

INVESTMENT MANAGEMENT AGREEMENT

THIS INVESTMENT MANAGEMENT AGREEMENT made the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by and between \_\_\_\_\_ (the “Investment Manager”) and the Board of Trustees of the Metropolitan Water Reclamation District Retirement Fund (the “Board of Trustees” or the “Fund”) a governmental retirement system established pursuant to the laws of the State of Illinois.

WITNESSETH:

WHEREAS, pursuant to 40 ILCS 5/1-109.1, the Board of Trustees may appoint an investment manager as a Fiduciary to manage (including the power to acquire and dispose of) any assets of the Fund; and

WHEREAS, the Board of Trustees identified a need for an investment manager to manage a certain portion of the Fund’s assets; and

WHEREAS, a description of the services to be performed, the need for services, the qualifications necessary, and the plan for post-performance review are set forth in the Investment Guidelines attached to this Agreement;

WHEREAS, in compliance with its policies and procedures, the Board of Trustees voted to appoint the Investment Manager as an investment manager for a portion of the Fund’s assets; and

WHEREAS, the Investment Manager agrees to act as an investment manager in accordance with the terms of 40 ILCS 5/1-101, et. seq. and 40 ILCS 5/13-101, et. seq. and with the terms of this Investment Management Agreement;

NOW, THEREFORE, the Board of Trustees and the Investment Manager agree as follows:

Section 1. Appointment of Investment Manager

- A. Pursuant to 40 ILCS 5/1-109.1, the Board of Trustees hereby appoints the Investment Manager as an investment manager to, in the Investment Manager’s sole discretion, direct The Bank of New York Mellon, the Fund’s Custodian (“Custodian”), to invest and reinvest in cash, cash equivalents, equity-type securities, and other instruments, of such portion of the assets subject to the Custody Agreement (hereinafter referred to as “Trust Assets”) as the Board of Trustees shall decide from time to time, the proceeds from the sale of such assets, and the income due and appreciation attributable to such assets, less any assets the Board of Trustees may withdraw, from time to time. Any such portion of the Trust Assets shall, for purposes of this Investment Management Agreement, be referred to as the “Sub-Account”. The Investment Manager shall for all purposes herein provided be deemed to be an independent contractor and, unless otherwise expressly authorized or provided, shall not have authority to act for or represent the Fund or its Board of Trustees in any way or otherwise be deemed an agent of either of them.
- B. Notwithstanding the provisions of Section 1(A) above, the Investment Manager shall act hereunder in accordance with the applicable requirements of: The Illinois Pension Code, including but not limited to 40 ILCS 5/1-110, 5/1-110.10, and 1-113; the Investment Managers’ written investment guidelines for the Sub-Account (hereinafter referred to as the “Investment Guidelines”), which are attached and incorporated by reference as Exhibit A and

the Board of Trustees' Broker Dealer Policy attached as Exhibit-D. In the event that the Board of Trustees desires to change or modify any of the Exhibits it shall provide the Investment Manager with at least thirty (30) days' prior notice of such change or modification. Any such change or modification shall be subject to the Investment Manager's written consent, which consent shall not be unreasonably withheld.

- C. The Investment Manager hereby accepts such appointment and acknowledges that it is a Fiduciary with respect to the Fund and the Sub-Account, and agrees to provide such investment management services with respect to the Fund in accordance with the Illinois Pension Code and this Investment Management Agreement.
- D. Subject to this Section, the Investment Manager may, in its full discretion and without obligation on its part to give prior notice to the Custodian or the Board of Trustees: (i) buy, sell, exchange, convert, tender and otherwise trade in any stocks, bonds or other securities or instruments; and (ii) execute transactions through accounts established by the Custodian at the direction of the Investment Manager with such brokers or dealers as the Investment Manager may in its sole discretion select, except to the extent otherwise directed by the Board of Trustees in writing; provided, however, that all such activities shall be conducted in a manner consistent with the Investment Manager's fiduciary and other obligations hereunder and under Article 1 of the Illinois Pension Code and under the Employee Retirement Income Security Act of 1974 and interpretations thereof and regulations and exemptions thereunder (collectively, hereinafter "ERISA"), even though the Fund is itself exempt from the requirements of ERISA. The Investment Manager may, using such of the securities and other property in the Sub-Account as the Investment Manager deems necessary or desirable, direct the Custodian to deposit for the Sub-Account original and maintenance brokerage and margin deposits and otherwise direct payments of cash, cash equivalents and securities and other property into such brokerage accounts and to such brokers as the Investment Manager deems desirable or appropriate, provided that such directions are consistent with the terms of this Investment Management Agreement.

The Board of Trustees has directed the Custodian, and the Custodian has agreed, to act in accordance with the instructions of the Investment Manager. Title to all assets in the Sub-Account shall at all times be registered in the name of the Fund, or the name of the Custodian or its nominee for the account of the Fund, and the indicia of ownership of all assets in the Sub-Account shall at all times be maintained in trust by the Custodian. The Investment Manager shall at no time have custody of or physical control over the Sub-Account and the Investment Manager shall not be liable for any act or omission of the Custodian.

- E. Cash held by the Fund pending direction from the Investment Manager may be invested and reinvested by the Custodian, without instruction or direction from the Investment Manager, in U.S. Treasury bills and other short-term, liquid investments.

## Section 2. Investment Guidelines

The Board of Trustees may from time to time amend the Investment Guidelines, subject to the provisions set forth in Section 1(B) above. The Investment Manager will not be bound to follow any such amended Investment Guidelines until it has received the amended Investment Guidelines pursuant to reasonable prior written notice thereof from the Board of Trustees.

Section 3. Standard of Care

- A. The Investment Manager shall perform its duties hereunder with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.
- B. The Investment Manager, subject at all times to the duties and obligations set forth in this Investment Management Agreement and the attached Exhibits, shall diversify the assets in the Sub-Account so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so.
- C. The Investment Manager shall discharge its duties hereunder with respect to the Fund and the Sub-Account solely in the interest of, and for the exclusive purpose of providing benefits for, the Fund's beneficiaries.
- D. The Investment Manager shall not engage in any transaction involving the Fund or the Sub-Account that would constitute a non-exempt prohibited transaction under Section 406 of ERISA or 40 ILCS 5/1-110.
- E. The Investment Manager shall use its best efforts to not make investments that would generate unrelated business taxable income for an entity that is exempt under Section 501(a) of the Internal Revenue Code.
- F. The Investment Manager shall regard as confidential all information regarding the operations and investments of the Fund and shall not disclose such information except as required by law, regulation or in the course of a regulatory examination or by order of a court of competent jurisdiction. Notwithstanding this, the Fund agrees that the Investment Manager may from time to time, as it deems necessary or advisable in its discretion, disclose to third parties that the Fund is one of the Investment Manager's clients, but the Investment Manager agrees that such disclosure will be limited to supplying the name of the Fund only, and not the nature or extent of its investments or any other information concerning the Fund.

Section 4. Representations, Warranties and Covenants of the Investment Manager

- A. The Investment Manager represents and warrants to the Board of Trustees that it is registered as an investment adviser under the Investment Advisers Act of 1940 or, if applicable, that it is a bank and that it is exempt from the obligation to register as an investment adviser. The Investment Manager shall promptly advise the Fund if at any time during the term of this Investment Management Agreement there is a change in such status.
- B. The Investment Manager: acknowledges that it is a "Fiduciary" with respect to the Fund and the Sub-Account within the meaning of the Illinois Pension Code; warrants that none of the disqualifications described in Section 411 of ERISA apply to the Investment Manager; and specifically agrees to perform all of its duties and obligations under this Investment Management Agreement as a Fiduciary.
- C. The Investment Manager shall secure and maintain a fidelity bond or bonds in the amount of \$\_\_\_\_\_, but in no event less than \$3,000,000. In addition, the Investment Manager shall secure and maintain at all times during the term of this Agreement a bond complying with the requirements of ERISA in the amount of \$500,000, with the Fund as the designated insured party. A certificate confirming the bonds shall be provided to the Board of Trustees in December of each year.
- D. Unless otherwise agreed to by the parties because the Investment Manager is a bank, the Investment Manager shall secure and maintain, errors and omissions/fiduciary insurance in the amount of \$5,000,000, plus \$5,000,000 million for each \$100 million or fraction thereof

that the market value of the assets under management hereunder exceeds \$100 million, which shall protect the Fund against losses from the negligent acts, breach of fiduciary duties, and errors or omissions of the Investment Manager. A copy of the Investment Manager's memorandum of insurance shall be provided to the Board of Trustees in December of each year.

- E. The Investment Manager agrees to notify the Board of Trustees and its investment consultant in writing within five (5) business days of any material changes in the portfolio manager for the Sub-Account, the loss of any accounts, any legal actions instituted against the Investment Manager involving the investment of securities or of any investigations, examinations, or other proceedings commenced by any governmental regulatory agency which are not either conducted in the ordinary course of the Investment Manager's business or conducted as part of an industry sweep or other fact-finding related inquiry.
- F. The Investment Manager will furnish to the Board of Trustees, from time to time, such evidence as the Board of Trustees may reasonably request that the Investment Manager satisfies any of the foregoing requirements. The Investment Manager shall promptly notify the Board of Trustees if it has reason to believe that any of the foregoing representations, warranties or covenants may cease to be satisfied.
- G. In rendering services hereunder, the Investment Manager shall comply with all applicable laws of the State of Illinois and the United States of America, and any applicable governmental or regulatory authority outside of the United States. Regulatory reports required under laws applicable to the Investment Manager by any regulatory authority shall be the responsibility of the Investment Manager.
- H. To the fullest extent permitted under applicable law and notwithstanding any other provision of this Investment Management Agreement, the Investment Manager shall indemnify and hold harmless the Board of Trustees, and the Fund and its employees, for, from and against losses, damages, costs and expenses (including reasonable attorney's fees) incurred as the result of the Investment Manager's breach of this Investment Management Agreement. Notwithstanding the foregoing, no indemnified party hereunder shall be entitled to indemnification to the extent any such loss is caused by such party's own gross negligence or willful misconduct hereunder.
- I. The Investment Manager represents that it is not an entity chartered under the Illinois Banking Act, the Savings Bank Act, the Illinois Credit Union Act., or the Illinois Savings and Loan Act of 1985 or a person or entity licensed under the Residential Mortgage License Act of 1987, the Consumer Installment Loan Act, or the Sales Finance Agency Act.
- J. Pursuant to Section 1-113.14(c) of the Illinois Pension Code, the Investment Manager has disclosed in writing the names and addresses of the following persons or entities (hereinafter referred to as the "Investment Manager Disclosures," which is attached and incorporated herein as Exhibit B): (i) any entity that is a parent of, or owns a controlling interest in, the Investment Manager, (ii) any entity that is a subsidiary of, or in which a controlling interest is owned by, the Investment Manager, (iii) any persons who have an ownership or distributive income share in the Investment Manager that is in excess of seven and one-half percent (7.5%), or (iv) serves as an executive officer of the Investment Manager. The Investment Manager further acknowledges that it shall promptly notify the Fund, in writing, if at any time during the term of this Agreement, the information contained in the Investment Manager Disclosures changes.
- K. The Investment Manager has further disclosed in the Investment Manager Disclosures, the names and addresses of all of its subcontractors, including any third-party marketers, if applicable, and the expected amount of money each will receive under this Agreement. The Investment Manager further acknowledges that it shall promptly notify the Fund, in writing,

if at any time during the term of this Agreement, the Investment Manager adds or changes any subcontractors. The term subcontractor, as used herein, does not include non-investment related professionals or professionals offering services that are not directly related to the investment of assets, such as legal counsel, actuary, proxy-voting services, and services used to track compliance with legal standards.

Section 5. Representations and Warranties of the Board of Trustees

- A. The Board of Trustees represents and warrants to the Investment Manager that the Board of Trustees is a Fiduciary authorized to enter into this Investment Management Agreement and to appoint the Investment Manager as its investment manager in accordance with the terms hereof and that the person executing this Investment Management Agreement for and on behalf of the Board of Trustees is authorized to do so.
- B. The Board of Trustees represents and warrants to the Investment Manager that the Custodian is the present custodian of the Trust Assets.
- C. The Board of Trustees represents and warrants to the Investment Manager that if another entity should be substituted for the Custodian as custodian of the Trust Assets, the Board of Trustees shall promptly notify the Investment Manager of such substitution and the substituted entity will thereafter be deemed to be the Custodian for purposes of this Investment Management Agreement.
- D. The Board of Trustees represents and warrants to the Investment Manager that, as a Fiduciary, it is responsible for assuring the Fund's overall Investment Guidelines are prudent for the Fund's assets.
- E. The Board of Trustees represents and warrants to the Investment Manager that the decision to allocate any Trust Assets to the Sub-Account is the responsibility of the Board of Trustees and is independent of the Investment Manager's Fiduciary responsibilities as established pursuant to this Investment Management Agreement.
- F. The Board of Trustees represents and warrants to the Investment Manager that the Investment Manager is responsible for diversification or investment requirements applicable to the Trust Assets allocated to the Sub-Account only, and not to the Trust as a whole.
- G. The Board of Trustees represents and warrants to the Investment Manager that the Fund is qualified under Section 414(d) of the Internal Revenue Code of 1986 as a governmental plan.
- H. The Investment Manager, its affiliates and employees, shall be indemnified, to the extent permitted by law, by the Board of Trustees against all liabilities, losses or claims (including reasonable expenses arising out of defending such liabilities, losses or claims): (a) arising from the Board of Trustees' written directions to the Investment Manager, or to brokers, dealers or others with respect to the making, retention or sale of any investment or reinvestment hereunder, provided that the Investment Manager had a reasonable basis for acting on the direction from the Board of Trustees or (b) arising from the acts or omissions of the Board of Trustees, or its agents or employees, provided that the Investment Manager had a reasonable basis for relying on the act or omission; except for any such liability or loss which is due to the negligence, willful misconduct, material breach of this Investment Management Agreement, or lack of good faith of the Investment Manager, its affiliates, and employees.

Section 6. Procedures

All payments, disbursements, receipts and other transactions in cash or securities in respect of the Sub-Account shall be made directly to or from the Custodian at the direction of the Investment Manager. Instructions from the Investment Manager to the Custodian shall be

made in writing sent by first-class mail, electronically as agreed to by the Custodian and the Investment Manager, via facsimile, or, at the option of the Investment Manager, communicated orally and confirmed in writing as soon as practicable thereafter, and the Investment Manager shall instruct all brokers or dealers executing or canceling orders on behalf of the Fund to forward to the Custodian copies of all brokerage confirmations promptly after the execution or cancellation of transactions.

Section 7. Reports; Meetings

- A. The Board of Trustees will cause the Custodian to provide the Investment Manager with monthly reports concerning the status of the Sub-Account, and such reports from the Custodian shall constitute the principal record of the Sub-Account for all purposes of this Investment Management Agreement, including but not limited to, the calculation of the Investment Manager's fees to be paid.
- B. With respect to the Sub-Account, the Investment Manager shall provide the Board of Trustees and its investment consultant with: on a quarterly basis, confirmations of all transactions; a monthly summary of the performance of the Sub-Account, with gross and net of fees returns; an annual report, as provided for in Section 11 herein, regarding the voting of proxies, if any, during a year; an annual report within 45 days after the end of each calendar year containing a detailed statement of the affairs of the Sub-Account, including its income and expenditures and assets and liabilities (calculated in accordance with generally accepted accounting principles); an annual statement of all sums paid, if any, to the Fund's investment consultant or its affiliates for conferences, consulting services, brokerage commissions, or for any other purpose; and all other reports that the Board of Trustees or its investment consultant may reasonably request from time to time.
- C. The Investment Manager shall perform a not less frequently than monthly reconciliation of the Sub-Account's book value, income earned, and transaction activity as reported by the Custodian with the records of the Investment Manager. Differences shall be communicated to the Custodian in a timely manner. Resolution of differences is the responsibility of the Investment Manager and the Custodian. The Investment Manager is responsible for notifying the Board of Trustees of unresolved discrepancies between the Investment Manager's records and those of the Custodian for as long as the unresolved discrepancies persist. The records of the Custodian shall be the authoritative source for all purposes under this Investment Management Agreement.
- D. The Fund requires periodic reporting as identified herein, as well as special reports that may be requested periodically. The Fund also encourages the Investment Managers to comply with the "Performance Presentation Standards" set forth by the Association of Investment Management and Research.

Section 8. Services to Other Clients

- A. It is understood that the Investment Manager performs investment advisory services for various clients. The Board of Trustees agrees and acknowledges that the Investment Manager may give advice and take action with respect to any of its other clients which may differ from the advice given to, or the timing or nature of action taken with respect to, the Sub-Account, provided that the Investment Manager allocates investment opportunities among clients on a fair and equitable basis and in accordance with applicable federal regulations.
- B. Nothing in this Investment Management Agreement shall impose upon the Investment Manager any obligation to purchase or sell, or to recommend for purchase or sale, any

security which the Investment Manager, its principal affiliates or employees may purchase or sell for its or their own accounts or for the account of any other client.

Section 9. Allocation of Brokerage

Subject to the following and to the Fund's Broker Dealer Policy (a copy of which is attached), the Investment Manager is authorized to place orders for the execution of securities transactions for the Sub-Account with or through such brokers or dealers as the Investment Manager may select. The Investment Manager may allocate transactions to such brokers or dealers for execution on such markets, at such prices and at such commission rates as in the good faith judgment of the Investment Manager will be in the best interest of the Fund, taking into consideration in the selection of such brokers or dealers not only the available prices and rates of brokerage commissions, but also other relevant factors such as, without limitation, execution capabilities, and, subject to the following sentence, research services provided by such brokers or dealers which are expected to enhance the capabilities of the Investment Manager to serve the Fund. All services provided to the Investment Manager for commissions paid in connection with Fund transactions shall satisfy the requirements of Section 28(e) of the Securities Exchange Act of 1934 and the requirements and restrictions relating to the payment of commissions for the provision of such services under laws applicable to employee benefit plans that are subject to ERISA. Investment transactions may not be executed through the facilities of the Investment Manager or its affiliates unless expressly authorized by the Board of Trustees.

Section 10. Log of Brokerage Transactions

The Investment Manager shall maintain and make available to the Board of Trustees a log of all transactions for the Sub-Account placed through all securities brokerage firms, which log shall reflect the name of the firm, a description of each transaction (including the amount and securities involved), the date and time, if available, of each transaction, and the amount of fees and commissions paid.

Section 11. Proxy Voting

The Investment Manager shall exercise the Fiduciary responsibility for voting all proxies, if any, which are solicited in connection with the Sub-Account. The Investment Manager shall also be responsible for making all elections in connection with any mergers, acquisitions, tender offers, bankruptcy proceedings, or other similar occurrences, which may affect the Sub-Account. The Investment Manager will instruct the Custodian to forward to the Investment Manager all communications received by the Custodian including proxy statements and proxy ballots duly executed by the agent/Custodian. If applicable, the Investment Manager agrees to provide the Board of Trustees with an annual statement of the Investment Manager's proxy voting policies and a summary of how the Fund's proxies were cast.

The summary shall include the following information: the company in which the Fund had the right to cast proxies, the meeting date for the vote, the shareholder of record date, the number of shares voted, an issue identification number (if any), the company's board of directors' recommendations, and how the Fund's proxies were cast. The Investment Manager and the Custodian shall reconcile the proxies solicited with the Fund's holdings as of the record date.

Section 12. Fees

- A. The Investment Manager's compensation shall be determined in accordance with Exhibit B attached hereto and shall be payable quarterly in arrears.
- B. Neither the Investment Manager nor any of its affiliates will receive any brokerage commissions on the purchase or sale of Fund assets or any other fees or compensation in connection with services provided hereunder, except as provided in this Section.
- C. The Investment Manager represents with Exhibit C that no other client having the same investment objective, obtained prior to or subsequent to the Fund becoming a client, will be charged a lower fee for an investment management mandate that has substantially the same strategy and restrictions and having assets equal to or less than the assets of the Fund under management with the Investment Manager (determined by reference to assets measured at the end of each calendar quarter). The Investment Manager agrees to promptly notify the Board of Trustees if, in the future, it provides more favorable fees to any such other client. Should that happen, the Investment Manager agrees that, on the effective date of such an occurrence, the more favorable fee structure shall be applied to this Fund in lieu of Exhibit B.

Section 13. Valuation

When applicable, in computing the market values of all common and preferred stocks in the Sub-Account, each such security listed on any national securities exchange shall be valued as of the close of the market on the valuation date. Listed stocks not traded on such date and all unlisted stocks regularly traded in the over-the-counter market shall be valued at the last closing price furnished to the Investment Manager by the Financial Industry Regulatory Authority, the National Association of Securities Dealers, Inc., the National Quotation Bureau Incorporated, or any similar organization. Corporate and government bonds shall be valued in such manner as determined in good faith by the Investment Manager to reflect their fair market values. Such valuation may incorporate models prepared by bond valuing services, last sale prices for listed securities and over-the-counter bid prices. Any other securities shall be valued in such manner as determined in good faith by the Investment Manager to reflect their fair market values. Should any dispute arise regarding the valuation of a security or bond, the Custodian shall determine the valuation and the Custodian's valuation will control.

Section 14. Authority

The Board of Trustees shall furnish to the Investment Manager certified copies of appointments or designations setting forth the names, titles and authorities of the individuals who are authorized to act on behalf of the Fund with respect to the Sub-Account investments and this Investment Management Agreement, and the Investment Manager shall be entitled to rely upon such information until the Investment Manager receives written notice of a change.

Section 15. Effective Date; Term; Termination

This Investment Management Agreement shall become effective on the date signed by the Investment Manager and shall continue in full force and effect until terminated in accordance with this Section.

This Investment Management Agreement may be terminated by the Board of Trustees effective immediately upon the Investment Manager's receipt of 30 days' advance written notice of termination and by the Investment Manager upon 30 days' advance written notice to the Board of Trustees; provided, however, that at any time without prior written notice, the Board of Trustees may orally direct the Investment Manager to cease its management activities with respect to the Sub-Account, which direction shall be confirmed, in writing, as soon as practicable. Upon such termination, fees of the Investment Manager shall be prorated to the date of termination as specified in the notice of termination.

Section 16. Delegation of Responsibilities

The Investment Manager may, in its sole discretion and if disclosed, retain an affiliate of the Investment Manager to provide administrative services for the Investment Manager, in carrying out its obligations under the terms of this Investment Management Agreement. Any fees payable to such affiliate shall be paid entirely by the Investment Manager. Such affiliate shall be bound by the Standards of Care set forth in Section 3 and the Representations, Warranties and Covenants set forth in Section 4(B).

Section 17. Assignment

Unless expressly consented in writing thereto, either party's assignment (as defined in the Investment Advisers Act of 1940) of this Investment Management Agreement shall automatically terminate this Investment Management Agreement. If the Investment Manager is converted into, merges or consolidates with, or sells or transfers substantially all of its assets or business to another corporation, the resulting corporation or the corporation to which such sale or transfer has been made shall notify the Board of Trustees of such sale or transfer and shall become the Investment Manager hereunder only if the Board of Trustees specifically so consents in writing.

Section 18. Prohibition of Placement Fees

The payment of a placement fee or contingency fee is prohibited. The Investment Manager represents and warrants that no placement fee, finder's fee, commission, referral fee, third party marketing fee, or consideration of any kind has been paid to any individual or entity, other than a bona fide employee working solely for the Investment Manager, resulting from or related to the selection or retention of the Investment Manager by the Fund. The Investment Manager acknowledges that Section 1-145 of the Illinois Pension Code prohibits a person or entity from retaining a person or entity to attempt to influence the outcome of an investment decision of or the procurement of investment advice or services of the Fund for compensation, contingent in whole or in part upon the decision or procurement.

Section 19. Ethics Statement

The Fund will provide the Investment Manager with a copy of its policy relating to ethics and conflicts of interest which shall be adopted and incorporated by reference as Exhibit E.

Section 20. Notices

- A. All notices and instructions with respect to securities transactions or any other matters contemplated by this Investment Management Agreement shall be deemed duly given when delivered to and received by the respective parties as follows:

To the Board of Trustees: The Metropolitan Water Reclamation District Retirement Fund  
Attn: Executive Director, 111 E. Erie Street, Suite 330, Chicago, IL 60611-3154

To the Investment Manager:

Any such notice shall be effective: (a) if sent by certified or registered mail, return receipt requested, by United States express mail, or by courier service, then when actually received; (b) if sent by facsimile transmission, then on the date sent, provided confirmatory notice is deposited in the United States mail, postage prepaid, on said date; or (c) if delivered by hand, then on the date so delivered. The address or addressee to receive notice for any party may be changed by such party from time to time by giving notice in the foregoing manner. Any notice required under this Investment Management Agreement may be waived only in writing, signed by the person entitled to notice.

Section 21. Entire Agreement; Amendment

This Investment Management Agreement as it may be amended in writing, together with the Exhibits annexed hereto, constitutes the entire agreement of the parties hereto; is intended to be the complete and exclusive statement of the terms hereof; and, except as provided in Sections 1 and 2 hereof, may not be modified or amended except by a writing signed by the parties hereto. If any provision of this Investment Management Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, the other provisions shall be considered severable and enforceable.

Section 22. Governing Law; Venue

To the extent not preempted by applicable federal law, this Investment Management Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois, without regard to conflict of laws principles. References herein to provisions of law shall be deemed to include a reference to any amendments thereof and any successor provisions thereto. Venue for any litigation relating to this Investment Management Agreement, including any tort claims arising out of or related to this Investment Management Agreement, is agreed to be the Circuit Court of Cook County, Illinois, or the U.S. District Court for the Northern District of Illinois, Eastern Division.

Section 23. Counterparts

This Investment Management Agreement may be executed in any number of separate counterparts, each of which shall be deemed an original, but the several counterparts shall together constitute but one and the same Investment Management Agreement of the parties hereto.

Section 24. Statutory Provisions

- A. The Investment Manager certifies to the Fund that it is not barred from being awarded a State of Illinois contract or subcontract because of a conviction or admission of guilt for bribery or for bribing an officer or employee of the State of Illinois or any other state in that officer's or employee's official capacity as provided in Section 50-5 of the Illinois Procurement Code, 30 ILCS 500/50-5.
- B. The Investment Manager certifies to the Fund that it is not barred from contracting with any State of Illinois entity because of a violation of either Section 33E-3 (bid-rigging) or 33E-4 (bid-rotating) of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E.
- C. As required by 775 ILCS 5/2-105, to the extent this provision applies to the Investment Manager, the Investment Manager agrees to:
- (i) Refrain from unlawful discrimination and discrimination based on citizenship status in employment and to undertake affirmative action to assure equality of employment opportunity and eliminate the effects of past discrimination;
  - (ii) Comply with the procedures and requirements of the Illinois Department of Human Rights' regulations concerning equal employment opportunities and affirmative action;
  - (iii) Provide such information, with respect to its employees and applications for employment, and assistance as the Illinois Department of Human Rights may reasonably request; and
  - (iv) Have written sexual harassment policies that shall include, at a minimum, the following information or a reasonable equivalent:
    - the illegality of sexual harassment;
    - the definition of sexual harassment under State law;
    - a description of sexual harassment, utilizing examples;
    - the Investment Manager's internal complaint process including penalties;
    - the legal recourse, investigative and complaint process available through the Illinois Department of Human Rights and the Illinois Human Rights Commission; and
    - directions on how to contact the Illinois Department of Human Rights and the Illinois Human Rights Commission;
- D. The Investment Manager shall maintain, for a minimum of six (6) years after all transactions involving the Sub-Account, adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with this Investment Management Agreement. The Investment Manager shall further make all such books, records, and supporting documents related to this Investment Management Agreement available for review and audit as reasonably requested by the auditor of the Fund and by the Illinois Auditor General, shall cooperate fully with any audit conducted by the internal auditor of the Fund and the Illinois Auditor General, and will further provide the internal auditor of the Fund and the Illinois Auditor General full access to all relevant materials. Failure to maintain the books, records, and supporting documents required by this Section shall establish a presumption in favor of the Board of Trustees for the recovery of any funds for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

Section 25. Miscellaneous

- A. The Investment Manager shall not be liable for any costs or damages due to delay or nonperformance under this Investment Management Agreement arising out of any cause or event beyond the Investment Manager's reasonable control, including, without limitation any damages resulting from a computer virus (provided that the Investment Manager has exercised a reasonable standard of care regarding the use of anti-virus software), natural disaster, governmental action, acts of war or terrorist activities.
- B. To help the U.S. government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account, including in connection with this Investment Management Agreement. When the Fund opens an account, the Investment Manager will ask, as applicable, for the name, address, date of birth, and other information that will allow the Investment Manager to identify the Fund pursuant to U.S. federal requirements. The Investment Manager may also ask to see other identifying documents, including driver licenses, to the extent applicable.

IN WITNESS WHEREOF, duly authorized representatives of the Board of Trustees and the Investment Manager have executed this Investment Management Agreement on the day and year signed by the Investment Manager.

The Board of Trustees of the  
Metropolitan Water Reclamation District Retirement Fund

By: \_\_\_\_\_

Title: President \_\_\_\_\_

By: \_\_\_\_\_

Title: Secretary \_\_\_\_\_

INVESTMENT MANAGER

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND  
Chicago, Illinois

Exhibit A

Investment Objectives and Guidelines

[Investment Manager and Fund Consultant will provide]

METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND  
Chicago, Illinois

Exhibit B

Fee Schedule

[Investment Manager will provide]

The Annual Fee Schedule is as follows:

\_\_ basis points (.\_\_%) on the first \$\_\_million in assets under management  
\_\_ basis points (.\_\_%) on the next \$\_\_ million in assets under management  
\_\_ basis points (.\_\_%) on all assets over \$\_\_ million under management

Investment management fees are paid quarterly in arrears (25% of the fee computed above). Assets under management are defined as the sum of the market values of the assets on the last business day of each month within the quarter, divided by three.

METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND  
Chicago, Illinois

Exhibit C

MOST FAVORED CLIENT POLICY

The Metropolitan Water Reclamation District Retirement Fund (“the Fund”) is a governmental retirement system responsible for providing annuities and disability benefits for the employees and retirees of the Metropolitan Water Reclamation District.

The Investment Manager represents, warrants, and agrees that no client of the Investment Manager (i) who is not an affiliate of the Investment Manager and (ii) who has a separate account investment relationship with the Investment Manager having substantially the same investment strategy and restrictions and having assets equal to or less than that of the Fund’s assets under management by the Investment Manager has a comparably based management fee schedule (i.e., performance or flat fee) which is lower than the fee percentage rates of consideration set forth in this Investment Management Agreement.

# METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND

## Exhibit D

### BROKER/DEALER UTILIZATION POLICY

Adopted: December 21, 1994;

Revised: September 23, 2009

The Board of Trustees of the Metropolitan Water Reclamation District Retirement Fund (Fund) encourages the use of registered broker/dealer firms owned by minorities, women and persons with disabilities as defined in the Business Enterprise for Minorities, Women and Persons with Disabilities Act, 30 ILCS 575/0.01, et seq. A minority, woman, or disabled-owned broker/dealer firm is defined as a sole proprietorship, partnership, or corporation owned, operated and controlled by minority group members who have at least 51% ownership.

To assist the Fund in implementing this policy, we urge all of our investment managers to give consideration to these firms to **“execute trades”** for our portfolio. The Fund has a preference to firms that are certified and headquartered in the state of Illinois. However, our preference should not preclude utilization of firms registered and headquartered out of the state. The Fund stresses that the responsibility to achieve the most advantageous financial results and best execution resides with each individual investment manager. The investment manager’s selection of minorities, women and persons with disabilities broker/dealers shall be in accordance with Article I of the Illinois Compiled Statutes (40 ILCS 5/1-101 et seq.), the Investment Act of 1940 and any other applicable securities laws, rules and regulations.

#### **The Fund has established the following annual goals based on its current asset allocation:**

- **Domestic Active Equity Separate Account Managers:** Subject to best execution, each manager shall direct 30% of total commission dollars, on an annual basis, to minority, women and disabled-owned business enterprises.
- **International Equity Separate Account Managers:** Subject to best execution, each manager shall direct 10% of total commission dollars, on an annual basis, to minority, women and disabled-owned business enterprises.
- **Fixed Income Separate Account Managers:** Subject to best execution, each fixed income manager shall direct 20% of eligible fixed income trading volume (par) to minority, women and disabled-owned business enterprises.
- **Commingled/pooled Account Managers:** are directed to use their best efforts to execute trades with minorities, women and persons with disabilities.

**Reporting Guidelines:** Whether using an Illinois firm or otherwise, these trades should be identified in the investment manager’s quarterly report to the Trustees. The quarterly commission report shall include the following:

1. Each broker/dealer’s total shares executed, total trading commissions, average commission cost per share.
2. List separately electronic trading broker/dealer’s total shares executed, total commissions and average commission cost per share.
3. List of broker/dealers used for non directed trades.
4. Research purchased and soft dollar arrangements.

Failure by an investment manager to meet the goals set forth in this policy will be considered as a factor when evaluating overall performance of the investment manager.

The goals in this policy will be reviewed annually.

METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND

Exhibit E

ETHICS POLICY

Adopted: May 26, 2004

*Revised: February 24, 2010*

(Attached)