

'RF 7 DV DPHQGHG
3DVVHG E\ WKH %RDUG RI 7UXVWHHV
\$SULO
5HYLVHG

81,9(56,7< 2) 0\$66\$&+86(776
3(56211(/ 32/, 2512181,7 352)(66,21\$/ 67\$))

,,, 3URIHVVLQRQDO ,PSURYHPHQW </HDYH « « « « « « «
,9 &RPSHQVDWLRQ «
9 \$GGLWLRQDO &RPSHQVDWLRQ «
9, :HHN :RUN 6FKHG XOH «
9,, \$OWHUQDWLYH «)ULQJH %HQH KLWV « « « « « « « « « « « « «
9,,, 6WDQG DUGV «

7KLV SROLF\ DPHQGV WKH 3DUWRQDHO ZRUVH 5HQFRWRQ LQ
)RUFH 3ROGLWLRQDII \$PKHUVW %RVWRQ 'DUWPRXWK /RZH

, 7(506 2) (03/2<0(17

7KH IROORZLQJ 3ROLF\ VKDOOXDSLVS WRRIHPHPLHQVDQK FODR
HPSOR\HGLBWRUWLPXODQ UHJXODU SRVLWLRQAP QAU LLPH RU

\$ &RPSOLDQFH ZLWK /DZ DQG 5HJXODWLRQV DQG 8QLYHUVLW

7KH 8QLYHUVLW\ DQG LWV HPSOR\HHV ZLOO FRPSO\ ZLWK DOO
DQG UHJXODQ`a«À y.ix0 iêúÈÀ y.i¼N HPSOR\PHQW UHSRUWLQJ REOLJD

RXW LQ DQ\ \$GPLQLVWUDWLYH 6WDQGDUGV SURPXOJDWHG E\
DQ\ %RDUG RI 7UXVWHHV SROLFLHV DQG SROLFLHV SURPXOJ

% (PSOR\PHQW 6WDWXV

1RQLW 8QLYHUVLW\ HPSOR\HHV VHUYH DW WKH SOHDVXUH R
WKH 3UHVVLGHQW RU &KDQFHOOHU DQG DUH WKHUHIRUH HP
PD\ WHUPLQDWH WKH HPSOR\PHQW UHODWLRQVKLS DW DQ\ W
QRWLFH VXEMHFW WR WKH SURYLVLRQV FRQWDLQH LQ ^ , &

& (PSOR\PHQW &RQUUDFWV

1RWZLWKVWDQGLQJ ^ , % DERYH ZLWKQWVH8QSSURVYD\ HIPV
PD\ EH DSSRLQWHG SXUVXDQW WR D FRQWUDFW WKH SDQR\PH
VXFK FRQUUDFW RI HPSOR\PHQW LV H[SUHVV\ FRQGLWLRQ
DGKHUHQFH WR DSSOLFDEOH VWDWH DQG IHGHUO ODZV
DYDLODELOLW\ RI IXQGV DQG WKH \$GPLQLVWUDWLYH 6WDQGD

' 7HUPLQDWLRQ IURP 8QLYHUVLW\ (PSOR\PHQW IRU 5HDVLRQV

([FHSW IRU WHUPLQDWLRQV IRU FDXVHQ IDYHG WHUPLQDWLRQV
H[WHUQDO IXQGV WKH 8QLYHUVLW\ ZLOO SURYLGH QRWLFH R
WKH GLVFUHWLRQ RI WKH 8QLYHUVLW\ SD\PHQW LQ OLHX R
6WDQGDUGV WKDW DUH LVVXH WR LPSOHPHQW WKLV 3ROLF\

(7HUPLQDWLRQ IRU &DXVH

3ULRU WR WHUPLQDWLRQV HPSOR\PHQW IRU FDXVH WKH 8QLYHUVLW\
DQG DQ RSSRUWXQLW\ WR UHVSRQG WR WKH EDVLV IRU WKH V

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7KH 8QLYHUVLW\ VKDOO FRQGXFWD SHUIRUPDQEV WHPSOR\H
ZKLFK LV LQ DGGLWLRQ WR DQG PD\ QROLFH WR WKH VHWLX
(YDOXDWRQ RI 6HQLRU \$GPLQLVWUDWRUV

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1RQLW HPSOR\HHV PD\ EH HOLJLEOH IRU SURIHVVLRQDO LP
FOHDUO\ GHPRQVUDWHG WKDW VXFK OHDYH ZLOO UHVXOW L
ZLWK WKH \$GPLQLVWUDWLYH 6WDQGDUGV WKDW DUH LVVXH

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7KH &KDQFHOO RUV DUH GHOHJDWHG DXWKRULW\ WR DSSURYH
KRZHYHU WKDW WKH 3UHVLGHQW PXVW DSSURYH DSSURYLQDO
FDPSXV LI WKH LQLWLDO RU DGMXVWHG VDODU\ H[FHHGV D
DSSURYDO PXVW EH VHFUXHG SULRU WR DQ\ FKDQJH EHLQJ L
SURPRWLRQDO SURFHVV

7KH WKUHVKROG ZLOO EH VWDWHG LQ WKH FRUHVSRQGLQJ
HIIHFWLYH GDWH RI WKLV SROLF\ DV VHW IRUWK LQ \$UWLFH
LV DQG WKLV WKUHVKROG PD\ EH DGMXVWHG LQ WK
6WDQGDUGV LQ DFFRUGDQFH ZLWK WKLV SROLF\

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\$GGLWLRQDO FRPSHQVDWLRQ HPSOR\HH IRU SHUIRUPHQW UHJXODU
FRPSHQVDWLRQ WKH WKH HPSOR\HH IRU SHUIRUPHQW DGGLWLRQDO GX
WKDW H[FHHGV WKHLU UHJXODU MRE GXWLHV DQG DUH RXV
DGGLWLRQDO GXWLHV PXVW EH SHUIRUPHG LQ DGGLWLRQ WR
DQG UHVSQVLELOLWLHV 7KH SHUIRUPDQFH RI WKH DGGLV
HPSOR\HH\ REOLJDWLRQ WR SHUIRUP WKHLU UHJXODU GXWL
SHUIRUPDQFH RI DQ\ DGGLWLRQDO GXWLHV WKDW ZRXOG FU
LQWHUHVW RI WKH 8QLYHUVLW\ RI ODVVDFKXVHWWV RU WKH
LV SURKLELWHG 7R EH HOLJLEOH WR HDUQ DGGLWLRQDO FR
PXVW EXHQW DQG PXVW EH H[HPSW IURP WKH SURYLVLRQV RI
) /6\$ DQG LQ DFFRUGDQFH ZLWK \$GPLQLVWUDWLYH 6WDQGDUG

5HTXHVWV WR SHUIRUP HPSOR\HH DGGLWLRQDO FRPSHQVDWLRQ PX
DQ HPSOR\HH\ 'HSDUWPHQW +HDG 6XFK UHTXHVWV PXVW WH
+XPDQ 5HVRXUFHV 2IILFHU RQ WKH UHOHYDQW FDPSXV RU
HPSOR\HH RI WKH 3UHVLGHQW\ 2IILFH WKHQ WKH UHTXHVW
+XPDQ 5HVRXUFHV 2IILFHU LQ WKH 3UHVLGHQW\ 2IILFH 6X
HPSOR\HH SHUIRUPHQW WKH GXWLHV IRU ZKLFK WKH DGGLWLR

6XFK UHTXHVWV PXVW LQFOXGH

‡ \$ EULHI GHVFULSWLRQ RI WKH VHUYLFH WR EH SURYLGHG
‡ 7KH DQWLFLSDWHG EHQHILW WR WKH 8QLYHUVLW\
‡ 7KH GHSUWPHQW GLYLVLRQ RU XQLW WR EH VHUYHG
‡ 7KH UHTXHVWHG DPRXQW RI DGGLWLRQDO FRPSHQVDWLRQ
‡ 7KH GXUDWLRQ RI WLPH IRU ZKLFK WKH HPSOR\HH ZRXOG H

6XFK UHTXHVWV DUH VXEMHFW WR WKH DSSURYDO RI WKH &
FDPSXV RU WKHLU GHVLJQH ,I WKH UHTXHVW SHUWDLQV
UHTXHVWV DUH VXEMHFW WR WKH DSSURYDO RI WKH &KLHI +
1R QRQLW HPSOR\HH PD\ UHFHLYH DGGLWLRQDO FRPSHQVDWL

\$GGLWLRQDO FRPSHQVDWLRQ PD\ QRW H[FHHG LQ D JLYHQ
SHUFHQW RQWKH HPSOR\HH\ WKHQ FXUUHQW DQQXDO EDVH
SHUIRUPHQW WKH IROORZLQJ VHUYLFHV VKDOO EH H[HPSW IUR

‡ 7HDFKLQJ DFDGHPLF FRXUVHV
‡ &RQGXFVLQJ VXPPHU VSRUWV SURJUDPV

6KRXOG WKH XVH RI 8QLYHUVLW\ IDFLOLWLHV HTXLSPHQW
GXWLHV DSSURYDO PXVW EH REWDLQHG LQ DGYDQFH IURP W
RU 9LFH &KDQFHOOHU DQG PXVW EH LQ FRPSOLDQFH ZLWK O
OHYLG E\ WKH LPSDFWHG GHSDUWPHQW IRU XVH RI VXFK I
GHWHUPLQH E\ WKH 7UHDVXUHU RI WKH 8QLYHUVLW\ XSRQ
+HDG 'LUHFWRU 'HDQ RU 9LFH &KDQFHOOHU

1R ~~QR~~QLW HPSOR\HH PD\ UHFHLYH DGGLWLRQDO FRPSHQVDW
ZRXOG EH GHILQH DQG RU SHUFHLYHG E\ WKH 8QLYHUVLW
ZRUNLQJ KRUV XQOHVV WKH HPSOR\HH UHTXHVWV DQG LV J
RU OHDYH ZLWKRXW SD\ 7KH XVH RI VXFK YDFDWLRQ WLP
GHQLHG LI LQ WKH RSLQLRQ RI WKH 'HSDUWPHQW +HDG LW
VFKHGHOV RU RWKHU FRQWLQJHQFLHV

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1R~~QR~~QLW HPSOR\HHV ZKR DUH HPSOR\HG RQ D ZHHN VFKHG
D SHUFHQW UHGXFWRQ LQ EDVH ~~DQGLWLRQDO~~ ~~HPSOR\HHV~~ ~~RIQ~~ ~~IDO~~
VFKHGHOV PD\ UHTXHVW D ZHHN VFKHGHOV ZLWK D SHUF
UHTXHVWV DUH VXEMHFW WR DSSURYDO E\ WKH 3UHVLGHQW R

,Q FHUWDLQ SRVLWLRQV RU FODVVHV RI SRVLWLRQV ~~UHMTXHVW~~ ~~JQ~~
QR~~QR~~QLW HPSOR\HHV WR WUDQVIHU WR D ZHHN VFKHGHOV
VDODU\ EXW VKDOO QRW UHTXLUH WKHP WR GR VR H[FHSW
6SHFLILF GHWDLOV UHJDUGLQJ WKLV VHFWRQ DUH FRQWDLQ

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\$,Q DFFRUGDQFH ZLWK WKH DXWKRULW\ YHVWHG LQ WKH 8
PD\ ~~W~~XSSOHPHQWHG E\ WKH SURYLWLRQV RI &KDSWHU R
KDYH WKH DXWKRULW\ WR HVWDEOLVK DSSURYH DQG DPH
EHQHILWV LQFOXGLQJ EXW QRW OLPLWHG WR FRPSHQVDW
JURXS LQVXUDQFH FRYHUDJH

% 6XFK SURJUDPV PD\ EH PDGH DSSOLFDEOH WR VXFK FDP
VWDII DQG RU IDFXOW\ RU VXEJURXS WKHUHRI LQFOX
EDUJDLQLQJ DJUHHPHQWV DW WKH GLVFUHWLRQ RI WKH 3
WR EDUJDLQ LQ JRRG IDLWK

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7KH 8QLYHUVLW\ 3UHVLGHQW LQ FRQVXOWDWLRQ ZLWK WKH
\$GPLQLVWUDWLYH 6WDQGDUGV WR LPSOHPHQW WKLWR3ROLF
WLP

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\$ QRQLW 8QLYHUVLW\ HPSOR\HH PD\ EH DSSRLDSSORW BOD RFR
WKH 3UHVLGHQW SURYLGHG WKH IROORZLQJ WHUPV DQG FRQ

‡ 6XFK FRQWUDFW PD\ QRW EH PRUH WKDQ \HDUV LQ GXUDW
‡ 6XFK FRQWUDFW PXVW EH H[³SUHVVO\ FRQGLWLRQHG XSRQ F
‡ 6XFK FRQWUDFW PXVW EH H[³SUHVVO\ FRQGLWLRQHG XSRQ I
DQG UHJXODWLRQV DQG 8QLYHUVLW\ SROLFLH
‡ 6XFK FRQWUDFW PXVW EH H[³SUHVVO\ FRQGLWLRQHG XSRQ V

\$ QRQLW 8QLYHUVLW\ HPSOR\HH PD\ QRW EH SURYLGHG ZLV
SURYLVLRQV XQOHVV WKH SURYLVLRQ LV H[³SUHVVO\ LQFOXG
DSSURYHG E\ WKH 3UHVLGHQW LQ DFFRUGDQFH ZLWK WKLV V

‡ \$Q H[³SHFWDWLRQ RI IXWXUH ZDJH LQFUHDVHV RWKHU WKDQ
VLPLODUO\ VLWXDWHG HPSOR\HHV
‡ 7KH HVWDEOLVKPHQW RHDUQHPSOR\HG XDXQPHQWL I GHIHU
SODQ

' ³7HUPLQDWLRQ IURP 8QLYHUVLW\ RPSO B WPKHJWWKDQ &DXVH

([FHSW IRU WHUPLQDWLRQV IRUXD XWH PDSOR\WHUPIXQDMIGR QK
IXQGV H J JUDQWV RU FRQWUDFWV WKH 8QLYHUVLW\ ZLOO
WKH GLVFUHWLRQ RI WKH 8QLYHUVLW\ SD\PHQW RI RQH PI

,Q WKR VH FLUFXPVWDQFHV LQ ZKLFK WKH 3UHVLGHQW RU WK
WKH FDPXV &KDQFHORUUV &QLWQHPSOR\HHUM[HFXQHWK HDQR
FODLPVXQLWRPDSOR\HH KLUHG LQWR D UHJXODU SRVLWLRQ
QRWLFH EDVHG RQ RQH PRQWK IRU HDFK FRPSOHWH \HDU RI
H[FHHG RQH €WHD0 pV³P` HG RQH

RI HPSOR\PHQW ZLWK WKH 8QLYHUVLW\ 6XFK HPSOR\HHV PX
UHPDLQLQJ YDOXH RI WKHLU SD\PHQW

‡)RU H[DPSOH LI DQ HPSOR\HH UHFHLYHG D SD\PHQW LQ OL
WZR PRQWKV KDYH SDVVHG VLQFH WKHLU OD\RII GDWH
SHUFHQW RI WKDW YDOXH LV HTXDO WR WZR PRQWKV
HTXDO WR WKH YDOXH RI WZR PRQWKV RI SD\

‡ \$OVR IRU H[DPSOH LI DQ HPSOR\HH UHFHLYHG D SD\PHQW
DQG VHYHQ PRQWKV KDYH SDVVHG VLQFH WKHLU OD\RII
PDNH D UHSD\PHQW RI DQ\ DPRXQW

,Q WKH HYHQW DQ HPSOR\HH LV UHTXLUHG WR UHSD\ VRPH S
PD\ RIIHU WKH HPSOR\HH WKH RSWLRQ RI SD\LQJ EDFN WKH
WLPH DW WKH GLVFUHWLRQ RI WKH &KLHI +XPDQ 5HVRXUFHV

,Q H[FHSWLRQDO FLUFXPVWDQFHV DQG LI WKH HPSOR\HH H[F
RU WKH 3UHVLGHQW V GHVLJQHH RU &KDQFHOOHU RU &K
8QLYHUVLW\ V *HQHUDO &RXQVHO PD\ DSSURYH DGGLWLRQD
H[FHVV RI WKLV 3ROLF\ DQG PD\ DOVR ZDLYH VRPH RU DOO
EHQHILW

\$Q\ QRWLFH RI WHUPLQDWLRQ RU SD\PHQW LQ OLHX RI QRWL
H JJUDQWV RU FRQWUDFWV ZLOO EH FRQVLVWHQW ZLWK W
FRQWLQJHQW RQ DYDLODELOLW\ RI IXQGV

(37HUPLQDWLRQ IRU &DXVH'

DQQXDO UHYLHZ 0HULW VDODU\ LQFUHDVHV DUH VXEMHFW V
DSSOLFDEOH

%RQXV 3D\
,Q DGGLWLRQ WR RU DV DQWDFHULQD WQFHWR HDQZ EDGHG HF
RQ WKHLU DQQXDO UHFDVWDFWKRERQXQRG XFK D ERQXV
UHFRJQLWLRQ RI H[FHSWLRQDO SHUIRWRDQFBURYHDPWISWRSM
LQLWLDWLYH RI PDMRU VLJQLILFDQFH WR WKH FDP SXV RU 80
3UHVLGHQW RU &KDQFHORU DV DSSOLFDEOH

7KUHVKROG IRU 3UHVLGHQW V \$SSURYDO
7KH 3UHVLGHQW PXVW DSSURYH LQ DGYDQFH DQ\ VDODU\ D
VDODU\ IRXQDQ SRVLWLRQ RQ D FDP SXV LI WKH QHZ KLUH V
7KLV LQFOXGHV DQ\ VDODU\ DGMXVWPHQW GXH WR D S
SD\ 7KLV DSSURYDO LV UHTXLUHG IRXQDQ SRVLWLRQ VHWV
RI LQ WKH ILUVW LQVWDQFH DV ZHOO DV IRQLWQ\ SU
HPSOR\HH ZKR DOUHDG\ HDUQV RYHU

7KLV DSSURYDO PXVW EH VHFUXHG SULRU WR LQLWLDWLQJ W
WKH SRVLQJ RI WKH SRVLWLRQ DQG SULRU WR LQWHUYLHZL
LQWHUQDO DQG H[WHUQDO KLULQJ SURFHVVHV

)DLOXUH WR REWDLQ VXFK SULRU DSSURYDO PD\ UHVXOW LQ
DQ RIIHU RI HPSOR\PHQW RU VDODU\ HTXLW\ LQFUHDVH ,Q
JUDQWHG DIWHU WKH FRPPHQFHQW RI D UHFUXLWPHQW SU
FDP SXV &KLHI +XPDQ 5HVRXUFHV 2IILFHU RQ EHKDOI RI WK
\$GPLQLVWUDWLRQ)LQDQFH VKDOO LQFOXGH D GHWDLOHG
WKDW SUHYHQWHG VXFK SULRU DSSURYDO

:KHQ GHWHUPLQLQJ ZKHWKHU WR VHHN DSSURYDO IRU D VD
SRVVLEOH VDODU\ WKH\ ZRXOG SD\ WR D SUHIHUUHG FDQGH
EHFDXVH RI VDODU\ QHJRWLDWLRQV ZLWK D SUHIHUUHG FDQ
2IILFHU PXVW VXEPLW WKH SRVLWLRQ IRU DSSURYDO LQ DGYD

7KLV DSSURYDO LV QRW UHTXLUHG IRU VDODU\ WELMDXZWRPHQ

,Q DGGLWLRQ DOUDHPSOR LHU IXQGHG I SODQ PDWRQDOR\SB
LI LW LV H[SUHVVO\ LQFOXGHG LQ D FRQWUDFW RI HPSOR\PH
&RQWUDFWV'

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,I DQ HPSOR\HH KDV EHHQ WHPSRUDULO\ JUDQWHG D KLJKHU
LQWHULP FDSDFLW\ GXH WR D YDFDQF\ WKHQ WKHLU DGGL
FRPSHQVDWLRQ' ZLWKLQ WKH PHDQLQJ RI WKLV 3ROLF\

7KH 8QLYHUVLW\ SD\UROO V\VWHP KDV PDQ\ GLIIHUHQW HD
GHILQLWLRQ RI ³\$GGLWLRQDO &RPSHQVDWLRQ' 7KLV 3ROLF\
GLIIHUHQW W\SHV RI HDUQLQJV WKDW IDOO ZLWKLQ WKDW SH
XWLOLJH\WRH RQH\ERQXVHV WUDQVLWLRQ DOORZDQFH\
IDOO ZLWKLQ WKH XPEUHOOD FDWHJRU\ RI ³DGGLWLRQDO FRI
WR WKRVH W\SHV RI HDUQLQJV

,QVWHDG DGGLWLRQDO FRPSHQVDWLRQ IRU WKH PDQDQJ RI

& 7KH 8QLYHUVVLW\ VKDOO GHWHUPLQH DQG VSHFLI\ WKH SHU
ZHHN SHULRGV SIRQRQDELOLW\ WR WKH 8QLYHUVVLW\ VKDOO
FRPSRQH QWV 7KH SHULRG RI DQQXDO YDFDWLRQ OHDYH
DOORZHG SHULRGV 7KH DQQXDO VDODU\ VKDOO EH SDLG
SROLF\ IRU IDFXOW\ PHPEHUV HPSOR\HG RQ DQ DFDGHPLF

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