parties have hereby executed this Agreement as dated below, but agree that this Agreement is effective as of the Effective Date.

**CHARLES KOCH FOUNDATION**

By: [Signature]

Name: Ryan Stowers
Title: Executive Director

Date: 9/10/19

**UNIVERSITY OF PITTSBURGH – OF THE COMMONWEALTH SYSTEM OF HIGHER EDUCATION**

By: [Signature]

Name: Kristin Davitt
Title: Senior Vice Chancellor
Philanthropic & Alumni Engagement

Date: 9/10/19
ATTACHMENT A

University of Pittsburgh Proposal to Support the Center for Governance and Markets

Mission
The mission of the Center, which is housed in the Graduate School of Public and International Affairs at the University, is to create space for scholars to explore diverse ideas and produce rigorous scholarship and teaching on the impact of political institutions, markets, and technology on human prosperity and well-being in the United States and around the world.

Center Programs

Center Director, Faculty, and Administration
The Center shall be supported by a Center Director, faculty, and administrative personnel. The University will select an individual for the Center Director position by the Fall 2019 semester. The individual holding the Center Director position will oversee affiliated faculty and manage necessary administrative support, as well as working with affiliated researchers to lead research projects, workshops, post-doctoral students, reporting, public engagement, and sustain connections with faculty affiliates.

Ph.D. Fellowships
The Center will select twelve Ph.D. fellows interested in pursuing work related to the Center’s Mission.

Post-Doctoral Fellowships
The Center will select ten post-doctoral fellows interested in pursuing work related to the Center’s Mission.

Research Support
Research opportunities will be identified by Center leadership and key faculty as well as through calls for proposals open to Center affiliates. Research support may also include support for graduate students interested in research related to the Center’s Mission. Funds will support data collection, analysis, writing support, research conferences and workshops, and publication preparation.

Academic Program Support
The Center will host workshops, conferences, debates, and lectures that improve and share the Center’s research, as well as contribute to the academic and national conversation as it relates to the Center’s Mission.

Travel Support
Travel support for Center leadership and staff will be provided annually. Travel grants will be available to graduate students and faculty to participate in academic conferences and conduct field-based research. Funds will be distributed on a rolling basis and open to Center affiliates.