

## INVESTMENT MANAGER AGREEMENT

THIS INVESTMENT MANAGER AGREEMENT ("Agreement"), made the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, is by and between \_\_\_\_\_ (the "Investment Manager") and the Retirement Board of the PARK EMPLOYEES' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO ("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 Retirement Board may appoint one or more investment managers or investment advisers (referred to herein as "Investment Manager") as fiduciaries to manage, including the power to acquire and dispose of, any assets of the Fund; and

WHEREAS, the Retirement Board 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 herein and in the Investment Guidelines attached to this Agreement; and

WHEREAS, in compliance with its procedures, the Retirement Board voted to appoint the Investment Manager as an investment manager for a portion of the Fund's assets based on the Fund's need and the Investment Manager's qualifications; 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 5/12-101, et seq. and with the terms of this Agreement;

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

### **Section 1. Appointment of Investment Manager**

- A. Pursuant to 40 ILCS 5/1-109.1, and this Agreement, the Retirement Board hereby appoints the Investment Manager to invest and reinvest in cash, cash equivalents, fixed income, equity type securities, and other instruments, of such portion of the Fund's assets as the Retirement Board 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 Retirement Board may withdraw, from time to time. Any such portion(s) of the Fund's assets shall, for purposes of this Agreement, be referred to as the "Sub-Account". The Investment Manager shall for all purposes herein provided be deemed an independent contractor, and, unless otherwise expressly authorized or provided, shall not have authority to act for or represent either the Fund or the Retirement Board in any way or otherwise be deemed an agent of either the Fund or the Retirement Board.

- B. The Investment Manager hereby accepts such appointment and acknowledges that it is a fiduciary in accordance with the Illinois Pension Code, 40 ILCS 5/1-101, et seq. ("Pension Code"), with respect to the Fund and the Sub-Account, and that it assumes the duties, responsibilities, and obligations of such a fiduciary. The Investment Manager further agrees to act in strict adherence to the fiduciary duties imposed by the Pension Code and this Agreement and to provide such investment management services with respect to the Fund and the Sub-Account in accordance with this Agreement.
- C. Subject to this Agreement, the Investment Manager may, in its full discretion and without obligation on its part to give prior notice to the Retirement Board: (i) buy, sell, exchange, convert, tender and otherwise trade in any stocks, bonds or other securities or instruments; and (ii) open brokerage and trading accounts and execute transactions through such accounts established with such brokers or dealers as the Investment Manager may in its sole discretion select, except to the extent otherwise directed by the Retirement Board in writing; provided, however, that all such activities shall be conducted in a manner consistent with the Investment Manager's fiduciary duties, and other obligations hereunder, under the Pension Code and under the Employee Retirement Income Security Act of 1974, (hereinafter "ERISA"), even though the Fund itself is 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 Agreement. The Retirement Board has directed the custodian of the Fund's assets, identified in Section 20 of this Agreement, ("Custodian") 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. The Investment Manager shall not be liable for any act or omission of the Custodian unless it knew or should have known that the act or omission was a breach of the Custodian's obligations to the Fund.

- D. Cash held in the Fund pending direction from the Investment Manager shall be invested and reinvested by the Custodian in its short-term investment fund.
- E. The Investment Manager shall act in accordance with this Agreement; the applicable requirements of: the Pension Code, including but not limited to 40 ILCS 5/1-109, 40 ILCS 5/1-110, 40 ILCS 5/12-101, et seq., and the PEABF Ethics Policy which is attached hereto and incorporated by reference herein as Exhibit A.

**Section 2. Investment Guidelines**

- A. The Fund's Statement of Investment Objectives and Guidelines for the Sub-Account (hereinafter referred to as the "Investment Guidelines") have been provided to the Investment Manger and are attached hereto and incorporated by reference herein as Exhibit B.
- B. The Investment Guidelines and other relevant policies of the Fund are subject to change, and the Retirement Board shall advise the Investment Manager with respect to any amendment of such Investment Guidelines or policies. The Investment Manager will not be held liable to the Fund for non-compliance with any amendment to the Investment

Guidelines or policies if the Retirement Board fails to advise the Investment Manager of such amendment.

- C. The Investment Manager shall recommend to the Retirement Board any material changes to the Investment Guidelines it deems appropriate or necessary.

**Section 3. Standard of Care**

- A. As a fiduciary, 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 imprudent 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 acknowledges its duty of best execution and agrees to use commercially reasonable efforts to obtain the most favorable terms with respect to all transaction on the Fund's behalf.
- F. The Investment Manager shall make every reasonable effort 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.

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

- A. The Investment Manager represents and warrants to the Retirement Board that it is registered and shall remain registered as an investment adviser or that it is a bank, as

defined in the Investment Advisers Act of 1940. 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. Pursuant to Section 5/1-113.14 of the Pension Code the Investment Manager acknowledges that it is a “fiduciary” with respect to the Fund and the Sub-Account within the meaning of the Pension Code, and specifically agrees to perform all of its duties and obligations under this Agreement as a fiduciary. The Investment Manager further warrants that none of the disqualifications described in Section 411 of ERISA apply to the Investment Manager.
- C. The Investment Manager represents and warrants that all statements made and materials provided in response to the Fund’s search for an investment adviser, which described the necessary qualifications and resulted in the Fund and the Investment Manager entering into this Agreement, were and as of the date of this Agreement remain, true and complete. The Investment Manager represents and warrants that its response to the request for proposals and all written and oral presentations to the Retirement Board, upon which the Fund is relying in entering into this Agreement, do not contain any untrue statement of fact or omit to state a fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The Investment Manager shall also be subject to 40 ILCS 5/1-135.
- D. The Investment Manager represents and warrants that it shall secure and maintain at all times during the term of this Agreement, and for a period of five (5) years thereafter, a blanket fidelity bond or bonds in accordance with regulatory mandates and in commercially reasonable amounts to be no less than 5,000,000. If the Investment Manager maintains a blanket fidelity bond or bonds in an amount greater than the minimum required by this subparagraph, then the Investment Manager shall maintain such greater amount for the term of this Agreement. 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 Retirement Board in December of each year. The Investment Manager also acknowledges that the Retirement Board may require the Investment Manager to secure and maintain additional blanket fidelity bond coverage. The Investment Manager agrees that, upon the Retirement Board's request, the Investment Manager shall obtain additional blanket fidelity bond coverage in the amount of and pursuant to the terms and conditions established by the Retirement Board for similarly situated investment managers managing assets of the Fund.

- E. The Investment Manager represents and warrants that it shall secure and maintain at all times during the term of this Agreement, and for a period of five (5) years thereafter, errors and omissions insurance in a commercially reasonable amount to be no less than \$10,000,000, plus \$10 million for each \$100 million or fraction thereof that the market value of the Investment Manager's total assets under management exceeds \$100 million. If the Investment Manager maintains errors and omissions insurance in an amount greater than the minimum required by this subparagraph, then the Investment Manager shall maintain such greater amount for the term of this Agreement. A certificate of insurance with respect thereto shall be provided to the Retirement Board in December of each year. The Investment Manager also acknowledges that the Retirement Board may require the Investment Manager to secure and maintain additional errors and omissions insurance. The Investment Manager agrees that, upon the Retirement Board request, the Investment Manager shall obtain additional errors and omissions insurance coverage in the amount of and pursuant to the terms and conditions established by the Retirement Board for similarly situated investment managers managing assets of the Fund.
- F. The Investment Manager agrees to provide notice within seven (7) days of receipt of a notice of cancellation of either the fidelity bond(s) or the errors and omissions insurance coverage set forth in Paragraphs (D) and (E) of this Section. The Investment Manager further agrees that there will be no "prior acts" exclusion in the event of any change in

either the fidelity bond(s) or errors and omissions insurance policies or the insurance company or companies providing such bond(s) or policies.

- G. The Investment Manager agrees to notify the Retirement Board and its investment consultant in writing within five (5) business days of any material changes in the portfolio manager for the Sub-Account.
- H. Pursuant to Section 1-113.14(c) of the Pension Code, the Investment Manager has disclosed in writing the names and addresses of the following persons or entities: (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 has further disclosed, 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 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.
- I. The Investment Manager represents and warrants that (i) there are no actions, proceedings, or investigations threatened or pending before any tribunal, arbitrator, court or governmental authority, including, without limitation, the SEC, any state securities regulatory authority or any other securities regulatory authority having jurisdiction over the Investment Manager or its affiliates, against or relating to the Investment Manager, or its affiliates, or their officers or directors claiming or alleging fraud, violation of any federal or state securities law, rule, or regulation, or breach of fiduciary duties; and (ii) during the ten (10) year period prior to the date hereof, none of the Investment Manager's or affiliates' officers or directors has been found liable for, nor settled, any such violation in any such action, proceeding, or investigation. The Investment Manager shall notify the

Fund in writing within five (5) business days of any legal actions instituted against the Investment Manager or its officers alleging fraud, violation of any federal or state securities law, rule, or regulation, breach of fiduciary duties or otherwise involving the investment of securities or of any investigations, examinations, or other proceedings commenced by any governmental regulatory agency, including the SEC or any state securities 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.

- J. Pursuant to Section 1-113.21 of the Pension Code, on or about each September 1<sup>st</sup> the Investment Manager shall disclose the number of its investment and senior staff and the percentage of that staff who are a minority person, a female, or a person with a disability. Further, the Investment Manager shall disclose the number of contracts for investment, consulting, professional, and artistic services the Investment Manager has with a minority or female owned business, or a business owned by a person with a disability. The Investment Manager shall also disclose the number of contracts for investment, consulting, professional, and artistic services which the Investment Manager has with a business other than a minority or female owned business, or a business owned by a person with a disability, if more than 50% of the services performed pursuant to that contract are performed by a minority person, a female, or a person with a disability. For the purposes of this subsection, the terms "minority person", "female", "person with a disability", "minority owned business", "female owned business", and "business owned by a person with a disability" have the same meaning as those terms have in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. For the purposes of this subsection, the terms "professional service" and "artistic service" have the same meanings as those terms have in 30 ILCS 500/1-15.60.
- K. The Investment Manager shall comply with all applicable local ordinances, 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 sole responsibility of the Investment Manager.

- L. To the fullest extent permitted under applicable law and notwithstanding any other provision of this Agreement, the Investment Manager shall indemnify and hold harmless the Retirement Board and the Fund, including its employees and agents, for, from and against any losses, damages, costs and expenses (including but not limited to reasonable attorneys' fees, judgments, fines, and amounts paid in settlement) incurred as the result of the Investment Manager's breach of this Agreement. Notwithstanding the foregoing, no indemnified party hereunder shall be entitled to indemnification to the extent that any such loss was directly caused by such party's own gross negligence or willful misconduct.
- M. All disclosures made by the Investment Manager during the procurement and selection process are adopted and incorporated by reference (herein referred to as the "Investment Manager Disclosures" and which are attached as Exhibit C). The Investment Manager further acknowledges that it will 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.
- N. The Investment Manager shall furnish to the Retirement Board, from time to time, evidence as the Retirement Board may reasonably request that the Investment Manager satisfies and continues to satisfy the foregoing requirements. The Investment Manager shall promptly notify the Retirement Board if it has reason to believe that any of the foregoing representations, warranties or covenants may cease to be satisfied.

**Section 5. Representations and Warranties of the Retirement Board**

- A. The Retirement Board represents and warrants to the Investment Manager that the Retirement Board is a fiduciary authorized to enter into this Agreement and to appoint the Investment Manager as its investment manager in accordance with the terms hereof and that the person executing this Agreement for and on behalf of the Retirement Board is authorized to do so.

- B. The Retirement Board represents and warrants to the Investment Manager that if another entity should be substituted for the Custodian as custodian of the Fund's assets, the Retirement Board 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 Agreement.
- C. The Retirement Board represents and warrants to the Investment Manager that it has received a copy of the Investment Manager's ADV Part II within forty-eight (48) hours prior to the execution of this Agreement.
- D. The Retirement Board represents and warrants to the Investment Manager that, as a fiduciary, it is responsible for assuring the Fund's Investment Guidelines are prudent for the Fund's assets.
- E. The Retirement Board represents and warrants to the Investment Manager that the decision to allocate any of the Fund's assets to the Sub-Account is solely the responsibility of the Retirement Board and is independent of the Investment Manager's fiduciary responsibilities as established pursuant to this Agreement.
- F. The Retirement Board represents and warrants to the Investment Manager that it has determined that the initial investment of the Fund's assets in the Sub-Account satisfies applicable provisions of Illinois law.
- G. The Retirement Board represents and warrants to the Investment Manager that the Investment Manager is responsible for diversification or investment requirements applicable to the Fund's assets allocated to the Sub-Account only, and not to the Fund's assets as a whole.
- H. The Retirement Board 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.

**Section 6. Securities and Foreign Exchange Transactions**

Securities and, if permitted by the Investment Guideline, foreign exchange transactions in respect of the Sub-Account shall be made directly to or from the Custodian at the

direction of the Investment Manager. Securities and foreign instructions from the Investment Manager to the Custodian shall be made electronically (via SWIFT) as agreed to by the Custodian and the Investment Manager.

**Section 7. Reports; Meetings**

- A. The Retirement Board shall 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 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 Retirement Board and its investment consultant with, inter alia: on a monthly basis, confirmations of all transactions; a monthly summary of the performance of the Sub-Account; a quarterly summary of returns on investments, including gross and net returns on investments after payment of all fees, commission and other compensation; a monthly report on brokerage activity; an annual report, as provided for in Section 11 herein, regarding the voting of proxies, if any, during a year; an annual report within forty-five (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 to the Fund's investment consultant or its affiliates for conferences, consulting services, brokerage commissions, or for any other purpose, as well as a statement of all such sums paid within the last five (5) years; and all other reports, which are mutually agreeable to the Investment Manager that the Retirement Board or its investment consultant may reasonably request from time to time.
- C. The Investment Manager shall, on at least a monthly basis, reconcile the Sub-Account's market value, income earned, and transaction activity as reported by the Custodian with the records of the Investment Manager. The Investment Manager shall communicate the differences 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 Retirement Board as soon as reasonably possible of unresolved discrepancies between the Investment Manager's records and those of the Custodian. The records of the Custodian shall be the authoritative source for all purposes under this Agreement.

- D. The Retirement Board and the Investment Manager shall meet periodically, at such times as the Retirement Board may reasonably request, concerning the Sub-Account.

**Section 8. Services to Other Clients**

- A. It is understood that the Investment Manager performs investment advisory services for various clients. The Retirement Board agrees 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 Agreement shall impose any obligation on the Investment Manager to purchase or sell, or to recommend for purchase or sale, any security which the Investment Manager, its principal affiliates, or its employees may purchase or sell for its or their own accounts or for the account of any other client.

**Section 9. Allocation of Brokerage**

- A. Subject to the terms of the Pension Code and to the Fund's Brokerage Guidelines which are attached hereto and incorporated by reference herein as Exhibit D, 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.
- B. The Investment Manager may allocate transactions to brokers or dealers for execution on 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 in the industry, but also other relevant factors, including but not limited to execution capabilities, and, subject to the following sentence, research services provided by such brokers or dealers which are expected to enhance directly 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. Securities transactions may not be executed through the facilities of the Investment Manager or its affiliates unless expressly authorized by the Retirement Board. The Retirement Board agrees that the Investment Manager may aggregate sales and purchase orders of securities held in the Sub-Account with similar orders being made simultaneously for other portfolios managed by the Investment Manager if, in the Investment Manager's reasonable judgment, such aggregation shall result in an overall economic benefit to the Sub-Account, taking into consideration the advantageous selling or purchase price, brokerage commission and other expenses, and trading requirements. In accounting for such an aggregated order, price and commission shall be averaged on a per-bond, share or other applicable unit basis daily. The Retirement Board acknowledges that the Investment Manager's determination of such economic benefit to the Sub-Account is based on an evaluation that the Sub-Account is benefited by relatively better purchase or sales prices, lower commission or other transaction expenses and beneficial timing of transactions, or a combination of these and other like or unlike factors.

**Section 10. Log of Brokerage Transactions**

The Investment Manager shall maintain and make available to the Retirement Board a log of all transactions placed through all securities brokerage firms, which reflects the name of the firm, a description of each transaction including the amount and securities

involved, the date and time 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. Subject to the Investment Manager's oversight, the Investment Manager is authorized to delegate the research, voting and record keeping of proxies to a third-party designee ("Designee") provided that the Designee acknowledges in writing its fiduciary status to the Fund and abides by the applicable terms of this Agreement. 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, but it is not authorized to or responsible for initiating or responding to any legal proceedings on behalf of the Sub-Account, including, but not limited to, filing or responding to any class action claims related to a holding in the account. The Investment Manager shall instruct the Custodian or Designee to forward to the Investment Manager all communications received by the Custodian or Designee including proxy statements and proxy ballots duly executed by the Custodian or Designee. If applicable, the Investment Manager agrees to provide the Retirement Board 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 recommendation(s) of the Board of Directors, and how the Fund's proxies were cast. The Investment Manager and the Custodian or Designee 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 the Fee Schedule, which is attached hereto and incorporated by reference herein as Exhibit E,

and such compensation shall be payable quarterly in arrears, and pro-rated for any partial quarter, at a rate determined by the average value of the assets as reported by the Custodian in the Sub-Account on the last business day of each month in the quarter. The fees paid to the Investment Manager shall be the sole cost charged to the Fund for the Investment Manager's services.

- 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 Agreement.
- C. The Investment Manager represents that no other current client having the same investment objective (other than sub-advisory clients and clients with fees based on performance) obtained prior to or subsequent to the Fund will be charged a lower fee for managing substantially the same amount of assets in substantially the same manner (determined by reference to assets measured at the end of each calendar quarter). The Investment Manager agrees to promptly notify the Retirement Board if 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 E.

**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 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 its valuation will control, but the Investment Manager may advise the Custodian if it believes that the valuation is incorrectly sourced or used.

**Section 14. Authority**

The Retirement Board 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 and this 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 Agreement shall become effective on the date signed by the Investment Manager and shall continue in full force and effect for one (1) year, and year to year thereafter, unless terminated prior to such date in accordance with this Section. This Agreement may be terminated by the Retirement Board effective immediately upon the Investment Manager's receipt of written notice of termination, and by the Investment Manager upon sixty (60) days' advance written notice to the Retirement Board; provided, however, the Retirement Board through the Fund's Executive Director or investment consultant may verbally direct the Investment Manager, at any time without prior written notice, 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. Sections 4I, 21, 22, 24, and 25F 5 of this Agreement shall survive termination and shall remain in full force and effect.

**Section 16. Delegation of Responsibilities**

The Investment Manager, in its sole discretion, may, upon written disclosure in accordance with this Agreement, 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 Agreement. Any fees payable to such affiliate shall be paid entirely by the Investment Manager. Such affiliate shall be bound by the terms of this Agreement.

**Section 17. Assignment**

Unless the Retirement Board expressly consents in writing thereto, the Investment Manager's assignment, as defined in the Investment Advisers Act of 1940, of this Agreement shall automatically terminate this 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 Retirement Board of such sale or transfer and shall become the Investment Manager hereunder only if the Retirement Board expressly so consents in writing.

**Section 18. Disclosure of Fees Paid**

- A. The Investment Manager shall disclose in writing to the Fund all direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, that may be paid by or on behalf of the Investment Manager in connection with the Fund's assets being managed by the Investment Manager. The Investment Manager agrees to update such disclosures promptly after a modification of such payments or additional payments are made.
- B. 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 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 Act**

The Investment Manager acknowledges that the Retirement Board and the Fund are subject to 40 ILCS 5/1-125. The Investment Manager further acknowledges that the Fund has adopted an Ethics Policy, which is attached hereto and incorporated by reference as Exhibit A, and the Investment Manager shall not engage in any action that would cause the Board or Fund to violate the Illinois 40 ILCS 5/1-125 or the Ethics Policy. The Investment Manager shall promptly notify the Fund in the event that it believes it has violated either 40 ILC 5/1-125 or the Ethics Policy.

**Section 20. Notices**

- A. All notices and instructions required by this Agreement shall be deemed duly given when delivered to and received by the respective parties as follows:

To the Retirement Board:  
Park Employees' and Retirement Board Employees'  
Benefit and Annuity Fund of Chicago  
Attn: Executive Director  
55 E. Monroe St., Suite 2880  
Chicago, IL 60603.  
Phone: 312-553-9265 Fax: 312-553-9114

To the Investment Manager:

To the Custodian:  
The Northern Trust Company  
Attn: Ms. Anabel Arguello  
333 South Wabash Avenue, 42<sup>nd</sup> Floor  
Chicago, IL 60604  
Phone: 312-444-4513 Fax: 312-557-2710  
Email address: [aa70@ntrs.com](mailto:aa70@ntrs.com)

- B. 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 telecopier or other facsimile transmission, 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 Agreement may be waived only in writing, signed by the person entitled to notice.

**Section 21. Entire Agreement; Amendment; No Waiver.**

This Agreement as it may be amended in writing, together with the Exhibits annexed hereto, constitutes the entire agreement of the parties; is intended to be the complete and exclusive statement of the terms hereof; and, except as provided for herein, may not be modified or amended except by a writing signed by the parties hereto. If any provision of this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, the other provisions shall be considered severable and enforceable. No party hereto waives any right under this Agreement by failure or delay in its exercise. A single or partial exercise of any right does not preclude the later exercise of such right or any other right.

**Section 22. Governing Law; Venue**

This 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 Agreement, including any tort claims arising out of or related to this 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. The Investment Manager submits to the jurisdiction of each such court and waives any claim or defense of inconvenient forum in respect of any such action or proceeding. The rights and remedies in this Agreement are cumulative and not exclusive of any rights or remedies available pursuant to applicable law.

**Section 23. Counterparts**

This 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 agreement of the parties hereto. Transmission by electronic mail,

facsimile or other form of electronic transmission of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

**Section 24. Disclosure of Information**

- A. 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 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 shall 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. The Investment Manager, its senior officials and employees, and any related party shall not in any way use the Confidential Information to the detriment of the Fund or for their own direct or indirect benefit.
- B. The Investment Manager agrees that the Fund is subject to the Illinois Freedom of Information Act (5 ILCS 140) (as amended from time to time, "IL FOIA") and that the Fund is required to disclose to the public certain "public records" (as defined in IL FOIA) unless the disclosure of such public records meets any of the enumerated exemptions set forth in Section 7 of IL FOIA. The Investment Manager further agrees that the Fund is subject to the Illinois Open Meetings Act (5 ILCS 120) (as amended from time to time, "IL OMA") and that the meetings of the Retirement Board are required to be open to the public, unless permitted to be closed pursuant to Section 2 of IL OMA. The Fund acknowledges that the Investment Manager considers certain information related to its investment databases, investment research, and investment processes to be proprietary, confidential and trade secrets. To the extent permitted by FOIA, the Fund agrees to take reasonable steps to assist the Investment Manager in protecting the confidentiality of such information.

**Section 25. Additional Statutory Provisions**

- A. The Investment Manager certifies to the Fund that it is not barred from being awarded a contract or subcontract by the State of Illinois 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 the Fund because of a violation of Article 33 of the Criminal Code of 1961, 720 ILCS 5/33.
- C. The Investment Manager certifies that it is not barred from doing business with the City of Chicago under the Chicago Municipal Code, including but not limited to under Article I of Chapter 1-23 or Section 2-92-320 of the Chicago Municipal Code.
- D. The Investment Manager certifies that it is not an entity chartered under: (i) the Illinois Banking Act, as amended (205 ILCS 5/1 et seq.); (ii) the Illinois Savings Bank Act, as amended (205 ILCS 205/1 et seq.); (iii) the Illinois Credit Union Act, as amended (205 ILCS 305/1 et seq.); or (iv) the Illinois Savings and Loan Act of 1985, as amended (205 ILCS 105/1 et seq.) nor is it a person or entity licensed under (v) the Illinois Residential Mortgage License Act of 1987, as amended (205 ILCS 635/1 et seq.); (vi) the Illinois Consumer Installment Loan Act, as amended (205 ILCS 607 et seq.); or (vii) the Illinois Sales Finance Agency Act, as amended (205 ILCS 606/1 et seq.). If the Investment Manager shall become an entity chartered under or licensed under any of the foregoing provisions, such entity shall provide prompt written notice to the Fund and, thereafter, shall comply with the requirements applicable to it set forth in 40 ILCs 5/1-110.10.
- E. 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 its 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 any Illinois Department of Human Rights; and
  - directions on how to contact the Illinois Department of Human Rights.

F. The Investment Manager shall maintain, for a minimum of ten (10) 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 Agreement. The Investment Manager shall further make all such books, records, and supporting documents related to this Agreement available for review and audit as reasonably requested by the internal or external auditors of the Fund and by the Illinois Auditor General, shall cooperate fully with any audit conducted by the internal or external auditors of the Fund and the Illinois Auditor General, and will further provide the internal or external auditors 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 Retirement Board for the recovery of any funds for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

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

THE RETIREMENT BOARD OF THE PARK  
EMPLOYEES AND RETIREMENT BOARD  
EMPLOYEES ANNUITY AND BENEFIT FUND  
OF CHICAGO

\_\_\_\_\_  
(Investment Manager)

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

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

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

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

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

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