

INVESTMENT MANAGEMENT AGREEMENT

THIS INVESTMENT MANAGEMENT AGREEMENT (the "Agreement") made the ____ day of _____ 20__ by and between _____ (the "Investment Manager") and the Board of Trustees of the Metropolitan Water Reclamation District Retirement Fund (the "Board of Trustees" or the "Fund") a governmental retirement fund established pursuant to the laws of the State of Illinois.

WITNESSETH:

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

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

WHEREAS, a description of the services to be performed, the need for services, the qualifications necessary, the plan for post-performance review, and the mutually agreed upon performance objectives within the stated guidelines are set forth in the Fund's Investment Policy, this Agreement, and the Investment Objectives and Guidelines (Exhibit A) attached to this Agreement;

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

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

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

Section 1. Appointment of Investment Manager

- A. Pursuant to 40 ILCS 5/1-109.1, the Board of Trustees hereby appoints the Investment Manager as an investment manager to, in the Investment Manager's sole discretion, direct the Fund's Custodian ("Custodian"), to invest and reinvest, subject to Exhibit A (Investment Objectives and Guidelines), such portion of the assets subject to the Custody Agreement (hereinafter referred to as "Trust Assets") as the Board of Trustees shall decide from time to time, the proceeds from the sale of such assets, and the income due and appreciation attributable to such assets, less any assets the Board of Trustees may withdraw, from time to time. For purposes of this Agreement, any such portion of the Trust Assets shall be referred to as the "Sub-Account". The Investment Manager shall for all purposes herein provided be deemed to be an independent contractor and, unless otherwise expressly authorized or provided, shall not have authority to act for or represent the Fund or its Board of Trustees in any way or otherwise be deemed an agent of either of them.
- B. Notwithstanding the provisions of Section 1(A) above, the Investment Manager shall act hereunder in accordance with the applicable requirements of: the Illinois Pension Code, including but not limited to 40 ILCS 5/1-110, 5/1-110.10, and 5/1-113; the mutually agreed upon Investment Objectives and Guidelines for the Sub-Account (hereinafter referred to as the "Investment Guidelines"), which are attached and incorporated by reference as Exhibit A; and the Board of Trustees' Broker/Dealer Utilization Policy, which is adopted and incorporated by reference, and can be found on the Fund's website at:

<https://mwrdrf.org/financial-and-investment-related/policies/>.

- C. The Investment Manager acknowledges and agrees that it has received a copy of the Fund's Investment Policy, which is adopted and incorporated by reference, and is available on the Fund's website at <https://mwrdrf.org/financial-and-investment-related/policies/>, and that such Investment Policy is subject to change. As detailed in the Investment Policy and required by Sections 1-113.6 and 1-113.17 of the Illinois Pension Code, decision-useful sustainability factors will be considered by the Investment Manager within the bounds of financial and fiduciary prudence, including but not limited to (i) corporate governance and leadership factors; (ii) environmental factors; (iii) social capital factors; (iv) human capital factors; and (v) business model and innovation factors, as provided for under the Illinois Sustainable Investing Act, 30 ILCS 238/1, et seq.
- D. 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., 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 in accordance with the Illinois Pension Code and this Agreement.
- E. Subject to this Agreement, the Investment Manager may, in its full discretion and without obligation on its part to give prior notice to the Custodian or the Board of Trustees: (i) invest in accordance with the Investment Guidelines, and (ii) execute transactions through accounts established by the Custodian at the direction of the Investment Manager with such brokers or dealers as the Investment Manager may in its sole discretion select, except to the extent otherwise directed by the Board of Trustees in writing; provided, however, that all such activities shall be conducted in a manner consistent with the Investment Manager's fiduciary and other obligations hereunder and under the Pension Code and under the Employee Retirement Income Security Act of 1974 and interpretations thereof and regulations and exemptions thereunder (collectively, hereinafter "ERISA"), even though the Fund is itself exempt from the requirements of ERISA. The Investment Manager may, if authorized by Exhibit A, 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 Board of Trustees has directed the Custodian, and the Custodian has agreed, to act in accordance with the instructions of the Investment Manager. Title to all assets in the Sub-Account shall at all times be registered in the name of the Fund, or the name of the Custodian or its nominee for the account of the Fund, and the indicia of ownership of all assets in the Sub-Account shall at all times be maintained in trust by the Custodian. The Investment Manager shall at no time have custody of or physical control over the Sub-Account. 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.

- F. Cash held by the Fund pending direction from the Investment Manager shall be invested and reinvested by the Custodian, without instruction or direction from the Investment Manager, in accordance with the Fund's custody agreement with the Custodian.

Section 2. Investment Guidelines

The Board of Trustees may from time to time amend the Investment Guidelines. In the event that the Board of Trustees desires to change or modify the Investment Guidelines it shall notify the Investment Manager in writing at least thirty (30) days' prior notice of such change or modification.

Section 3. Standard of Care

- A. As a fiduciary under the Illinois Pension Code, 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 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 acknowledges that the Fund is a tax-exempt entity under Section 501(a) of the Internal Revenue Code and that it has never been subject to, and is unlikely to be subject to, any tax withholding requirements of the U.S. federal, state, or local laws. The Investment Manager shall use its best efforts to not make investments that would generate taxable income, including but not limited to unrelated business taxable income, and shall promptly notify the Fund if, at any time, the Investment Manager receives notice or becomes aware that the Fund is required to pay taxes to any government or to file any returns or other tax documents with respect to income or gains earned by the Sub-Account.

Section 4. Disclosure and Protection 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 disclose to third parties that the Fund is one of the Investment Manager's clients, but the Investment Manager agrees that such disclosure will be limited to supplying the name of the Fund, the product utilized, and the assets under management.

- 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 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, privileged, or confidential and trade secrets the disclosure of which would cause competitive harm to the Investment Manager. The Investment Manager shall mark each page of each document that contains such information. 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. Notwithstanding the foregoing, the Investment Manager agrees and acknowledges that the Investor may disclose under the IL OMA and IL FOIA information that the Investment Manager deems as proprietary, privileged, or confidential and trade secrets and that any disclosure in compliance with the IL OMA and IL FOIA by the Investor shall not constitute a breach of this Agreement.
- C. The Investment Manager will at all times maintain a business contingency plan and a disaster recovery plan and will take commercially reasonable measures to maintain and periodically test such plans. The Investment Manager shall implement such plans following the occurrence of an event which results in an interruption or suspension of the services provided by the Investment Manager.
- D. The Investment Manager will retain a firm of independent auditors to perform an annual review of certain internal controls and procedures employed by the Investment Manager and issue a standard System and Organization Controls Type 1 and Type 2 reports based on such review. The Investment Manager will provide a copy of the reports to the Fund.
- E. The Investment Manager shall ensure that its information technology systems meet or exceed industry best practices related to cyber-security, including but not limited to the U.S. Department of Labor’s Cybersecurity Program Best Practices and the requirements of the State of Illinois Cybersecurity Strategy and the NIST Cybersecurity Framework. In addition, the Investment Manager shall maintain commercially reasonable information security systems and controls, which include administrative, technical, and physical safeguards that are designed to: (i) maintain the security and confidentiality of the Fund’s data; (ii) protect against any anticipated threats or hazards to the security or integrity of the Fund’s data, including appropriate measures designed to meet legal and regulatory requirements applying to the Investment Manager; and (iii) protect against unauthorized access to or use of the Fund’s Assets or data.
- F. The Investment Manager shall at all times employ a current version of one of the leading commercially available virus/malware detection software programs to test the hardware and software applications used by it for the presence of any computer code designed to disrupt, disable, harm, or otherwise impede operation or to compromise the Fund’s Assets.
- G. If an incident compromises the security, confidentiality, or integrity of the Fund’s Assets or MWRDRF data, Investment Manager shall notify the Fund in writing of such breach as

soon as practicable, but no later than one Business Day after Investment Manager becomes aware of it. Such notice shall summarize in reasonable detail the nature of the information or data that may have been exposed. Investment Manager shall at its own expense immediately contain and remedy any such breach and prevent any further breach, including, but not limited to taking any and all action necessary to comply with applicable privacy rights, laws, regulations, and standards.

Section 5. Representations, Warranties and Covenants of the Investment Manager

- A. The Investment Manager represents and warrants that its response to the request for proposals and all written and oral presentations to the Board, upon which the Fund is relying in entering into this Agreement, were true and complete and did not 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 regarding fraud.
- B. The Investment Manager represents and warrants to the Board of Trustees that it is and shall remain: (i) a registered investment adviser under the Investment Advisers Act of 1940; (ii) a registered investment adviser under the Illinois Securities Law of 1953; (iii) a bank, as defined in the Investment Advisers Act of 1940; or (iv) an insurance company authorized to transact business in Illinois. The Investment Manager shall promptly advise the Fund if at any time during the term of this Agreement there is a change in such status.
- C. 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 Illinois Pension Code and specifically agrees to perform all of its duties and obligations under this Agreement as a fiduciary. The Investment Manager warrants that none of the disqualifications described in Section 411 of ERISA apply to the Investment Manager.
- D. The Investment Manager 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(s) in the minimum amount of \$20 million, with the Fund as a joint payee pursuant to a rider to the bond. If the Investment Manager maintains a blanket fidelity bond or bonds in an amount greater than the minimum required by this paragraph, then the Investment Manager shall maintain such greater amount for the term of this Agreement. Fidelity bond coverage will include coverage for theft, embezzlement, fraud (including computer system and voice-initiated transfer fraud), or misplacement of funds, money, or documents, whether committed by employees or outside parties, acting alone or in collusion with others. The fidelity bond shall not limit the Investment Manager’s obligation to indemnify, defend, or settle any claim. 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 \$500,000.00 with the Fund as the designated insured party. A certificate confirming the bond(s) shall be provided to the Board of Trustees in December of each year. If the Investment Manager maintains a fidelity bond(s) or ERISA bond in an amount greater than the minimum required above, then the Investment Manager shall maintain such greater amount for the term of this Agreement.

The Investment Manager 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/fiduciary

insurance in the amount of \$25 million, per occurrence and in the aggregate, which shall protect the Fund against losses from the negligent acts, breach of fiduciary duties, and errors or omissions of the Investment Manager. The policy shall be a claims-made program with any prior acts exclusion predating the date of this Agreement. A copy of the Investment Manager's memorandum of insurance shall be provided to the Board of Trustees in December of each year. Any change in coverage or provider shall be reported to the Fund within (5) business days. If the Investment Manager maintains errors and omissions/fiduciary insurance in an amount greater than the minimum required above, then the Investment Manager shall maintain such greater amount for the term of this Agreement. The Investment Manager agrees that its insurance shall be primary, that it shall waive recourse against the Fund's insurance, and that its policy(ies) shall be a claims-made program with any prior acts exclusion predating the date of this Agreement.

The Investment Manager shall secure and maintain at all times during the term of this Agreement, and for a period of five (5) years thereafter, cyber liability insurance policy in the minimum amount of \$10 million, per occurrence and in the aggregate. The policy shall be a claims-made program with any prior acts exclusion predating the date of this Agreement. A copy of the Investment Manager's memorandum of insurance shall be provided to the Board of Trustees in December of each year. Any change in coverage or provider shall be reported to the Fund within (5) business days. If the Investment Manager maintains cyber liability insurance in an amount greater than the minimum required above, then the Investment Manager shall maintain such greater amount for the term of this Agreement. The Investment Manager agrees that its insurance shall be primary, that it shall waive recourse against the Fund's insurance, and that its policy(ies) shall be a claims-made program with any prior acts exclusion predating the date of this Agreement.

- E. 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.
- F. The Investment Manager agrees to notify the Board of Trustees and its investment consultant in writing within five (5) business days of any material change in the portfolio management team for the Sub-Account, the loss of any accounts in the strategy, any legal actions instituted against the Investment Manager involving the investment of securities or of any investigations, examinations, or other proceedings commenced by any governmental regulatory agency which are not either conducted in the ordinary course of the Investment Manager's business or conducted as part of an industry sweep or other fact-finding related inquiry.
- G. The Investment Manager will furnish to the Board of Trustees, from time to time, such evidence as the Board of Trustees may reasonably request that the Investment Manager satisfies any of the foregoing requirements. The Investment Manager shall promptly notify the Board of Trustees if it has reason to believe that any of the foregoing representations, warranties or covenants may cease to be satisfied.

- H. In rendering services hereunder, the Investment Manager shall comply with all applicable laws of the State of Illinois and the United States of America, and any applicable governmental or regulatory authority outside of the United States. Regulatory reports required under laws applicable to the Investment Manager by any regulatory authority shall be the responsibility of the Investment Manager.
- I. 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 Board of Trustees, and the Fund and its employees, for, from and against losses, damages, costs, and expenses (including reasonable attorney's fees) incurred as the result of the Investment Manager's actions or omissions (including but not limited to actions or omissions that are negligent, constitute bad faith or willful misconduct, or involve a breach of this Agreement). The Fund shall have the right, in its sole discretion, to participate in or lead any defense of a claim against the Fund without waiving any of its rights to indemnification.
- J. The Investment Manager represents that it is not an entity chartered under the Illinois Banking Act, the Savings Bank Act, the Illinois Credit Union Act., or the Illinois Savings and Loan Act of 1985 or a person or entity licensed under the Residential Mortgage License Act of 1987, the Consumer Installment Loan Act, or the Sales Finance Agency Act.
- K. Pursuant to Section 1-113.14(c)(5) of the Illinois 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.
- L. Pursuant to Section 1-113.14(c)(6) of the Illinois Pension Code, 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. The Investment Manager shall be responsible for the compensation of any subcontractors, for ensuring that any subcontractors comply with this Agreement, and for the breach of this Agreement by any subcontractors.
- M. All disclosures and representations made by the Investment Manager during the procurement and selection process are adopted and incorporated herein by reference (the "Investment Manager Disclosures"; attached as Exhibit C). The Investment Manager further acknowledges that it shall promptly notify the Fund, in writing, if at any time during the term of this Agreement, the information contained in the Investment Manager Disclosures changes.

Section 5. Representations and Warranties of the Board of Trustees

- A. The Board of Trustees represents and warrants to the Investment Manager that the Board

of Trustees is a fiduciary authorized to enter into this 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 Board of Trustees is authorized to do so.

- B. The Board of Trustees represents and warrants to the Investment Manager that the Custodian is the present custodian of the Trust Assets.
- C. The Board of Trustees represents and warrants to the Investment Manager that if another entity should be substituted for the Custodian as custodian of the Trust Assets, the Board of Trustees shall promptly notify the Investment Manager of such substitution and the substituted entity will thereafter be deemed to be the Custodian for purposes of this Agreement.
- D. The Board of Trustees represents and warrants to the Investment Manager that, as a fiduciary, it is responsible for assuring the Fund's overall Investment Guidelines are prudent for the Fund's assets.
- E. The Board of Trustees represents and warrants to the Investment Manager that the decision to allocate any Trust Assets to the Sub-Account is the responsibility of the Board of Trustees and is independent of the Investment Manager's fiduciary responsibilities as established pursuant to this Agreement.
- F. The Board of Trustees represents and warrants to the Investment Manager that the Investment Manager is subject to the Investment Guidelines applicable to the Trust Assets allocated to the Sub-Account only, and not to the Trust as a whole.
- G. The Board of Trustees represents and warrants to the Investment Manager that the Fund is qualified under Section 414(d) of the Internal Revenue Code of 1986 as a governmental plan.

Section 6. Procedures

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

Section 7. Reports; Meetings

- A. The Board of Trustees will cause the Custodian to provide the Investment Manager with monthly reports concerning the status of the Sub-Account, and such reports from the Custodian shall constitute the principal record of the Sub-Account for all purposes of this Agreement, including but not limited to, the calculation of the Investment Manager's fees to be paid.

- B. With respect to the Sub-Account, the Investment Manager shall provide the Board of Trustees and its investment consultant with the reporting requirements identified in Exhibit A and all other reports that the Board of Trustees or its investment consultant may reasonably request from time to time.
- C. The Investment Manager shall provide a monthly reconciliation of the Sub-Account's activity as reported by the Custodian with the records of the Investment Manager. Differences shall be communicated to the Custodian in a timely manner. Resolution of differences is the responsibility of the Investment Manager and the Custodian. The Investment Manager is responsible for notifying the Board of Trustees of unresolved discrepancies between the Investment Manager's records and those of the Custodian for as long as the unresolved discrepancies persist. The records of the Custodian shall be the authoritative source for all purposes under this Agreement.
- D. The Fund requires periodic reporting as identified in Exhibit A, as well as special reports that may be requested periodically. The Fund also encourages the Investment Managers to comply with the Global Investment Performance Standards set forth by the CFA Institute.
- E. The Investment Manager shall meet periodically with the Board, Fund employees, and/or the Fund's investment consultant, at such times as the Fund may reasonably request, concerning the Sub-Account. The Fund shall engage in post-performance review periodically and the Investment Manager shall meet with the Board, Fund employees, and/or the Fund's investment consultant as it may reasonably request to discuss performance.

Section 8. Services to Other Clients

It is understood that the Investment Manager performs investment management services for various clients. The Board of Trustees agrees and acknowledges that the Investment Manager may take action with respect to any of its other clients which may differ from the action, 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.

Section 9. Allocation of Brokerage

Subject to the following and to the Fund's Broker/Dealer Utilization Policy, which is adopted and incorporated by reference, and can be found on the Fund's website at: <https://mwrdrf.org/financial-and-investment-related/policies/>, the Investment Manager is authorized to place orders for the execution of securities transactions for the Sub-Account with or through such brokers or dealers as the Investment Manager may select. The Investment Manager may allocate transactions to such brokers or dealers for execution on such markets, at such prices and at such commission rates as in the good faith judgment of the Investment Manager will be in the best interest of the Fund, taking into consideration in the selection of such brokers or dealers not only the available prices and rates of brokerage commissions, but also other relevant factors such as execution capabilities. The Investment Manager represents and warrants to the Board of Trustees that it will not maintain any "soft dollar" arrangements or receive any "soft dollars" with brokers or dealers with respect to the Sub-Account. The 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 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 Board of Trustees a log of all transactions for the Sub-Account placed through all securities brokerage firms, which log shall reflect the name of the firm, a description of each transaction (including the amount and securities involved), the date and time, if available, of each transaction, and the amount of fees and commissions paid.

Section 11. Proxy Voting

As a fiduciary, the Investment Manager shall exercise responsibility for voting all proxies 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. The Investment Manager will 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 Board of Trustees with an annual statement of the Investment Manager's proxy voting policies and a summary of how the Fund's proxies were cast.

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

The Board of Trustees reserve the right, directly or through policy, to direct the Investment Manager in regard to the voting of a proxy, if they notify the Investment Manager in a timely fashion prior to the voting of such proxy.

Section 12. Fees

- A. The Investment Manager's compensation shall be determined in accordance with Exhibit B attached hereto and which shall be payable quarterly in arrears.

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

Section 13. Valuation

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

Section 14. Authority

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

Section 15. Effective Date; Term; Termination

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

This Agreement may be terminated by the Board of Trustees by written notice to the Investment Manager effective immediately and by the Investment Manager upon ninety (90) days' advance written notice to the Board of Trustees; provided, however, that at any time without prior written notice, the Board of Trustees, through Fund staff, may orally direct the Investment Manager to cease its investment management activities with respect

to the Sub-Account, which direction shall be confirmed, in writing, as soon as practicable. Upon a termination, fees of the Investment Manager shall be prorated to the date of termination as specified in the notice of termination. Sections 4, 5.E, 5.J, 7, 21, 22, and 24.E of this Agreement shall survive termination and shall remain in full force and effect.

Section 16. Delegation of Responsibilities

The Investment Manager may, if disclosed, retain an affiliate of the Investment Manager to provide administrative services for the Investment Manager, in carrying out its obligations under the terms of this 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 expressly consented in writing thereto, either party'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 Board of Trustees within (5) business days of such sale or transfer and shall become the Investment Manager hereunder only if the Board of Trustees specifically so consents in writing and subject to the terms of this Agreement.

Section 18. Disclosure of Fees Paid

- A. The Investment Manager certifies and represents that it has disclosed in Exhibit B 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 Board of Trustees. The Investment Manager acknowledges that Section 1-145 of the Illinois Pension Code prohibits a person or entity from retaining a person or entity to attempt to influence the outcome of an investment decision of or the procurement of investment advice or services of the Fund for compensation, contingent in whole or in part upon the decision or procurement.
- C. Investment Manager shall disclose any compensation or economic opportunity paid to the Investment Consultant within the last 24 months. "Compensation" means any money, thing of value, or economic benefit conferred on, or received by, the Investment Consultant in return for services rendered, or to be rendered, by himself, herself, or another. "Economic opportunity" means any purchase, sale, lease, contract, option, or other transaction or arrangement involving property or services wherein the Investment Consultant may gain an economic benefit.

Section 19. Ethics Statement

The Investment Manager acknowledges that the Board and the Fund are subject to 40 ILCS 5/1-125, which prohibits gifts to Board members and Fund employees. The Investment Manager further acknowledges that it has received a copy of the Fund's Ethics Policy, which is available on the Fund's website at <https://mwrdrf.org/financial-and-investment-related/policies/> and is adopted and incorporated by reference. The Investment Manager shall comply with 40 ILCS 5/1-125 and the Ethics Policy at all times. The Investment Manager shall promptly notify the Fund in the event that it believes it has violated either 40 ILCS 5/1-125 or the Ethics Policy.

Section 20. Contacts

- A. All notices and instructions shall be deemed given when delivered to the respective parties as follows:

Reporting Requirements:

Metropolitan Water Reclamation District Retirement Fund
Attn: Investment Officer
111 E. Erie Street, Suite 330
Chicago, IL 60611
E-mail: gillespieb@mwrdrf.org

Notice Requirements:

Metropolitan Water Reclamation District Retirement Fund
Attn: Executive Director
111 E. Erie Street, Suite 330
Chicago, IL 60611
E-mail: mohlerj@mrwdrf.org

To the Investment Manager: TBD

- 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 email, then notice shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment); 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 party 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 hereto; is intended to be the complete and exclusive statement of the terms hereof; and, except as provided in Sections 1 and 2 hereof, may not be modified or amended except by a writing signed by the parties hereto. If any provision of this 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; Jurisdiction; Remedies

To the extent not preempted by applicable federal law, 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. Statutory Provisions

- A. The Investment Manager represents and warrants to the Fund 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.
- B. The Investment Manager certifies to the Fund that it is not barred from being awarded a State of Illinois contract or subcontract because of a conviction or admission of guilt for bribery or for bribing an officer or employee of the State of Illinois or any other state in that officer's or employee's official capacity as provided in Section 50-5 of the Illinois Procurement Code, 30 ILCS 500/50-5.
- C. The Investment Manager certifies to the Fund that it is not barred from contracting with any State of Illinois entity because of a violation of either Section 33E-3 (bid-rigging) or 33E-4 (bid-rotating) of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E.
- D. As required by 775 ILCS 5/2-105, to the extent this provision applies to the Investment Manager, the Investment Manager agrees to:
 - (i) Refrain from unlawful discrimination and discrimination based on citizenship status in employment and to undertake affirmative action to assure equality of employment opportunity and eliminate the effects of past discrimination;

- (ii) Comply with the procedures and requirements of the Illinois Department of Human Rights' regulations concerning equal employment opportunities and affirmative action;
 - (iii) Provide such information, with respect to its employees and applications for employment, and assistance as the Illinois Department of Human Rights may reasonably request; and
 - (iv) Have written sexual harassment policies that shall include, at a minimum, the following information or a reasonable equivalent:
 - the illegality of sexual harassment;
 - the definition of sexual harassment under State law;
 - a description of sexual harassment, utilizing examples;
 - the Investment Manager's internal complaint process including penalties;
 - the legal recourse, investigative and complaint process available through the Illinois Department of Human Rights and the Illinois Human Rights Commission; and directions on how to contact the Illinois Department of Human Rights and the Illinois Human Rights Commission.
- E. The Investment Manager shall maintain, for a minimum of six (6) years after all transactions involving the Sub-Account, adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with this 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 auditor of the Fund or by the Illinois Auditor General, shall cooperate fully with any audit conducted by the internal auditor of the Fund or the Illinois Auditor General, and will further provide the internal auditor of the Fund or the Illinois Auditor General full access to all relevant materials. Failure to maintain the books, records, and supporting documents required by this Section shall establish a presumption in favor of the Board of Trustees for the recovery of any funds for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

(This space intentionally left blank. Signature page follows.)

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

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

By: _____

Name: James E. Mohler

Title: Executive Director

Date: _____

Investment Manager

By: _____

Name: _____

Title: _____

Date: _____

METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND

Exhibit A

Investment Objectives, Guidelines, and Reporting Requirements

Investment Objective

To outperform, net of fees, the [INSERT] Index over a three-to-five-year period by ____% to ____% per annum, net of fees. To rank in the first or second quartile of the Investment Consultant Universe over the majority of rolling 3 and 5 year time periods.

Investment Guidelines

Reporting Requirements

Below are the items we would like each manager to provide in their quarterly reports:

- 1-2 page summary of the quarter with bullet points concerning the main topics
- Performance Data (Net Returns ONLY need to be provided). Sub-Account as well as Benchmark performance.
 - Monthly
 - Quarterly
 - YTD
 - 1-year
 - 3-year
 - 5-year (if Applicable)
 - 10-year (if Applicable)
 - Since Inception (with hire date)
- Performance attribution
 - Top 5 additions to returns
 - Top 5 detractors from returns
- Portfolio Characteristics vs. benchmark
- Sector weights vs. benchmark
- Organizational chart accompanied by a summary of the firm's commitment to Diversity, Equity and Inclusion
- Any changes to organizational structure
- New or lost accounts in the quarter
 - Also provide a YTD summary as well
- List Purchase/Sales
 - New purchases and Complete Sales (only need to be provided)
- Portfolio Appraisal for each holding
 - Book & market values
 - Unrealized/Realized gain/loss
 - Dividend Yield or Yield for Fixed income
- Change in Portfolio Value
 - Beginning Value
 - Contributions/Withdrawals
 - Realized & Unrealized gains
 - Income received

- Ending Value
- Brokerage Report
 - Each broker total shares executed
 - Total trading commissions
 - Average commission cost per share
 - Highlight MWDBE-owned brokerage firms
- Signed Compliance Statement- objectives and guidelines
- Total Firm AUM:
- MWRDF % of Total AUM:
- Total Strategy AUM:
- MWRDF % of Total Strategy AUM:
- Largest client as of % under the strategy

Below are the items we would like each manager to provide in their monthly reports:

- Portfolio Value
 - Separate line showing Cash balance
 - Fixed or equity securities value
 - Total portfolio value
 - Current yield of the portfolio
- Change in Portfolio Value
 - Beginning Value
 - Contributions/Withdrawals
 - Realized & unrealized gains
 - Income Received
 - Ending Value
- Performance Data (Net Returns ONLY need to be provided). Sub-Account as well as Benchmark performance
 - Monthly
 - Quarterly
 - YTD
 - 1-year
 - 3-year
 - 5-year (if Applicable)
 - 10-year (if Applicable)
 - Since Inception (with hire date)

METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND

Exhibit B

Fee Schedule

The Annual Fee Schedule is as follows:

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

Investment management fees are paid quarterly in arrears (25% of the fee computed above). Assets under management are defined as the sum of the market values of the assets on the last business day of each month within the quarter, divided by three. In any quarter during which the Investment Manager does not have any assets under management for every day of the quarter, the investment management fee shall be prorated by multiplying the fee earned at the end of the quarter, calculated in accordance with the above Schedule, by a fraction, the numerator of which is the number of calendar days during the quarter that the Investment Manager had assets under management and the denominator of which is the total number of calendar days in the quarter.

The Investment Manager states that the investment management fee is the sole source of compensation for the Investment Manager in managing assets on behalf of the Fund. The Investment Manager states that no indirect fees, commissions, reimbursement of expenses, or any other compensation will be received by the Investment Manager in managing assets on behalf of the Fund.

METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND

Exhibit C

INVESTMENT MANAGER DISCLOSURES

1. Required by Section 1-113.14(c)(3) and (12) of the Pension Code.

Full disclosure 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 provision of services to the Fund.

2. Required by Section 1-113.14(c)(5) of the Pension Code.

A. The name and address of the Investment Manager:

B. The name and addresses of any entity that is a parent of, or owns a controlling interest in, directly or indirectly, the Investment Manager:

C. The name and addresses of any entity that is a subsidiary of, or in which a controlling interest controlling interest is owned by, directly or indirectly, the Investment Manager:

D. The name and addresses of any persons who have an ownership or distributive income share in the Investment Manager that is in excess of 7.5%:

E. The name and addresses of any persons who serve as an executive officer of the Investment Manager:

3. Required by Section 1-113.14(c)(6) of the Pension Code.

Disclose the names and addresses of all subcontractors and the rate of compensation of each subcontractor. For purposes of this Section, “subcontractor” does not include non-investment related professionals or professionals offering services that are not directly related to investment decisions with respect to assets, such as legal counsel, audit, tax reporting, accounting, actuary, custodian, broker-dealer, proxy-voting services and services used to track compliance with legal standards.

4. Required by Section 1-145 of the Pension Code.

The Investment Manager acknowledges and agrees that, pursuant to Section 1-145 of the Illinois Pension Code, no person or entity shall 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 a retirement system, pension fund, or investment board of this Code for compensation, contingent in whole or in part upon the decision or procurement.

5. Required by Section 113.21 of the Pension Code.

Pursuant to Section 1-113.21 of the Pension Code, disclose the number of its investment and senior staff and the percentage of that staff who are a minority person, a woman, a “qualified serviced-disabled veteran”, or a person with a disability; the number of contracts for investment, consulting, professional, and artistic services which the Investment Manager has with a business other than a Minority-Owned Business, Women-Owned Business, or Business Owned by Person with a Disability, if more than 50% of the services performed pursuant to that contract are performed by a minority person, a woman, or a person with a disability. “Minority-Owned Business, Women-Owned Business, or Business Owned by Person with a Disability” means as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, 30 ILCS 575/2, as amended. “The terms “professional service” and “artistic service” have the same meanings as those terms have in 30 ILCS 500/1-15.60.

6. [FOR FUND-OF-FUNDS ONLY] Required by Section 1-113.15 of the Pension Code.

For fund-of-fund Investment Managers: (a) a description of any fees, commissions, penalties, and other compensation payable, if any, directly by the retirement system, pension fund, or investment board (which

shall not include any fees, commissions, penalties, and other compensation payable from the assets of the fund-of-funds or separate account); (b) a description (or method of calculation) of the fees and expenses payable by the Fund to the Investment Manager and the timing of the payment of the fees or expenses; and (c) a description (or method of calculation) of any carried interest or other performance based interests, fees, or payments allocable by the Fund to the Investment Manager or an affiliate of the Investment Manager and the priority of distributions with respect to such interest.

7. Required by 30 ILCS 238/20(e).

Pursuant to 30 ILCS 238/20(e), a description of any process through which the Investment Manager prudently integrates the following sustainability factors into their investment decision-making, investment analysis, portfolio construction, due diligence, and investment ownership in order to maximize anticipated risk-adjusted financial returns, identify projected risk, and execute the Investment Manager's fiduciary duties:

- A. Corporate governance and leadership factors, such as the independence of boards and auditors, the expertise and competence of corporate boards and executives, systemic risk management practices, executive compensation structures, transparency and reporting, leadership diversity, regulatory and legal compliance, shareholder rights, and ethical conduct.
 - B. Environmental factors that may have an adverse or positive financial impact on investment performance, such as greenhouse gas emissions, air quality, energy management, water and wastewater management, waste and hazardous materials management, and ecological impacts.
 - C. Social capital factors that impact relationships with key outside parties, such as customers, local communities, the public, and the government, which may impact investment performance. Social capital factors include human rights, customer welfare, customer privacy, data security, access and affordability, selling practices, and product labeling, community reinvestment, and community relations.
 - D. Human capital factors that recognize that the workforce is an important asset to delivering long-term value, including factors such as labor practices, responsible contractor and responsible bidder policies, employee health and safety, employee engagement, diversity and inclusion, and incentives and compensation.
 - E. Business model and innovation factors that reflect an ability to plan and forecast opportunities and risks, and whether a company can create long-term shareholder value, including factors such as supply chain management, materials sourcing and efficiency, business model resilience, product design and life cycle management, and physical impacts of climate change.
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8. Required by the Fund.

Investment Manager shall disclose any compensation or economic opportunity paid to the Investment Consultant within the last 24 months. "Compensation" means any money, thing of value, or economic benefit conferred on, or received by, the Investment Consultant in return for services rendered, or to be rendered, by himself, herself, or another. "Economic opportunity" means any purchase, sale, lease, contract,

option, or other transaction or arrangement involving property or services wherein the Investment Consultant may gain an economic benefit.

9. Required by the Fund.

Disclose and provide the details of any actions, proceedings, or investigations threatened or pending before any tribunal, arbitrator, court or governmental authority, including without limitation, the SEC, FINRA, any state securities regulatory authority or any other regulatory authority having jurisdiction over the company or its affiliates, against or relating to the company, its affiliates, or the officers or directors of the company or its affiliates claiming or alleging: (i) fraud; (ii) violation of any federal or state securities law, rule, or regulation, or (iii) breach of fiduciary duties.
