

## **Investment Management Agreement**

by and between

**[Manager Name]**

and the

**Firefighters' Pension Investment Fund**

**[Date]**

# Investment Management Agreement

This Investment Management Agreement (this "**Agreement**") is entered as of [date], by and between [Manager Name], a [organization type, e.g. LLC] formed under the laws of [state of formation] (the "**Investment Manager**"), and the Firefighters' Pension Investment Fund, a public pension investment fund established pursuant to the laws of the State of Illinois ("**FPIF**"), and together with the Investment Manager, the "**Parties**").

## RECITALS

**WHEREAS**, FPIF is a public pension investment fund established pursuant to Article 22C of the Illinois Pension Code, Chapter 40, Act 5, of the Illinois Compiled Statutes (the "**Illinois Pension Code**"); and

**WHEREAS**, FPIF desires to appoint the Investment Manager as an investment manager, and the Parties now desire to enter into this Agreement with respect to such appointment;

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual agreements herein contained, and pursuant to the authority vested in FPIF by the Illinois Pension Code, the Parties agree as follows:

## AGREEMENT

### ARTICLE 1. DEFINITIONS; CONTRACT INTERPRETATION

1.1 **Definitions.** Unless context otherwise requires, capitalized terms used in this Agreement are defined as follows:

"**Agreement**" has the meaning given to that term in the preamble to this Agreement.

"**Confidential Information**" has the meaning given to that term in Section 10.1.

"**Custody Account**" means the custody account established and maintained by the Master Custodian in the name of FPIF, including sub-accounts of such custody account.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**FPIF**" has the meaning given to that term in the preamble to this Agreement.

"**FPIF Indemnified Persons**" has the meaning given to that term in Section 9.1.

"**Fund**" has the meaning given to that term in Section 2.1.

"**Investment Guidelines**" means those investment guidelines set forth in Exhibit A, as the same may be amended from time to time by written notice from FPIF to the Investment Manager.

"**Investment Manager**" has the meaning given to that term in the preamble to this Agreement.

**"Illinois Pension Code"** has the meaning given to that term in the recitals to this Agreement.

**"Losses"** has the meaning given to that term in Section 9.1.

**"Master Custodian"** means the master custodian appointed by FPIF, which, as of the date hereof, is The Northern Trust Company.

**"Parties"** has the meaning given to that term in the preamble to this Agreement.

**"Standard of Care"** has the meaning given to that term in Section 3.1.

**"Termination Date"** has the meaning given to that term in Section 8.2.

**"Termination Invoice"** has the meaning given to that term in Section 8.4.

**"Transition Period"** has the meaning given to that term in Section 8.3.

1.2 **Contract Interpretation.** The Exhibits to this Agreement are incorporated into and made an integral part of this Agreement. The headings of the Articles, Sections and subsections included in this Agreement are for convenience only and shall not be deemed part of this Agreement or be given any effect in interpreting this Agreement. The use of the masculine, feminine or neuter gender herein shall not limit any provision of this Agreement. Unless the context otherwise clearly indicates, each defined term used in this Agreement shall have a comparable meaning when used in its plural or singular form. The words "including," "includes," or "include" are to be read as listing non-exclusive examples of the matters referred to, whether or not words such as "without limitation" or "but not limited to" are used in each instance. Underscored references to Articles, Sections, subsections or Exhibits shall refer to those portions of this Agreement. A reference to any law or to any provision of any law shall include any amendment thereto, and any modification or re-enactment thereof, any law substituted therefor and all rules and regulations thereunder or pursuant thereto. Any reference to a contract or other document as of a given date means the contract or other document as amended, supplemented and modified from time to time through such date. The words such as "herein," "hereinafter," "hereof" and "hereunder" that are used in this Agreement refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

## **ARTICLE 2. APPOINTMENT OF INVESTMENT MANAGER**

2.1 **Appointment.** FPIF hereby appoints the Investment Manager as an investment manager to, in its discretion but subject to the terms of this Agreement, direct the Master Custodian with respect to the investment and reinvestment of such portion of the Custody Account assets as FPIF shall decide from time to time, the proceeds from the sale of such assets and the income and appreciation attributable to such assets, less any assets FPIF may withdraw, from time to time. Any such assets, proceeds and income shall, for purposes of this Agreement, be referred to as the "**Fund**".

2.2 **Investment in Commingled Investment Funds.** If provided for in the Investment Guidelines, then, subject to applicable fiduciary standards, the terms of this Agreement (including the Investment Guidelines), the Investment Manager may invest such portion of the Fund into one or more commingled investment funds selected in writing by FPIF. To the extent that the Fund is invested in commingled investment funds maintained by the Investment Manager, such commingled funds shall be

managed in accordance with the provisions of the instruments establishing such funds, as they may be amended from time to time; *provided* that (a) the Investment Manager shall comply with the Standard of Care and with the representations, warranties and covenants set forth in Section 6.1 and Article 7 with respect to the assets of the Fund invested in such commingled investment funds; (b) the assets invested in such commingled investment funds shall continue to be treated as part of the Fund for other purposes of this Agreement; and (c) FPIF shall not bear any fees or expenses in connection with such investment except as set forth under this Agreement. Furthermore, the terms of any such commingled investment funds shall permit FPIF to fully withdraw from such funds without penalty as needed to comply with the Investment Guidelines, as amended, and upon termination of this Agreement.

**2.3 Independent Contractor; No Agency.** The Investment Manager shall be deemed to be an independent contractor for all purposes herein and, unless otherwise expressly authorized or provided, shall not have authority to act for or represent FPIF or its Board of Trustees in any way or otherwise be deemed an agent of either of them.

**2.4 Compliance with Illinois Pension Code, FPIF Policies, and Investment Guidelines.** Notwithstanding the foregoing provisions of this Article 2 above, the Investment Manager shall act hereunder in accordance with the applicable requirements of the Illinois Pension Code, FPIF's written investment policies and other rules and policies applicable to investment managers, and the Investment Guidelines, as the same may be updated or supplemented from time to time. The Investment Manager acknowledges receipt of copies of all statutes and other documents referenced herein. Updated copies will be maintained on FPIF's website.

**2.5 Master Custodian.** FPIF has directed the Master Custodian, and the Master Custodian has agreed, to act in accordance with the instructions of the Investment Manager. Title to all Fund assets shall at all times be registered in the name of the Fund, or the name of the Master Custodian or its nominee for the account of the Fund, and the indicia of ownership of all Fund assets shall at all times be maintained in trust by the Master Custodian. The Investment Manager shall at no time have custody of or physical control over the Fund assets (other than Fund assets invested in an approved commingled fund managed by the Investment Manager) and the Investment Manager shall not be liable for any act or omission of the Master Custodian.

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

**2.7 Increase or Decrease of Fund.** By written notice to the Investment Manager, FPIF may increase or decrease the assets allocated to the Fund managed by the Investment Manager hereunder. Any such notice shall set forth the amount of any such increase or decrease, in the case of a decrease, the investment assets and amount of cash to be removed from the Fund, the date as of which such increase or decrease shall be effective and such other information that FPIF deems necessary or appropriate. On and after the effective date of any decrease, and except as may otherwise be set forth in such notice, the Investment Manager shall cease to be responsible for future investment of the assets removed from the Fund. To the extent that there are transactions to which the Investment Manager is committed, but which are not at the time of reduction completed, the Investment Manager shall remain responsible for any such incomplete transaction and the assets so committed shall remain in the Fund until such time as the transaction is complete. Subject to the Standard of Care, the Investment Manager shall liquidate any holdings specified by FPIF for sale or liquidation in connection with the Fund reduction. Notwithstanding

the foregoing, the Investment Manager shall be responsible for obtaining best execution in any asset sale of the Fund.

2.8 **Procedures.** All payments, disbursements, receipts and other transactions in cash or securities in respect of the Fund shall be made directly to or from the Master Custodian at the direction of the Investment Manager. Instructions from the Investment Manager to the Master Custodian shall be made in writing sent (a) by first-class mail, (b) electronically as agreed to by the Master Custodian and the Investment Manager, or (c) at the option of the Investment Manager, communicated orally or via facsimile and confirmed in writing as soon as practicable thereafter. The Investment Manager shall instruct all brokers or dealers executing orders on behalf of the Fund to forward to the Master Custodian copies of all brokerage confirmations promptly after the execution of transactions.

2.9 **Services to Other Clients.** It is understood that the Investment Manager performs investment advisory services for various clients. FPIF 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 Fund, provided that the Investment Manager allocates investment opportunities among clients on a fair and equitable basis. In the event the Investment Manager conducts seminars, training sessions or similar events that are generally made available to the Investment Manager's clients, FPIF shall be invited to attend upon the same terms and conditions as such other clients. If the Investment Manager offers to pay the cost of such events incurred by its clients in connection with attending such events, the Investment Manager shall reimburse FPIF for such expenses on the same basis as the Investment Manager reimburses the expenses of its other clients. The costs of any meals provided to FPIF representatives at any such events shall be paid for out of the Management Fee.

2.10 **Allocation of Brokerage.** Subject to the following and to the Standard of Care, the Investment Manager is authorized to place orders for the execution of securities transactions for the Fund with or through such brokers or dealers as the Investment Manager may select. The Investment Manager may allocate transactions to such brokers and 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. In selecting such brokers and dealers, the Investment Manager shall take into consideration the available prices and rates of brokerage commissions, FPIF's Diversity Policy as it pertains to the selection of brokers and dealers, and execution capabilities. 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 (assuming for this purpose that ERISA applied) and the Standard of Care. Investment transactions may not be executed through the facilities of the Investment Manager or its affiliates unless expressly authorized by FPIF.

2.11 **Log of Brokerage Transactions.** The Investment Manager shall maintain, and make available to FPIF, a log of all transactions 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 of each transaction and the amount of fees and commissions paid.

2.12 **Proxies.** All proxies will be voted in accordance with the proxy voting guidelines contained in FPIF's written investment policies, unless otherwise notified in writing by FPIF. FPIF may designate a third party to vote proxies or provide instructions for how proxies will be voted. The Investment Manager shall report to FPIF any proxies voted in respect of the Fund in accordance with [Exhibit B](#).

2.13 **Valuation.** The Master Custodian shall be responsible for computing the market values of all assets in the Fund in accordance with the Master Custodian's valuation policy.

2.14 **Authority.** The names, titles and authorities of the individuals who have actual authority to act on behalf of the Custody Account with respect to the Fund investments and this Agreement are set forth in Exhibit D.

2.15 **Delegation of Responsibilities.** The Investment Manager may, in its sole discretion, 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. For the avoidance of doubt, any fees payable to such affiliate per the preceding sentence shall be paid entirely by the Investment Manager, and the Investment Manager shall remain liable to FPIF for any damages resulting from the acts and omissions of such affiliate.

### **ARTICLE 3. STANDARD OF CARE**

3.1 **Standard of Care.** The Investment Manager accepts its appointment as an investment manager, acknowledges that it is a "fiduciary" with respect to the Fund assets within the meaning of Article 1 of the Illinois Pension Code, represents that none of the disqualifications described in Section 411 of ERISA apply to the Investment Manager (assuming for this purpose that ERISA applied), and specifically agrees to perform its duties under this Agreement 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 an enterprise of like character and with like aims (the "**Standard of Care**").

3.2 **Diversification.** Except as may be set forth in the Investment Guidelines, the Investment Manager shall diversify the Fund assets so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

3.3 **Acting in Beneficiaries' Interest.** The Investment Manager shall discharge its duties hereunder with respect to the Fund assets solely in the interest of, and for the exclusive purpose of providing benefits for, the beneficiaries of the Custody Account and their respective beneficiaries.

### **ARTICLE 4. REPORTS AND MEETINGS**

4.1 **Minimum Required Reports.** The Investment Manager shall provide FPIF and the Master Custodian, as applicable, with the reports set forth on Exhibit B.

4.2 **Other Reports and Information.** In addition, the Investment Manager shall provide FPIF and the Master Custodian, staff, auditors, accountants, and other professional advisors, with such documents, reports, data and other information at such times as FPIF or the Master Custodian may reasonably request. Such information shall be in a form satisfactory to, and approved by, FPIF and agreed to by the Investment Manager in its reasonable discretion.

4.3 **Recordkeeping.** The Investment Manager shall maintain, for a minimum of 10 years after the termination of this Agreement, 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 and shall cooperate fully with any audit conducted by any internal or external auditor of FPIF and will further provide any such auditor full access to all relevant materials. Failure to maintain the books, records, and supporting documents required by this [Section 4.3](#) shall establish a presumption in favor of FPIF for the recovery of any funds authorized to be paid by FPIF under this Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

**4.4 Daily Reconciliation.** The Investment Manager shall perform a daily reconciliation of the Fund's book value, income earned, and transaction activity as reported by the Master Custodian to the records of the Investment Manager. Differences shall be communicated to the Master Custodian in a timely manner. Resolution of differences is the responsibility of the Investment Manager and the Master Custodian. The Investment Manager is responsible for notifying FPIF of unresolved discrepancies between the Investment Manager's records and those of the Master Custodian for as long as they persist. The records of the Master Custodian shall be the authoritative source for all purposes of this Agreement.

**4.5 Meetings.** The Investment Manager shall meet with FPIF periodically, at such times as FPIF may reasonably request, concerning the Fund. The Investment Manager shall regularly consult with FPIF to provide full information regarding portfolio management strategy and analysis, in order to assist FPIF's development of a diversified, skilled, and balanced team approach to investment of its funds. This interface shall include regular telephone communication, exchange of written data and analysis, and other interaction as requested by FPIF. The Investment Manager shall consult with and inform FPIF as requested in development of portfolio investment ideas, strategy and execution, and ongoing evaluation of the strategy and performance of the Fund. The Investment Manager shall attend performance and risk reviews at the offices of FPIF at least annually.

## **ARTICLE 5. FEES**

**5.1 Compensation.** The compensation of the Investment Manager shall be determined in accordance with [Exhibit C](#). All calculations of fees contemplated by this Agreement shall be performed by the Investment Manager (using the valuations provided by the Master Custodian), and promptly following the end of each fee calculation period, the Investment Manager will provide to FPIF an invoice setting forth the Investment Manager's calculation of the amount of the relevant fee showing the methods and sources for determining such valuations and calculations and any work-sheets showing how the valuations and calculations were calculated. FPIF shall pay or direct the Master Custodian to pay such fees to the Investment Manager in cash within 30 days after receipt of the Investment Manager's invoice, subject to (i) FPIF's verification thereof to its reasonable satisfaction and (ii) FPIF's prompt receipt of any requested information from the Investment Manager reasonably necessary to verify such invoice calculations. In the event that FPIF or the Investment Manager disputes any valuation or calculation, it shall notify the other party, and the two parties shall work together (with the Master Custodian) in good faith to determine a valuation or fee mutually acceptable to them. Notwithstanding any other provision of this Agreement, when the nature or amount of such fee is the subject of dispute between the parties, the lower fee calculated by either FPIF or the Investment Manager, as applicable, shall be payable by FPIF in accordance with the terms set forth herein, and the remainder, if any, shall be payable at the time that such dispute is resolved.

**5.2 No Other Compensation.** 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 Article 5 or permitted under Section 2.10.

5.3 **More Favorable Terms.** For so long as this Agreement remains effective, with or without amendment, the Investment Manager agrees to promptly notify FPIF of any fee agreement or arrangement between the Investment Manager and any of its clients with respect to the management of substantially the same amount of assets or less in substantially the same investment strategy that contains terms more favorable than those set forth in the then current compensation agreement with FPIF. Upon receipt of such notice, FPIF shall have 30 days to elect the benefit of any such more favorable terms by providing written notice of such election to the Investment Manager, and the effective date of the resulting fee amendment shall be the date the Investment Manager entered into the more favorable fee agreement or arrangement with its other client(s).

## **ARTICLE 6. REPRESENTATIONS AND WARRANTIES**

6.1 **Representations, Warranties and Covenants of the Investment Manager.** The Investment Manager hereby represents, warrants and covenants to FPIF as follows:

(a) **Registered Investment Adviser or Bank.** The Investment Manager represents and warrants to FPIF that either (i) it is registered as an investment adviser under the Investment Advisers Act of 1940 or (ii) it is a "bank" as defined in the Investment Advisers Act of 1940.

(b) **Bond.** The Investment Manager shall secure and maintain at all times during the term of this Agreement a bond or bonds protecting the Fund assets that meet the requirements of, and in the amount specified under, Section 412 of ERISA and the regulations thereunder (assuming, for this purpose, that ERISA applies to FPIF), and shall include among those covered by such bond or bonds the Investment Manager and any natural person employed by the Investment Manager or its affiliates who is a fiduciary or who handles or controls assets constituting a portion of the Fund.

(c) **Insurance.** The Investment Manager shall secure, and maintain throughout the term of the investment management relationship with FPIF, and for a period of five years thereafter, insurance that satisfies the requirements set forth below and that is provided by insurer(s) rated A- or better by A.M. Best & Company. The Investment Manager shall provide to the Board (a) a certification that the Investment Manager has obtained the requisite ERISA bond and insurance policies as of the effective date of this Agreement naming FPIF as an additional insured; (b) an annual certification that the ERISA bond and insurance requirements continue to be satisfied; and (c) evidence of continued satisfaction of the ERISA bond and insurance requirements upon request. The minimum insurance required for the Investment Manager shall include errors and omissions coverage in an amount equal to the greater of \$5,000,000 or 5% of the Investment Manager's aggregate assets under management, up to a maximum of \$50,000,000 of coverage. The insurance shall protect FPIF against losses from the negligent acts, errors or omissions of the Investment Manager.

(d) **Material Changes.** The Investment Manager shall notify FPIF in writing within five business days of any material changes in senior officers, senior personnel involved in the management of the Fund, ownership of the Investment Manager, significant legal actions instituted against the Investment Manager, or any investigations, examinations, or other proceedings commenced by any governmental regulatory agency which is not conducted in the ordinary course of the Investment Manager's business.



(e) **Compliance with Laws.** 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, and the costs of preparing and filing the same shall be at the Investment Manager's expense.

(f) **Disclosure of Ownership.** On Exhibit E, the Investment Manager has disclosed the names and addresses of (i) the Investment Manager, (ii) any entity that is a parent of, or owns a controlling interest in, the Investment Manager, (iii) any entity that is a subsidiary of, or in which a controlling interest is owned by, the Investment Manager, (iv) any persons who have an ownership or distributive income share in the Investment Manager that is in excess of 7.5%, or (v) any person who serves as an executive officer of the Investment Manager.

(g) **Disclosure of Subcontractors.** On Exhibit G, the Investment Manager (i) has disclosed the names and addresses of all subcontractors that will be providing services under this Agreement and the expected amount of money that each will receive under this Agreement and (ii) agrees to promptly notify FPIF in writing if at any time during the term of this Agreement the Investment Manager adds or changes any subcontractors. A "subcontractor" 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, services used to track compliance with legal standards, and investment fund of funds where the Board of Trustees of FPIF has no direct contractual relationship with the investment advisers or partnerships.

(h) **Diversity.** The Investment Manager's proposal to provide investment management services to FPIF (including through any commingled investment fund investment made by FPIF pursuant to Section 2.2) contains accurate and complete disclosure of the Investment Manager's commitment to diversity as required by Section 1-113.21 of the Illinois Pension Code. The Investment Manager will comply with the applicable provisions of FPIF's Diversity Policy.

(i) **Ongoing Compliance Disclosures.** The Investment Manager will furnish to FPIF, from time to time, such evidence as FPIF may reasonably request that the Investment Manager is in compliance with the requirements of this Agreement set out in this Section 6.1 and in Article 7, and shall promptly notify FPIF if the Investment Manager has reason to believe that any of its representations, warranties or covenants in this Agreement may cease to be satisfied.

**6.2 Representations and Warranties of FPIF.** FPIF hereby represents and warrants to the Investment Manager that:

(a) **Authority.** FPIF hereby represents and warrants to the Investment Manager that the FPIF Board of Trustees is a "named fiduciary" of the Custody Account authorized to enter into this Agreement and to appoint the Investment Manager as its investment manager in accordance with the terms hereof and that each person executing this Agreement for and on behalf of FPIF is authorized to do so and that each signatory hereto is authorized to act on its behalf.

(b) **Master Custodian.** The Master Custodian is the present custodian of the assets of the Custody Account. If another entity should be substituted for the Master Custodian as custodian of the Custody Account, the Investment Manager shall promptly be notified of such substitution and the substituted entity will thereafter be deemed to be the Master Custodian for purposes of this Agreement.

(c) **Form ADV.** If the Investment Manager is registered as an investment adviser under the Investment Advisers Act of 1940, FPIF has received a copy of Part 2 of the Investment Manager's Securities and Exchange Commission Form ADV at least 48 hours prior to execution of this Agreement.

(d) **Prudence of Investment Guidelines.** The FPIF Board of Trustees, as a fiduciary, is solely responsible for assuring the Investment Guidelines are prudent for the Fund's assets.

(e) **Allocation of Assets to the Fund.** The decision to allocate any assets of the Custody Account to the Fund is solely the responsibility of the FPIF Board of Trustees and is independent of the Investment Manager's fiduciary responsibilities as established pursuant to this Agreement, and FPIF has determined that the initial allocation of Custody Account assets to the Fund satisfies applicable provisions of Illinois law.

(f) **Investment Policy.** The FPIF Board of Trustees, as a fiduciary, has adopted an Investment Policy which sets forth the mission statement of FPIF, outlines the investment philosophy and practices of FPIF, defines the role of the Board of Trustees, investment committee and other parties in order to properly administer FPIF, establishes an asset allocation and rebalancing strategy and describes other operational procedures and goals of FPIF. As of the date of this Agreement, the Investment Policy is available on FPIF's website and is subject to change.

## **ARTICLE 7. STATUTORY COMPLIANCE**

7.1 **Disclosure of Commissions and Expenses.** The Investment Manager agrees to provide full disclosure to FPIF of 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 provisions of services to FPIF. Such disclosure shall be updated promptly upon the FPIF's request. This Section 7.1 is intended only to require disclosure and does not permit compensation that is not otherwise permitted by Article 5.

7.2 **Debarment.** The Investment Manager certifies that it is not barred from being awarded a contract or subcontract with an Illinois government entity 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 or employee's official capacity. The Investment Manager certifies that it is not barred from contracting with FPIF 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).

7.3 **Drug Free Workplace.** The Investment Manager certifies that, to the extent Illinois law applies, it will provide a drug free workplace by engaging in the conduct prescribed in Section 3 of the Drug Free Workplace Act (30 ILCS 580/3).

7.4 **Boycotts.** The Investment Manager certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provisions of the U.S. Export Administration Act of 1979 or the regulations of the U.S. Department of Commerce promulgated under that Act.

7.5 **Non-Discrimination.** To the extent Illinois law is applicable, as required by 775 ILCS 5/2-105, the Investment Manager agrees to: (i) refrain from unlawful discrimination and discrimination based on citizenship status in employment and 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 assistants 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 (1) the illegality of sexual harassment; (2) the definition of sexual harassment under Illinois law; (3) a description of sexual harassment, utilizing examples; (4) the Investment Manager's internal complaint process including penalties; (5) the legal recourse, investigative and complaint process available through the Illinois Department of Human Rights and the Illinois Human Rights Commission; (6) directions on how to contact the Illinois Department of Human Rights and the Illinois Human Rights Commission; and (7) protection against retaliation as provided by Section 6-101 of the Illinois Human Rights Act. A copy of the policies shall be provided to the Illinois Department of Human Rights upon request.

7.6 **Solicitation of Fund Employees.** The Investment Manager agrees to notify the FPIF Ethics Officer if it solicits or intends to solicit for employment any of the employees of FPIF during the term of this Agreement, other than by public job postings and general recruitment methods not targeted at FPIF employees.

7.7 **Illinois Finance Entity.** The Investment Manager certifies it is not an Illinois Finance Entity as defined in 40 ILCS 5/1-110.10.

7.8 **FEIN; Entity Type.** The Investment Manager certifies that its correct Federal Taxpayer Identification Number is [\_\_\_\_]. The Investment Manager is doing business as a [partnership, corporation or other entity type].

7.9 **Contingent Compensation.** The Investment Manager represents, warrants and covenants that it has not retained, and will not retain, a person or entity to attempt to influence the outcome of an investment decision of or the procurement of investment advice or services of FPIF or any other retirement system, pension fund, or investment board of the Illinois Pension Code for compensation, contingent in whole or in part upon such decision or procurement, and certifies that no fees, commissions, or payments of any type have been or will be paid to any third party in connection with this Agreement, except as set forth herein. The Investment Manager shall promptly notify FPIF if it ever has reason to believe that this certification is no longer accurate.

7.10 **Political Contributions.** The Investment Manager (a) certifies that, since a procurement process for this Agreement was commenced, neither the Investment Manager nor any of its affiliated persons or affiliated entities (as those terms are defined in Section 50-37 of the Illinois Procurement Code, 30 ILCS 500/50-37) has made any contribution to (i) any political committee established to promote the candidacy of the incumbent Governor of Illinois or of any declared candidate for such office or (ii) any political committee established to promote the candidacy (for any public office) of any incumbent member of the Board or of any other person who has declared to be seeking election or appointment to the Board; and (b) agrees to refrain from making any contribution described in subsection (a) of this paragraph until the expiration or termination of this Agreement, and that this Agreement shall be voidable at the discretion of FPIF upon the FPIF's determination that a violation of this paragraph has occurred.

## **ARTICLE 8. EFFECTIVE DATE; TERM; TERMINATION**

8.1 **Term.** This Agreement shall become effective on the date first above written and shall continue in full force and effect until terminated in accordance with Section 8.2.

8.2 **Termination.** This Agreement may be terminated (a) by FPIF at any time upon written notice to the Investment Manager, effective immediately upon the receipt of such notice or upon such later date as is specified by FPIF in such written notice, or (b) by the Investment Manager at any time upon 60 days' written notice to FPIF. If either party terminates this Agreement, and unless otherwise expressly directed by FPIF and as provided in Section 8.3, the Investment Manager shall take all necessary steps to stop services under this Agreement on the effective date of termination (the "**Termination Date**").

8.3 **Transition.** In the event of any termination of this Agreement, all of the terms and conditions herein shall continue to apply up to and including the Termination Date and, if requested by FPIF, through any period following such Termination Date during which the Investment Manager shall continue to perform the services required under this Agreement in accordance with the fiduciary duties and obligations set forth herein in order to complete any transactions pending on the Termination Date and, if applicable, to facilitate an orderly transition to another investment manager appointed by FPIF (the "**Transition Period**"). FPIF and the Investment Manager, each acting in good faith, shall mutually agree on the length of the Transition Period; *provided* that such Transition Period shall not exceed 90 days after the Termination Date. During such Transition Period, the Investment Manager shall continue to serve as an investment manager hereunder at the then-existing compensation level for the duration of the Transition Period. The Investment Manager shall cooperate with FPIF and the Master Custodian in good faith to effect a smooth and orderly transfer of such services and all applicable records.

8.4 **Termination Invoice.** Following the Termination Date, the Investment Manager shall submit to FPIF the Investment Manager's final invoice ("**Termination Invoice**"). The Termination Invoice shall prorate the Investment Manager's fees in accordance with Exhibit C and shall include the Investment Manager's compensation, if any, during the Transition Period in accordance with Section 8.3. The Investment Manager shall submit such Termination Invoice no later than 30 days after the later of the Termination Date or the end of the Transition Period. Upon the Investment Manager's failure to submit its Termination Invoice within the time allowed, FPIF may determine, on the basis of information available to it, the amount, if any, due to the Investment Manager and such determination shall be deemed final. After FPIF has made such determination, or after the Investment Manager has submitted its Termination Invoice, FPIF shall authorize payment to the Investment Manager.

## **ARTICLE 9. INDEMNIFICATION**

9.1 **Indemnification by the Investment Manager.** The Investment Manager shall defend, indemnify and hold harmless FPIF and its affiliates, and FPIF's and all such affiliates' respective employees, officers, trustees and directors (collectively, the "**FPIF Indemnified Persons**") against, any and all loss, claims, damages, liabilities joint and several, expenses, judgments, fines, settlements and other amounts ("**Losses**") that any FPIF Indemnified Person may incur or suffer as a result of (a) any breach by the Investment Manager of the fiduciary standards, (b) any material misrepresentation made by the Investment Manager to FPIF and (c) and material breach by the Investment Manager of Article 10.

9.2 **No Indemnification by FPIF.** FPIF maintains that the Illinois Pension Code may limit its authority to indemnify third parties. The Investment Manager acknowledges and agrees that FPIF shall not have any obligation to indemnify any party pursuant to this Agreement or the transactions contemplated hereby to the extent prohibited by laws, statutes, regulations and judicial interpretations. In addition, the Investment Manager agrees that it shall not create any direct indemnification obligation on behalf of FPIF in respect of any investment by the Fund.

## **ARTICLE 10. CONFIDENTIALITY**

10.1 **Confidential Information.** The Investment Manager shall retain as strictly confidential all information about FPIF, this Agreement, the Fund, and financial transactions regarding the Fund received in performing services contemplated by this Agreement (collectively, “**Confidential Information**”); *provided*, however, that such restrictions shall not apply to any disclosure required by regulatory authorities, applicable law or the rules of any securities exchange which may be applicable; and *provided* further that the Investment Manager may provide information regarding investment positions held by FPIF and the performance of the Fund to the Master Custodian, auditors and other authorized agents of such persons. The Investment Manager shall inform all of its agents of the confidentiality provisions of this Agreement, and the Investment Manager shall be liable for and shall indemnify FPIF for any breaches of such confidentiality provisions of this Agreement by any such agents in accordance with and subject to the limitations in Section 9.1.

10.2 **Use of Proprietary Information.** Each of the Investment Manager and FPIF acknowledges that, during the term of this Agreement, each party will have access to confidential and proprietary information of the other party, including information regarding investment and trading strategies, investments made and positions held by clients and funds and any information relating to the assets in the Fund furnished to FPIF and/or the Investment Manager by any brokers or custodians. Such confidential information of either party (including, for the avoidance of doubt, the terms of this Agreement) may not be used in any way by the other party for its own private, commercial, or marketing purposes or, directly or indirectly, disclosed to or discussed with any other person or entity, except those directors, officers, employees or agents of each party whose access to such information is reasonably necessary to enable each party to perform its services as contemplated under this Agreement, as otherwise required by applicable law, including without limitation as described in this Article 10, or as otherwise provided herein.

10.3 **Public Record Laws.** The Investment Manager acknowledges that FPIF has advised the Investment Manager that FPIF is a “public body” subject to the Illinois Freedom of Information Act (5 ILCS 140), which provides generally that all records relating to a public body’s business are open to public inspection and copying unless exempted under such act, and the Illinois Open Meetings Act (5 ILCS 120), which provides generally for open meetings for public bodies, and record retention requirements applicable to agencies of the State of Illinois. Accordingly, FPIF is not required to maintain the confidentiality of non-public information that is furnished by the Investment Manager to FPIF to the extent that FPIF believes, after due inquiry, that it is required to disclose such information pursuant to the Illinois Freedom of Information Act, Illinois Open Meetings Act and other applicable laws.

10.4 **Disclosure of Agreement and Terms.** Without limiting the generality of Section 10.3, the Investment Manager acknowledges that a description of this Agreement may be posted on FPIF’s website, including the name of the Investment Manager, the total amounts applicable to this Agreement, the total

fees paid or to be paid under this Agreement and a disclosure describing the factors that contributed to the selection of the Investment Manager.

10.5 **Marketing.** Without the prior written consent of FPIF, the Investment Manager and its affiliates shall not use the name of FPIF, the State of Illinois, or any of their affiliates, or any name derivative thereof, in any offering material, press release, brochure, notice, publication or marketing presentation, including any written or oral communication made in connection with the offering of interests in any fund, account or other investment vehicle, except as may be expressly permitted in writing by FPIF.

## **ARTICLE 11. MISCELLANEOUS**

11.1 **Eleventh Amendment Immunity.** FPIF reserves, and the Investment Manager recognizes such reservation of, all immunities, defenses, rights or actions arising out of FPIF's sovereign status, including those arising under the Eleventh Amendment to the United States Constitution. No provision of this Agreement or any other agreement related to this Agreement shall be construed as a waiver or limitation of the immunities, defenses, rights or actions described in the previous sentence.

11.2 **Non-Assignability.** No assignment of this Agreement shall be made by the Investment Manager without the written consent of FPIF.

11.3 **Notices.** All notices, instructions and advices with respect to securities transactions or any other matters contemplated by this Agreement shall be deemed duly given if delivered to the following address, as applicable:

**To FPIF:**

Firefighters' Pension Investment Fund  
1919 S. Highland Avenue, Building A Suite 237  
Lombard, IL 60148  
Attn: Executive Director  
E-mail: watwood@ifpif.org

**To the Investment Manager:**

[REDACTED]  
[REDACTED]  
Attn: [REDACTED]  
E-mail: [REDACTED]

**To the Master Custodian:**

The Northern Trust Company  
50 S. LaSalle Street  
Chicago, IL 60603  
Attn: Anton Britton, Senior Vice President  
E-mail: ajb10@ntrs.com

Any such notice shall be effective: (a) if sent by certified or registered mail, return receipt requested, by United States express mail, by courier service, then when actually received; (b) if sent by telecopier or other

facsimile transmission, then on the date sent, provided that a confirmation receipt is obtained); (c) with respect to any party for which an e-mail address is included in this Section 11.3, if sent by e-mail, on the date sent (provided that confirmed receipt is obtained), or (d) 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 a writing signed by the person entitled to notice.

11.4 **Entire Agreement; Amendment.** This Agreement, together with the exhibits and schedule 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 explicitly provided herein, may not be modified or amended except by a writing signed by the parties hereto.

11.5 **Governing Law; Venue.** This Agreement shall be enforced, governed and construed in all respects in accordance with, the laws of the State of Illinois to the extent such laws are not pre-empted by the laws of the United States of America. The Investment Manager hereby agrees to file any suit against FPIF in, and in respect of any suit, action, claim or proceeding brought by FPIF arising out of, or in connection with, this Agreement against the Investment Manager submits to (and consents and waives any objection to) the jurisdiction of, the Eighteenth Judicial Circuit of Illinois (DuPage County).

11.6 **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.

11.7 **Headings; Interpretation.** The headings in this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof. Each party hereto and its counsel have participated fully and equally in the review and negotiation of this Agreement. The language in all parts of this Agreement shall in all cases be construed according to its fair meaning, and not strictly for or against any party hereto. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement.

*[Signature page immediately follows]*

**IN WITNESS WHEREOF**, FPIF and the Investment Manager have each executed this Agreement by their respective duly authorized officers, effective as of the day and year first above written.

**THE BOARD OF TRUSTEES OF THE FIREFIGHTERS'  
PENSION INVESTMENT FUND**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

**[INVESTMENT MANAGER NAME]**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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



## EXHIBIT A INVESTMENT GUIDELINES

**Investment Manager:** [Manager Name]

**Asset Class:** [Portfolio Category]

**Effective Date:** [Insert Date]

**1. Authorized Investments.** Subject to the terms and conditions of this Agreement, the Investment Manager may, in its full discretion and without obligation on its part to give prior notice to the Master Custodian or FPIF, buy, sell, exchange, convert, tender and otherwise trade in:

[Insert description of stocks, bonds or other securities/instruments. If the Fund is to be invested in foreign securities or other assets, include an obligation to direct the Master Custodian to convert foreign currencies received in connection with the Fund assets into US dollars.]

**2. Diversification.** The Investment Manager shall diversify the Fund assets so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

**3. Investment Restrictions.** The Investment Manager may not, on behalf of the Fund:

3.1. Engage in short selling.

3.2. Purchase interests in any commingled investment fund other than the fund(s) identified below: [insert specific commingled investment funds to be permitted].

## **EXHIBIT B REPORTS**

- A. The Investment Manager shall provide:
1. a report of all transactions;
  2. a regular e-mail report to the Master Custodian as required by the Master Custodian of the net asset value of the Fund's interest in any commingled funds;
  3. monthly statements, including:
    - a. information agreed to by FPIF and the Investment Manager related to holdings underlying any commingled fund, mutual fund or other commingled fund approved for investment, electronically transmitted to FPIF and the Master Custodian within four business days following month-end for developed markets and within seven business days for emerging markets (except that in the case of an exchange traded fund, information about the underlying holdings do not need to be reported); and
    - b. the number of units and market values of Fund assets invested in a commingled fund as of month end transmitted to FPIF and the Master Custodian;
  4. a quarterly report containing:
    - a. a summary of the gross and net performance of the Fund assets relative to the Fund's benchmark and a schedule setting forth (i) all direct and indirect fees, commissions, penalties, and other compensation paid by or on behalf of the Investment Manager in connection with the provision of services contemplated by this Agreement, (ii) the date and amount of each such payment, and (iii) the name and address of each recipient of each such payment. All returns on investment shall be reported as net returns after payment of all fees, commissions, and any other compensation;
    - b. a report regarding the voting of proxies (if any) during the quarter, in accordance with this Agreement;
    - c. for each commingled investment fund (including any exchange traded fund) in which the Fund has an interest, an itemization and reporting of the amount of all fees and expenses incurred by the Fund that are not absorbed by the Investment Manager, including, without limitation, any management, advisory, custody, audit, accounting, proxy voting, transfer agent, interest, taxes, legal expenses, contribution and withdrawal fees and costs (whether such fees or expenses are normal or extraordinary) incurred by FPIF, the Fund or a the commingled investment fund;
  5. an annual report within 45 days after the end of each calendar year containing a detailed statement of the affairs of the Fund, including:

- a. for each commingled fund in which the Fund has an interest a Statement on Standards for Attestation Engagement (SSAE) No. 16 report of actions taken by the Investment Manager to determine that its system of internal control is effective in meeting its objectives, including operations, financial reporting, and compliance objectives;
  - b. a statement of income and expenditures and assets and liabilities; and
  - c. a delineation of all services provided, and the dollar value thereof, received for commissions paid in connection with Fund transactions ("soft dollars"), as well as the amount of such soft dollars available to the Investment Manager, but unused, for the purchase of research or other services, together with an explanation of any firm soft dollar policies and procedures not fully described in the Form ADV submitted to FPIF;
6. the Investment Manager's most recently filed annual ADV for each calendar year within 30 days after it is filed;
  7. reports of brokerage transactions as requested;
  8. an annual Compliance Certificate in the form provided as Exhibit E;
  9. all other reports that FPIF may reasonably request from time to time, which may include a list of any forbidden entities or scrutinized companies (each as defined in Exhibit A) held by any commingled fund held by the Fund; and
  10. any other reports required in Exhibit A.
- B. The Investment Manager shall notify FPIF in writing within five business days of any material changes in senior officers, senior personnel involved in the management of the Fund, ownership of the Investment Manager, significant legal actions instituted against the Investment Manager, or any investigations, examinations, or other proceedings commenced by any governmental regulatory agency which is not conducted in the ordinary course of the Investment Manager's business.
- C. The Investment Manager will furnish to FPIF, from time to time, such evidence as FPIF may reasonably request that the Investment Manager is in compliance with the requirements of the Agreement, and shall promptly notify FPIF if the Investment Manager has reason to believe that any of its representations, warranties or covenants in this Agreement may cease to be satisfied.
- D. The Investment Manager will keep FPIF apprised of relevant information regarding its organization, personnel and investment strategy. The Investment Manager will notify FPIF (i) on a best efforts basis within five business days of the departure, death or incapacity of any senior investment / business personnel involved in the relevant investment process, and (ii) as soon as practicable of any other material organizational changes or events that could adversely affect the Investment Manager's ability to provide the services set forth in the investment agreement between the Investment Manager and FPIF.
- E. The Investment Manager shall notify FPIF within three business days of learning that (a) any of the representations and warranties of the Investment Manager are no longer true, accurate or complete or (b) the Investment Manager has breached any of its obligations under this Agreement.

**EXHIBIT C  
FEE SCHEDULE**

## **EXHIBIT D AUTHORITY**

The individuals listed below are authorized to provide instructions on behalf of FPIF. Instructions shall be in writing and transmitted by mail, telecopy, or e-mail; *provided*, however, that the Investment Manager may, in its discretion, accept verbal instructions subject to written confirmation of the same from the authorized individual. The Investment Manager may rely on the written instructions received from any one of these authorized individuals unless notified to the contrary.

**Executive Director and Chief Investment Officer:**

William R. Atwood

Telephone:

630-576-1035

E-mail:

watwood@ifpif.org

Signature:

\_\_\_\_\_

[Insert Other Authorized Officers]

**EXHIBIT E**  
**COMPLIANCE CERTIFICATE**

As a duly authorized officer of [Manager Name] (the "Investment Manager"), I hereby certify that I am familiar with that certain Investment Management Agreement dated [Date], as may be amended from time to time (the "Agreement") between the Firefighters' Pension Investment Fund ("FPIF") and the Investment Manager relating to investment of certain FPIF funds by the Investment Manager. In addition, to the best of my knowledge after diligent inquiry, I hereby certify to FPIF that:

- (a) All investments of FPIF's funds made by the Investment Manager during the fiscal year ending June 30, [Year], were made within the applicable Investment Guidelines incorporated in the Agreement at the time each investment was made, except as set forth below.
- (b) All current investment holdings in FPIF's portfolio managed by the Investment Manager are in compliance with Investment Guidelines currently applicable under the Agreement, except as set forth below.
- (c) During the fiscal year ending June 30, [Year], no member of the FPIF Board of Trustees, or key staff of FPIF, and no person claiming to represent or have influence with the FPIF Board of Trustees has contacted the Investment Manager with respect to a financial transaction or solicitation that is not solely on behalf of FPIF's business with the Investment Manager, except as set forth below.
- (d) The Investment Manager acknowledges that it is a fiduciary with respect to FPIF. The Investment Manager is in compliance with the Standard of Care and all representations, warranties and covenants in the Agreement that apply to the Investment Manager, except as set forth below. Current insurance coverage with an insurer rated A- or better by A.M. Best & Co. and applicable to FPIF and the Fund is as follows: [Please attach ERISA bond and insurance certificates.]
- (e) The Investment Manager is not an Illinois Finance Entity as defined in 40 ILCS 5/1-110.10.

Errors and Omissions dedicated to the Agreement:	Date of expiration: _____
Per occurrence limit: _____	
Annual Aggregate: _____	
Directors and officers liability: _____	Date of expiration: _____
Brokers blanket bond or similar coverage: _____	Date of expiration: _____
ERISA bond coverage: _____	Date of expiration: _____
Other: _____	Date of expiration: _____

Exceptions: (Attach a separate sheet if necessary.)

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT F  
NAMES AND ADDRESS OF PARTIES  
DESCRIBED IN SECTION 6.1(F)**

**EXHIBIT G**  
**NAMES AND ADDRESS OF SUBCONTRACTORS**  
**DESCRIBED IN SECTION 6.1(G)**