



## INVESTMENT MANAGEMENT AGREEMENT

This INVESTMENT MANAGEMENT AGREEMENT (the "Agreement") is made this 16<sup>th</sup> day of March, 2016, by and between KENTUCKY TEACHERS' RETIREMENT SYSTEM INSURANCE TRUST FUND ("Client"), and COLUMBIA MANAGEMENT INVESTMENT ADVISERS, LLC, a Minnesota limited liability company ("Adviser").

### WITNESSETH:

WHEREAS, the Client's assets are those of a state public pension plan which governed by, and are to be invested in accordance with the provisions of Chapter 161 of the Kentucky Revised Statutes ("KRS 161");

WHEREAS, Client desires to appoint Adviser as investment manager with respect to certain assets of Client, which Client shall by notice given or caused to be given to Adviser from time to time place under the management of Adviser, including the investment and reinvestment of and all income earned by such assets (the "Account"); and

WHEREAS, Adviser desires to accept such appointment and to act as investment manager with respect to the Account.

NOW, THEREFORE, in consideration of the premises and the mutual promises contained in this Agreement, Client and Adviser agree as follows:

#### 1. Appointment of Investment Manager.

Client hereby appoints Adviser to act as investment manager and attorney-in-fact with respect to the Account under the terms of this Agreement. Client acknowledges that the appointment relates to Adviser as an entity, and that the individuals assigned to the Account may be changed from time to time at the exclusive discretion of the Adviser. Adviser hereby accepts these appointments and agrees to supervise and direct the investment of the Account in accordance with the terms of this Investment Management Agreement including all amendments and Appendices thereto (the "Agreement").

#### 2. Discretionary Authority of the Investment Manager.

Adviser shall have complete discretion in the investment and reinvestment of the cash, securities and other assets in the Account with full power and authority to engage in such transactions on Client's behalf as Adviser may deem appropriate, in Adviser's absolute discretion and without prior consultation with Client or any other party, subject to compliance with KRS 161, in principle and as applicable, the terms hereof (including amendments hereto), the Client Guidelines attached hereto as Appendix B, the Client Authorizations attached hereto as Appendix C (collectively, Appendices B and C are referred to herein as the "Investment Guidelines") and any further specific written restrictions and limitations which Client shall provide to Adviser, including those provided pursuant to Section 10(l) of this Agreement (the "further instructions"). Client shall be solely responsible for the accuracy of the Investment Guidelines and further instructions. The Investment Guidelines and further instructions may be amended by Client in writing upon acceptance of such amendment by the Adviser. To the extent permitted by law, Client agrees to indemnify Adviser and to hold it harmless from any claim, damage, liability or expense arising out of Adviser's good faith reliance on the Investment Guidelines and further instructions.

This discretionary authority makes Adviser agent and attorney-in-fact with full power and authority on behalf of the Account and at risk of, and in the name of, Client (a) to buy, sell, exchange, convert and otherwise trade in any and all securities and other assets as Adviser may select; (b) to instruct any trustee or custodian of any security or other asset in the Account to deliver securities or assets sold, exchanged, or otherwise disposed of from the Account; (c) to pay cash for securities or assets delivered to any trustee or custodian upon acquisition for the Account; (d) to execute and enter into any related agreement, certificate, consent or other document; (e) to

endorse, transfer or deliver such securities or other assets; (f) to exercise or dispose of subscription rights, warrants and fractional shares as it deems to be in Client's best interests; (g) to establish and deal through accounts with one or more securities or commodities brokerage firms, dealers or banks as Adviser may select, except that Client, in compliance with the conditions specified in this agreement, may designate specific brokers, dealers or banks; and (h) generally to perform any other act necessary to enable Adviser to carry out its obligations under this Agreement. Such authorization, however, does not include authority to deliver or pay securities or cash to Adviser. This discretionary authority shall remain in full force and effect until Adviser receives written notice from the Client of its termination.

### 3. Proxies, Corporate Actions and Class Actions.

Unless notified otherwise in writing by the Client, the Adviser shall vote all proxies solicited by or with respect to the issuers of securities in which assets may be invested from time to time. The Client shall instruct the custodian of the Assets (and, if applicable any trustee or other fiduciary providing services to the Client) to promptly forward all proxy materials to the Adviser or any proxy-voting service designated by the Adviser. Proxies shall be voted in a manner consistent with the Proxy Voting Policies and Procedures of the Adviser in effect from time to time. Client hereby acknowledges receipt of such Policies and Procedures. The Adviser shall not be responsible for any other administrative filings relating to the Account, such as proofs of claims or claims in class actions. However, the Adviser will assist the Client with respect to these matters by providing historical transaction information as reasonably requested by the custodian or the Client.

When Adviser is not voting proxies, Adviser's obligations with respect to any such solicitation shall be limited exclusively to forwarding within a reasonable period of time to the Client or its designee any materials or other information with respect to such solicitation, and duly acting upon the express instructions of the Client or its designee with respect thereto.

It is understood and agreed that Adviser shall have no obligation whatsoever to initiate, pursue and/or prosecute any claim, proceeding, or action on behalf of Client. Notwithstanding the foregoing, Adviser shall reasonably cooperate with the Client and use reasonable efforts to provide information in the Adviser's possession and such investment related assistance as is reasonably necessary to protect the Client's interests in any securities class action or other litigation where assets of the Account are or were involved. Unless Adviser otherwise agrees in writing, Adviser shall not be required to advise the Client as to any action to be undertaken with regard to any legal proceedings, including bankruptcies or class actions, involving securities held, or previously held, in the Account or the issuers of those securities.

### 4. Custody.

Adviser shall not act as custodian for assets of the Account, or take or have possession of any assets of the Account. The securities and assets of the Account will be held in the custody of the firm designated by Client to provide custody for Account assets ("Custodian"), which Client hereby represents has agreed to act as custodian for the Account in accordance with Adviser's instructions. Client shall cause such custodian to segregate the assets of the Account from all other custodial assets in its possession, including any assets of Client which are not assets of the Account. In addition, (i) Adviser will at no time have custody or physical control of the cash and assets in the Account; (ii) Adviser will not be liable for any act or omission of the Custodian; (iii) Adviser may give instructions to the Custodian in writing or orally and confirmed in writing as soon as practicable thereafter; and (iv) Client will instruct the Custodian to provide Adviser and/or its designees with such periodic reports (paper or electronic) concerning the status of the Account as Adviser may reasonably request from time to time. The records provided by the Custodian shall be the official records of the Account, and the Adviser shall not be responsible for the accuracy of such records. Client will not change the Custodian without giving Adviser reasonable prior notice of its intention to do so together with the name and other relevant information with respect to the new custodian. Adviser shall have no responsibility for the management of cash assets of the

Account if Client has authorized and directed the custodian to manage uninvested cash assets of the Account.

#### 5. Brokerage.

Orders for the execution of transactions for the Account will be placed by Adviser with broker-dealers that are selected by Adviser. In seeking to obtain best execution of portfolio transactions for the Account, Adviser may consider the quality and reliability of the brokerage services, as well as research and investment information and other services provided by the broker-dealers. Accordingly, Adviser's selection of a broker-dealer for transactions for the Account may take into account, among others, such relevant factors as price; the broker-dealer firm's facilities, reliability and financial responsibility; when relevant, the ability of the firm to effect securities transactions, particularly with regard to such aspects as timing, order size and execution of the order; the firm's recordkeeping capabilities; and the research or other services provided by the firm to Adviser that are expected to enhance Adviser's general portfolio management capabilities (collectively, "Research"), notwithstanding that the Account may not be a beneficiary of such Research. Commission rate, being a component of price, is one factor considered together with other factors. Adviser will not be obligated to demonstrate that any of such factors are of a direct benefit to the Client, or seek in advance competitive bidding for the most favorable commission rate applicable to any particular transaction for the Account, or to select any broker-dealer on the basis of its purported commission rate. Accordingly, consistent with Section 28(e) of the Securities Exchange Act of 1934, as amended, Adviser, in its discretion, may cause the Account to pay a commission for effecting a transaction for the Account in excess of the amount another broker-dealer would have charged for effecting that transaction. This may be done where Adviser has determined in good faith that the commission is reasonable in relation to the value of the brokerage and/or Research provided by the broker-dealer to Adviser. Adviser shall not be responsible or liable for any act or omission of any broker-dealer selected with due care.

Notwithstanding Section 5, Client may, by written instrument delivered to Adviser, direct that transactions for the Account be placed with specific brokers-dealers ("Directed Brokers"), but only in compliance with such conditions as Adviser may from time to time deem necessary, and subject to Adviser's right to vary from the direction should it deem it advisable to do so. Client hereby represents and warrants that any such direction shall be properly authorized pursuant to the by-laws, charter, trust agreement or other document(s) authorizing creation of the Account, and within applicable standards of fiduciary conduct. Client hereby agrees, to the extent permitted by law, to indemnify and hold harmless Adviser from all liability and cost (including costs of defense) which may be asserted or incurred by reason of Adviser's good faith compliance with any such direction. If Client so directs Adviser, it acknowledges that (1) any transaction executed through a Directed Broker may not be made on a "best execution" basis, (2) Adviser cannot negotiate commissions on Client's behalf and, in some transactions, Client may pay materially disparate commissions to commissions paid by Adviser's other clients depending on Client's commission arrangement with the Directed Broker and other factors such as the number of shares, round and odd lots, or the market for the security, (3) Client may not receive the most favorable price for the security, (4) Client will forego any savings on execution costs that Adviser may obtain for its other clients through, for example, negotiation of volume discounts on orders that are combined with other client's orders in a "batch", (5) Adviser will not evaluate the creditworthiness of any Directed Broker, and (6) transactions executed for Client's account will occur after "batch" trading is completed for other accounts invested in the same strategy managed by Adviser.

#### 6. Services Not Exclusive.

Client understands that Adviser and its affiliates perform investment advisory services for clients other than Client. Client agrees that Adviser and its affiliates may give advice and take action with respect to other clients that may be similar or different from that given to Client, in terms of securities, timing, nature of transactions and other factors, so long as Adviser, to the extent

practicable, attempts in good faith to allocate investment opportunities among its clients, including Client, on a fair and equitable basis. Client recognizes that other clients of Adviser, as well as Adviser, its principals, employees, affiliates and their family members, may hold and engage in transactions in securities purchased or sold for Client or about which Adviser has given Client advice. Client also agrees that Adviser has no obligation to purchase, sell or make recommendations with respect to any security for Client which Adviser purchases, sells or recommends to any client, or in which Adviser, its principals, employees, affiliates or their family members engage in transactions.

#### 7. Allocation and Aggregation of Orders.

(a) The Adviser will not be obligated to recommend for the Account the purchase or sale of securities or other investments that the Adviser may purchase or sell or recommend for purchase or sale for the accounts of the Adviser's other clients. In addition the Adviser may take the opposite side of the market for investments for the accounts of its other clients. Moreover, Client acknowledges that circumstances may arise under which Adviser determines that, while it would be both desirable and suitable that a particular security or other investment be purchased or sold for the account of more than one of Adviser's clients' accounts, there is a limited supply or demand for the security or other investment. Under such circumstances, Client acknowledges that, while Adviser will seek to allocate the opportunity to purchase or sell that security or other investment among those accounts on an equitable basis, Adviser will not be required to assure equality of treatment among all of its clients (including that the opportunity to purchase or sell that security or other investment will be proportionally allocated among those clients according to any particular or predetermined standards or criteria).

(b) Client acknowledges and agrees that Adviser may aggregate purchase or sale orders for the Account with purchase or sale orders in a particular security for other clients' accounts when appropriate. However, Adviser is under no obligation to aggregate orders. Where, because of prevailing market conditions, it is not possible to obtain the same price or time of execution for all of the securities or other investments purchased or sold for the Account in an aggregated order, Adviser may average the various execution prices and charge or credit the Account with the average price.

#### 8. Other Assets; No Representations Regarding Performance.

(a) In performing its services under this Agreement, Adviser shall not be required to take into consideration, and shall have no responsibility with respect to, Client's assets other than those in the Account. Accordingly, subject to the Investment Guidelines and further instructions, the majority or the whole of the Account may be invested in such proportions of stocks, bonds, other securities or assets, or cash as Adviser shall determine, without regard for the diversification of Client's assets in the aggregate.

(b) Neither Adviser nor any of its officers, directors or employees make any representations or warranties, express or implied, that any level of performance or investment results will be achieved by the Account or that the Account will perform comparably with any standard or index, including other clients of Adviser, whether public or private.

#### 9. Obligations of Client.

Client shall have the sole responsibility to determine, from time to time, that the services provided by Adviser, the Investment Guidelines and further instructions, if any, and the securities and other assets contained in the Account are appropriate and suitable for the Account in light of Client's needs, financial position and investment objectives. Client understands and is willing to accept the risk involved therein and further understands that there can be no assurance that such objectives will be achieved. Client shall monitor the Account by reviewing statements or reports from Adviser or the Custodian regarding the Account, and shall advise Adviser of any inappropriate or unsuitable investment as soon as possible, but in any event not later than ten days after the receipt of such statement or report. Client shall provide Adviser with any materials

or information that Adviser may reasonably request to enable it to perform its responsibilities pursuant to this Agreement. Client shall provide Adviser, from time to time, with a list of those securities or other assets, if any, that Adviser may not acquire or dispose of on behalf of the Account. Client acknowledges that certain reasonable lead time may be necessary between the time of the client's notice to the Adviser of the Client's intent to raise cash in the Account and the Adviser's subsequent conversion of assets to cash.

#### 10. Client Representations.

Client represents that: (a) Client has authority to enter into and perform this Agreement (Client will deliver to Adviser such evidence of such authority as Adviser shall reasonably request); (b) the terms of this Agreement do not violate any obligation by which Client is bound by contract, applicable law or otherwise; (c) if action was required to authorize Client to enter into this Agreement, such action has been taken by a duly authorized representative of Client (Client will deliver to Adviser evidence of such action and authority as Adviser shall reasonably request); (d) if this Agreement is entered into by a trustee or other fiduciary, such trustee represents that he or she is authorized to enter into this Agreement and that the arrangement has been determined to be proper and permissible pursuant to any plan or trust; (e) it has received and reviewed Part II of Adviser's current Form ADV or other disclosure brochure meeting the requirements of Rule 204-3 under the Advisers Act more than 48 hours prior to entering this Agreement; (f) Client hereby acknowledges receipt of Adviser's Standard Disclosure regarding Conflicts of Interest and Transactions with Affiliates which is incorporated by reference herein; (g) if Client is an individual, Client acknowledges receipt of a copy of Adviser's current privacy policy; (h) this Agreement, when executed and delivered, will bind Client in accordance with its terms; (i) Client has provided to Adviser a list of all securities or other assets in which Account assets may not be invested or with respect to which there are limitations on investments, and Client shall notify Adviser promptly, in writing, of any change in such list; (j) none of Client's assets are assets of any employee benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended; (k) Client is not an investment company (as that term is defined in the Investment Company Act of 1940, as amended ("1940 Act")); (l) the terms of this Agreement (including all Appendices) comply with KRS 161. Client will promptly inform Adviser in the event that any of these representations are no longer true.

#### 11. Adviser Representations.

Adviser represents that (a) Adviser is registered as an investment adviser under the Investment Advisers Act of 1940, as amended ("Advisers Act"), and that this registration is currently effective; (b) Adviser has authority to enter into and perform this Agreement; (c) the terms of this Agreement do not violate any obligation by which Adviser is bound by contract, operation of law or otherwise; (d) if action was required to authorize Adviser to enter into this Agreement, such action has been taken by a duly authorized representative of Adviser; (e) It is a "fiduciary" as defined in Section 3(21)(A) of ERISA and as required under Section 161.430 of the Kentucky Revised Statutes, with respect to the Account, will conduct itself in accordance with such requirements, including those contained in Section 161.430(3)(b) of the Kentucky Revised Statutes, and will not delegate its fiduciary responsibilities; (f) It shall purchase and maintain at its own expense an Errors and Omission and Directors Officers Liability Insurance policy, to be in effect during the entire term of this contract, which includes a minimum Limit of Liability of [REDACTED] or each Wrongful Act. In the event that the Adviser's policy is written on a "Claims Made" form, Adviser shall, upon written request of the Client, furnish evidence that the liability coverage has been maintained for at least five (5) years after this contract's expiration or cancellation date, either by submitting renewal policies with a retroactive date of not later than the date work commenced under this contract, or by evidence that Adviser has purchased an Extended Reporting Period Endorsement that will apply to any and all claims arising from work performed under this contract. Upon request of the Client, Adviser shall provide copies of renewal policies or Certificates of Insurance on an annual basis to the Client so that continuous coverage is provided during the term of this Agreement; (g) Unless as otherwise provided in this

Agreement, it has not and will not pay or cause to be paid any money, fees, political contributions or other things of value to any third party as result of or in relation to investment counseling services provided to the Client, without the Client's informed written consent. Except as otherwise provided in this Agreement, Adviser hereby certifies that it has not and will not accept any money, fees, or other things of value from any third party as a result of or in relation to investment counseling services provided to the Client, without the Client's informed written consent. Adviser agrees to exercise independent professional judgment, without conflicts of interest other than as may be disclosed in Adviser's Form ADV, in providing independent investment counseling services to the Client. Adviser shall certify as to its compliance with this section and the Client's Conflict of Interest and Confidentiality Policy by executing the Client's External Service Provider Conflict of Interest Statement. The Client's Conflict of Interest and Confidentiality Policy and External Service Provider Conflict of Interest Statement are attached hereto and incorporated herein as Appendix D. Adviser hereby certifies that Adviser is legally entitled to enter into this Agreement with the Client and certifies that Adviser is not and will not be violating any conflict of interest statute (KRS 121.056 or any other applicable statute) or principle by the performance of this contract. The Adviser shall not knowingly engage directly or indirectly in any financial or other transaction with a trustee or employee of the Client which would violate standards of the Executive Branch Ethics provisions, as set forth in KRS Chapter 11A, as applicable. Further, the Adviser certifies that neither the firm, nor its employees involved with the management of the Account, have knowingly violated any of the Executive Branch Ethics provisions or the campaign finance laws of the Commonwealth, and the award of a contract to the firm will not violate any of the Executive Branch Ethics provisions or the campaign finance laws of the Commonwealth or the Client's Conflict of Interest and Confidentiality Policy; (h) To the extent permitted by applicable law or regulation, Adviser shall promptly advise the Client in writing of any material investigation, complaint, disciplinary action or other proceeding relating to or affecting its ability to perform its duties under this Agreement or involving any of its personnel who performed services for the Client in the preceding twenty-four (24) months (hereinafter referred to as "Investigation"), which investigation is commenced by any of the following: the Securities and Exchange Commission of the United States, any securities exchange, FINRA, any Attorney General or any regulatory agency of any state of the United States, any United States government department or agency, or any governmental agency or self-regulatory agency regulating securities or derivative transactions of any country in which Adviser is doing business or to which Adviser is subject. Except as otherwise required by law, the Client shall maintain the confidentiality of all such information until the investigating entity makes the information public. The Adviser shall also offer to provide to the Client, on no less than an annual basis, as part of its Form ADV, disclosure summarizing all material litigation to which the Adviser is a party to and the details of any settlement; (i) The Adviser shall promptly advise the Client in the event of any change in control of the Adviser or in the investment professionals involved in the management of the Account; and (j) Adviser shall maintain an adequate system of controls reasonably designed to ensure that any transactions entered into on behalf of the Client comply with any applicable laws or regulations, that the financial information reported to the Client is accurate and complete, and that the Adviser, at all times, is in compliance with the terms of this Agreement. Adviser will promptly inform Client in the event that any of these representations are no longer true.

#### 12. Instructions.

When Client gives instructions or directions to Adviser, Client will normally furnish these in writing. However, in Adviser's sole discretion and at Client's risk as to authenticity and correctness, Adviser may accept and act upon instructions or directions which Adviser reasonably believes to be genuine, given orally or by telephone, telegraph, e-mail, facsimile, cable or other means of communication. Should Adviser so request, Client agrees to confirm in writing any instructions or directions not originally furnished to Adviser in writing. Adviser shall not, however, be required to obtain Client's written approval regarding investment transactions for the Account. Adviser is not required to comply with any instructions that in Adviser's reasonable judgment may subject

Adviser to liability or expense, and will provide Client with written notice of any such noncompliance.

**13. Reports.**

Adviser shall provide Client with holdings and such other data and reports as may be mutually agreed upon as soon as reasonably possible after the end of each quarterly period. The holdings of the Account will be valued based on market quotations. Where no such quotations are available, Adviser shall value holdings in a commercially reasonable manner. The Adviser shall maintain records of its actions taken with respect to the Account and shall furnish copies thereof to the Client from time to time upon request. All such records books and accounts shall be maintained and preserved as provided for in Section 204-2 of the Investment Advisers Act of 1940. During such period, the Client, its auditors, accountants and authorized agents, from time to time, upon reasonable notice and during normal business hours, shall have the right to inspect, duplicate and audit such records, books and accounts. In addition, the Adviser shall provide the Client with such reports and information regarding the investment activity of the Account as it may from time to time reasonably request.

**14. Limited Power of Attorney.**

(a) Client does hereby constitute and appoint Adviser, in performing its duties under this Agreement, and its successors and assigns, and the officers of the foregoing, as Client's true and lawful attorney-in-fact, with full power of substitution, in Client's name, place and stead, to (i) negotiate, make, execute, sign, acknowledge, swear to, deliver, record, file and bind Client to any agreements, documents or instruments necessary to open and maintain accounts or otherwise effect transactions, (including, but not limited to, wire transfer instructions, securities transfer documents (including stock and bond powers), exchange traded and over-the-counter transaction documentation, as applicable, which may include market and/or industry standard documentation and standard representations; brokerage account and/or counter party trading documentation; and documentation relating to collateralization requirements), which may be considered necessary or desirable by Adviser and/or as amended from time to time to carry out fully the provisions of this Agreement as amended from time to time (subject at all times, however, to each and all of the limitations and stipulations set forth herein); (ii) provide information and documentation about the Client or the Account to counterparties as reasonably required; (iii) take any appropriate actions as reasonably determined by Adviser in good faith to ensure compliance with applicable law and regulatory requirements, including, but not limited to amendments to existing documentation and adherence to various industry protocols; (iv) as permitted by applicable law or regulation, acknowledge receipt of brokers' risk disclosure statements, electronic trading disclosure statements, and similar disclosures; (v) direct the deposit of margin or collateral incidental to transactions, including the transfer of cash, securities or other property; (vi) direct delivery or acceptance of instruments underlying transactions in accordance with transaction terms; and (vi) otherwise perform all other acts contemplated by this Agreement or necessary, advisable or convenient to the day-to-day operations of the Account.

(b) Because this Limited Power of Attorney shall be deemed to be coupled with an interest in the Account assets, it shall be irrevocable and survive and not be affected by Client's subsequent death, incapacity, disability, insolvency or dissolution. However, this Limited Power of Attorney will become revocable upon the expiration of such interest and, therefore, this Limited Power of Attorney will terminate upon termination of this Agreement in accordance with Section 19 of this Agreement.

(c) Nothing herein is meant or shall be claimed, by either party, to confer upon Adviser custody, possession or control of or over any assets held in the Account.

**15. Fees and Expenses.**



16. Limitation of Liability; Indemnity.

(a) Adviser shall not be liable with respect to its services hereunder, including loss resulting from diminution in value of any investment held in the Account, except for any direct (as opposed to incidental or consequential) loss attributable to Adviser's gross negligence, malfeasance, bad faith, material breach of its representations, duties or obligations under this Agreement, or violation of any applicable securities law. Adviser shall not be liable for any act or omission of Custodian or any broker which effects transactions for the Account. Without limiting the foregoing, Adviser does not assume responsibility for the accuracy of information furnished to it by Client, Custodian, broker, or by any person on whom it reasonably relies.

(b) To the extent permitted by law, Client shall indemnify and hold harmless Adviser, its affiliates, directors, officers, shareholders, members, managers, employees and agents for any loss, liability, cost, damage or expense, including reasonable attorneys' fees and costs (collectively, "Loss"), that arises out of or in connection with this Agreement, provided such Loss does not directly result from Adviser's gross negligence, malfeasance, bad faith, material breach of its representations, duties or obligations under this Agreement, or violation of any applicable securities law.

(c) Certain Federal and state laws that may apply to this Agreement may impose liabilities under certain circumstances on persons who act in good faith, and nothing herein shall in any way constitute a waiver or limitation of any rights which Client may have under any such applicable law.

(d) This Section 16 shall survive the termination of this Agreement.

17. Confidentiality.

All information and advice furnished by either party to the other pursuant to this Agreement shall be treated as confidential and shall not be disclosed to third parties except as required by law, provided that Adviser may provide information regarding the Account to its affiliates, third party service providers and their agents, and may exchange information with the Custodian or broker-dealers as necessary in conducting the business of the Account. However, Adviser will not sell or share confidential Client financial information with unaffiliated third parties, other than as described above.

Client further represents that it will not disseminate, trade or otherwise act upon any information relating to any transaction or activity undertaken by Adviser on behalf of the Account, except to the extent such dissemination, trade or other use is for the direct benefit of the Account, and agrees that such information shall be treated as confidential under this Agreement.

Notwithstanding any other terms of this Agreement, nothing shall prohibit a party from disclosing any information to any governmental agency, regulatory authority or self-regulatory authority claiming to have authority to regulate or oversee any aspect of its business. Notwithstanding the



foregoing, the Client shall be entitled to disclose the following information to any person at any time, without the consent of, or advance notice to the Adviser: (i) the fact that the Client has entered into this Agreement with the Adviser, (ii) the amount of the assets held in the Account, (iii) the amount of aggregate distributions from the Client's investment in the Account, (iv) a description of the investment strategy of the Adviser, and (v) the fair market value of the Account.

18. Assignment:

No assignment (as that term is defined in the Advisers Act) of this Agreement may be made by Adviser without the consent of Client. Adviser may, however, at no additional cost or expense to Client, obtain information and assistance for the Account, without the consent of Client. Such assistance may include the hiring of one or more entities, including affiliates, to provide sub-advisory services. A sub-adviser shall have all the rights and powers of Adviser set forth in this Agreement, and Adviser shall be as fully responsible to the Account for the acts and omissions of the sub-adviser as it is for its own acts and omissions.

19. Termination.

This Agreement may be terminated at any time upon 30 calendar days written notice by the Adviser, and upon 10 calendar days written notice by the Client. Such termination shall not, however, affect liabilities or obligations incurred or arising from transactions initiated under this Agreement prior to such termination date. Upon expiration or termination of this Agreement for any reason, and except as otherwise expressly directed by the Client, the Adviser shall: (i) take all necessary steps to immediately cease active investment services under the Agreement; provided however, until all funds have been transferred, Adviser remains a fiduciary to the Client with respect to such funds and shall continue to perform its routine accounting and reporting obligations; (ii) upon notice from the Client, transfer to the Client or to adviser(s) of the Client's choosing, under terms and conditions directed by the Client to Adviser, management of the assets of the Account; (iii) cooperate with the Client in good faith to effect a smooth and orderly transfer of the Account, all services and all applicable records; and (iv) retain all the Client records according to the record retention provisions set forth in Paragraph 13 of this Agreement. The Client's obligation to pay Adviser fees for investment management activities shall cease upon the earlier of the termination of this Agreement or the removal of all assets under management.

20. Notices.

All notices required to be delivered under this Agreement shall be in writing (including telegraphic communication, cable, facsimile, or electronic mail) and delivered to such addresses set forth on the signature page hereof, or as given from each party to the other in writing from time to time. All notices shall be effective upon receipt.

21. Use of Name

Client agrees that Adviser may identify Client by name in Adviser's current client list. Such list may be used with third parties.

22. In Kind Transfer of Securities

Client agrees that should the Account be established either fully or partially through an in kind transfer of securities from an existing account, the Adviser has full discretion to liquidate or refuse to accept certain of such securities for any reason.

In addition, should the Client engage a transition manager or other third party to facilitate the transfer of securities into the Account (the "transition period"), the Client agrees that Adviser shall not be responsible for any actions of such transition manager or the management of the Account pursuant to the terms of this Agreement until the completion of the transition period.

**23. Entire Agreement; Amendments; Governing Law.**

This Agreement constitutes the entire agreement of the parties with respect to management of the Account and can be amended only by a written document signed by all parties. To the extent that state law is not preempted by the provisions of any law of the United States of America, all matters arising under or related to this Agreement shall be governed by, construed, interpreted and enforced in accordance with the internal laws of the Commonwealth of Kentucky. Adviser hereby consents to the jurisdiction of the courts of the Commonwealth of Kentucky and further consents that venue shall lie in Franklin Circuit Court located in Franklin County, Kentucky.

**24. Sovereign Immunity.** The Adviser acknowledges that the Client reserves all immunities, defenses, rights, or actions arising out of its sovereign status or under the Eleventh Amendment to the United States Constitution, except to the extent waived by statute. No waiver of any such immunities, defenses, rights, or actions shall be implied or otherwise considered to exist by reason of its entry into this Agreement, or any agreement related thereto, by any express or implied provision thereof, or by any act or omission to act by the Client or any representative or agent of the Client, whether taken pursuant to any agreement with Adviser or prior to the Client's execution thereof. The forgoing shall not be interpreted to relieve the Client of any of its obligations under this Agreement or any agreement related thereto, nor shall it reduce or modify the rights of Adviser to enforce such obligations at law or in equity.

**25. No Waiver.**

No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. Any waiver granted hereunder must be in writing and shall be valid only in the specific instance in which given.

**26. Force Majeure**

No party to this Agreement will be responsible for nonperformance resulting from acts beyond the reasonable control of such party, provided that such party uses commercially reasonable efforts to avoid or remove such causes of nonperformance and continues performance under this Agreement with reasonable dispatch as soon as such causes are removed.

**27. Severability.**

In the event that any provision of this Agreement is declared to be invalid, such declaration shall not be deemed to affect the validity of any of the other provisions of this Agreement, if both the economic and legal substance of the Agreement are not affected in any manner materially adverse to any party.

**28. Counterparts.**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all such counterparts shall be deemed to constitute one and the same instrument.

**29. Headings.**

The headings contained in this Agreement are for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

**30. Survival of Provisions.**

The provisions of paragraphs 13, 16, 17, 23 and 24 hereof shall survive the expiration or termination of this Agreement.

**Notice: Pursuant to requirements of law, including the USA PATRIOT Act, Adviser is obtaining information and will take necessary actions to verify your identity.**

**IN WITNESS WHEREOF**, each of the parties hereto has caused this agreement to be executed in its name and on its behalf as of the date first written above.

**CLIENT:**  
**KENTUCKY TEACHERS' RETIREMENT SYSTEM**  
**INSURANCE TRUST FUND**  
by its authorized representative(s):

[Redacted Signature]

Printed Name: Tom Sidera, MC  
Title: Chief Investment Officer  
Date: March 11, 2016  
Federal Taxpayer ID#: 90-6139191

Address for Notices:  
479 Versailles Road  
Frankfort, KY, 40601

Client's Primary Business Address, if different from Notices Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ADVISER:**  
**COLUMBIA MANAGEMENT INVESTMENT ADVISERS, LLC**

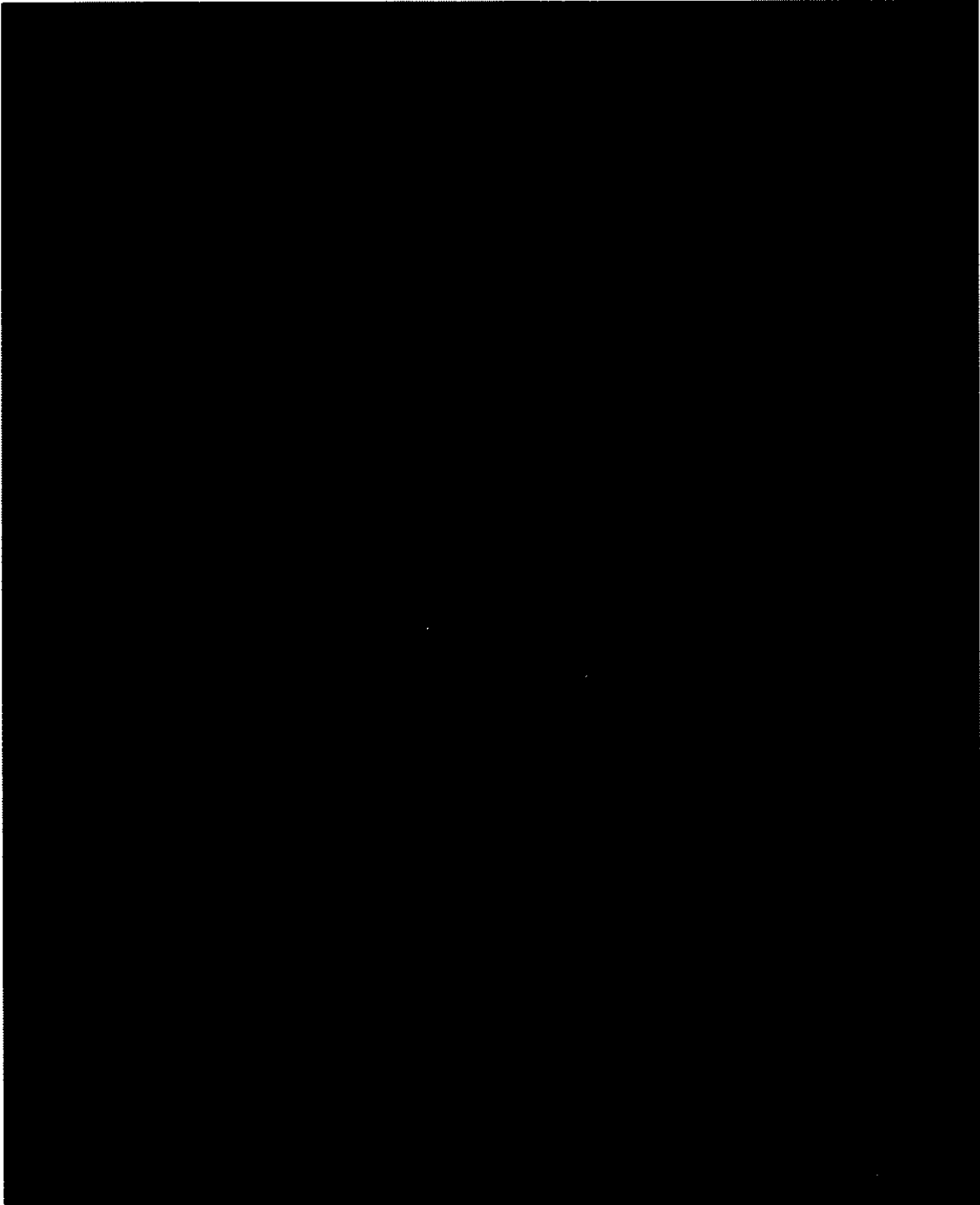
[Redacted Signature]

Date: March 14, 2016

Address for Notices:  
Head of Global Institutional Distribution  
225 Franklin Street  
BX32-01737  
Boston, MA 02110

**APPENDIX A - FEE SCHEDULE  
KENTUCKY TEACHERS' RETIREMENT SYSTEM INSURANCE TRUST FUND**

Effective March 11, 2016, the following fee schedule shall be in effect:



Agreed and accepted:

Kentucky Teachers' Retirement System  
Insurance Trust Fund

Columbia Management Investment  
Advisers, LLO

Signature

Tom Siderewicz

Name

Chief Investment Officer

Title

3/11/16

Date

March 14, 2016

Date

**APPENDIX B – CLIENT GUIDELINES  
KENTUCKY TEACHERS' RETIREMENT SYSTEM INSURANCE TRUST FUND  
HIGH YIELD FIXED INCOME**

**Separate Account Investment Guidelines**

**Investment Objective**

The primary objective of the portfolio is to outperform the total return of the portfolio's benchmark, while maintaining a risk profile similar to that of the benchmark.

**Performance Benchmark**

The portfolio's primary performance benchmark is the BofA Merrill Lynch U.S. High Yield Cash Pay Constrained Index, an unmanaged index.

**Authorized Investments**

- U.S. dollar-denominated debt securities issued by U.S., Canadian and other foreign business entities
- Bank loans
- Debt securities that are convertible into equity or other instruments
- Zero-coupon bonds
- Payment-in-kind ("PIK") securities in which coupon payments take the form of additional principal to be repaid at maturity, in lieu of a cash coupon
- Rule 144A fixed-income securities, with or without registration rights
- Derivatives as specified under eligible derivatives
- Although the portfolio invests primarily in debt instruments initially, the portfolio may hold non-debt securities (e.g. warrants, preferred stock and common equity) when the securities are attached to debt securities or that may be acquired via a restructuring
- Securities may be transacted in the new issue or secondary markets and may be purchased either in public offerings or private placements

**Investment Restrictions**

- At the time of purchase, fixed-income securities of foreign issuers (corporate and government) denominated in United States dollars may represent up to 25% of the market value of the portfolio, except that the 25% limit does not apply to Canadian securities
- At the time of purchase, investments in bank loans are allowed up to a maximum of 15% of the market value of the portfolio
- At the time of purchase, up to 10% of the market value of the portfolio measured on a notional basis may be invested in credit-linked notes whose value is derived from a basket of underlying high yield securities
- At the time of purchase, up to 10% of the market value of the portfolio measured on a notional basis may be invested in financial instruments (e.g. futures, options, swaps (Credit Default Swaps) etc.)
- There are no restrictions on portfolio turnover
- There are no restrictions on realizing gains or losses

**Credit Quality**

- At the time of purchase, all fixed income securities must be rated at least C or an equivalent rating by at least one Nationally Recognized Statistical Rating Organization ("NRSRO"), or, if unrated, the portfolio manager must have a reasonable belief that such security, if rated, would achieve a rating of at least C or equivalent
- The credit quality methodology employed will match that of the benchmark for all credit tests with the exception of the minimum quality at the time of purchase
- In the event a security is downgraded below C or equivalent rating subsequent to purchase or otherwise no longer meets minimum quality requirements, the portfolio manager may elect to hold or sell such security or securities

- Issuers that initiate exchange offers or similar restructuring with respect to fixed income securities may be given a rating of 'SD' (selective default) or the equivalent by a Nationally Recognized Statistical Rating Organization and the securities subject to the exchange may be rated 'D' even though no legal default has occurred; securities that are rated 'D' in this manner may be purchased and held despite the fact that they are rated below C
- At the time of purchase, up to 20% of the market value of the portfolio may be invested in securities rated investment grade or higher

**Diversification**

- At the time of purchase, no more than 5% of the total market value of the portfolio may be invested in securities of any one issuer; provided, however, that this limit does not apply to U.S. Government Securities
- The portfolio has no limits on sector over- and under-weights

**Derivatives**

For liquidity purposes, the portfolio may invest in credit-linked notes whose value is derived from a basket of underlying high yield securities. For the purpose of hedging or a way of taking long positions, the portfolio may invest in financial instruments e.g., futures, options, swaps (Credit Default Swaps). Investments in options, futures, and other derivatives are allowed only for hedging purposes or as a substitute for actual securities in cases where the derivative instrument is a more efficient means of gaining exposure to the underlying securities. Derivatives may not be used in a speculative manner or to leverage the portfolio.

For the purposes of managing interest rate risk, the portfolio may invest in Interest Rate Futures. Interest rate futures would not be used to intentionally position the duration of the portfolio shorter or longer than the benchmark, but rather to ensure that an unintended duration position does not impact performance relative to the benchmark in certain market environments.

**Miscellaneous**

The client will monitor trading activity and trade execution levels from account inception date. However, the specific limits set forth in the Investment Guidelines will not apply until the portfolio has been fully funded for the total commitment award.

Agreed and accepted:

Kentucky Teachers' Retirement System  
Insurance Trust Fund

Columbia Management Investment  
Advisors, LLC



Signature

Tom Siderewicz

Name

Chief Investment Officer

Title

3/11/16

Date

March 14, 2016

Date

## APPENDIX C – CLIENT AUTHORIZATIONS

Each of the following activities creates a potential conflict of interest, as described below. Such potential conflicts of interest are in addition to those conflicts of interest set forth in the Standard Investment Management Disclosure Regarding Transactions with Affiliates and Conflicts of Interest provided herewith. Adviser will not engage in any of the activities described below on behalf of the Account without Client's authorization. If authorized by the Client herein, Adviser will engage in the activities described below only to the extent consistent with applicable law and its fiduciary duty under the Agreement, including its obligation to seek best execution for Account transactions. Client may revoke authorization at any time in writing, provided that such revocation does not affect transactions entered into in reliance prior to receipt of notice of revocation. Adviser is not liable for any loss resulting from its inability to engage in any of the activities described below if such activities were not authorized by the Client in writing herein.

**Instructions:** Check the "AUTHORIZED" box if Client authorizes Adviser to engage in the transaction; or Check the "NOT AUTHORIZED" box if Client does not authorize the Adviser to engage in the transaction.

**Authorization To Engage in Cross-Trades.** Client authorizes Adviser and its affiliates to effect agency (as opposed to principal) transactions for the Account with other accounts for which Adviser or an affiliate provides investment advisory services ("Cross Trades"). Such Cross Trades are intended to enable Adviser to purchase or sell securities for the Account at a set price and possibly avoid an unfavorable price movement that may be created through entrance into the market with such purchase or sell order. Except to the extent permitted by applicable law, neither Adviser nor any of its affiliates will receive any compensation for effecting such Cross Trades (other than investment management or advisory fees set forth in this Agreement).

✓  AUTHORIZED

NOT AUTHORIZED

**Authorization to Purchase Affiliated Funds.** Adviser may invest account assets in interests of money market mutual funds, other investment companies, privately offered investment funds and other collective investment vehicles for which Adviser or its affiliates acts as investment adviser, sponsor or administrator ("Affiliated Funds"). Assets held in Affiliated Funds for which the Adviser receives a fund-level advisory fee will bear no account-level advisory fees pursuant to the Client's Fee Schedule. The fund-level advisory fee may be higher or lower than the account-level advisory fee that would be charged for those same assets. As a result, the overall costs to or expenses incurred by the Client may be higher for those assets invested in Affiliated Funds.

✓  AUTHORIZED

NOT AUTHORIZED



### ADDITIONAL CLIENT AUTHORIZATIONS

**Authorization to Purchase Commodity Interests.** To the extent permitted under the terms of the Agreement, the Adviser may engage in commodity interest transactions on behalf of the Account. Commodity interest transactions include, but are not limited to, futures contracts, options on futures, swaps and non-deliverable foreign currency forwards.

Client represents that it is:

- (i) an "eligible contract participant" for purposes of and as that term is defined in Section 1a(18) of the Commodity Exchange Act (a copy of such definition is available upon request), and
- (ii) a "qualified eligible person" for purposes of and as that term is defined in Rule 4.7 of the Commodity Futures Trading Commission (a copy of such definition is available upon request).

In connection with the foregoing representation that it is a qualified eligible person for purposes of and as that term is defined in CFTC Rule 4.7, Client hereby gives due consent to Adviser, in its capacity as a commodity trading advisor, to treat the Account as exempt under Rule 4.7.

Please check the relevant box below and provide the additional requested information where indicated:

- Client confirms that it is not required to be registered with the CFTC in any capacity and that it is not required to be a member of the National Futures Association ("NFA"). (Note: If Client is a commodity pool, this question applies to its commodity pool operator.)

If Client (or client's commodity pool operator) relies on an exemption in order not to be so registered, please identify that exemption. Otherwise, please indicate "N/A" and explain the reason why an exemption is not necessary: \_\_\_\_\_.

- Client is a governmental plan.

Client confirms that it is registered with the CFTC and is a member of the NFA. (Note: If Client is a commodity pool, this question applies to its commodity pool operator.)

The Client agrees to inform the Adviser immediately in writing if the responses given above become untrue.

AUTHORIZED AND AGREED

NOT AUTHORIZED

**Privately Offered Securities.** In connection with the purchase or purchases of privately offered securities pursuant to Rule 144A of the Securities Act of 1933, Client certifies that it is familiar with Rule 144A, that it is a "Qualified Institutional Buyer" as defined in Section (a)(1) of Rule 144A, and that Adviser is authorized to purchase such securities for the Account.

AUTHORIZED (Client is a QIB under Rule 144A)

NOT AUTHORIZED

Agreed and accepted:

Kentucky Teachers' Retirement System  
Insurance Trust Fund

  
Signature

Tom Siderewicz  
Name

Chief Investment Officer  
Title

3/4/16  
Date

**COLUMBIA MANAGEMENT INVESTMENT ADVISERS, LLC**  
**STANDARD INVESTMENT MANAGEMENT AGREEMENT DISCLOSURE OF**  
**TRANSACTIONS WITH AFFILIATES AND POTENTIAL CONFLICTS OF INTEREST**

Columbia Management Investment Advisers, LLC ("Adviser") is affiliated with Ameriprise Financial, Inc., a diversified financial services company that directly or through affiliates provides a wide variety of securities, insurance and other investment services to a broad array of customers, which relationships could give rise to conflicts of interest. The transactions and activities described below present potential conflicts of interest. Adviser may engage in these transactions or activities on behalf its investment management clients to the extent that doing so is consistent with its fiduciary duty under the Investment Management Agreement ("Agreement"), and is not otherwise prohibited by the client's Guidelines and Authorizations (collectively referred to herein as "Investment Guidelines"). If the account is a plan that is governed by ERISA, such transactions and activities shall only be conducted in compliance with applicable ERISA rules, regulations and exemptions.

- Subject to applicable law, Adviser may pay certain fees to, and/or share revenues with, affiliates and third parties in connection with referrals and other services provided in connection with its investment advisory business.
- To the extent consistent with the client's Investment Guidelines and applicable law, Adviser may invest account assets in interests of money market mutual funds, other investment companies, privately offered investment funds or other collective investment vehicles that are not affiliated with the Adviser (each, a "Fund"). Adviser or its affiliates may receive fees from a Fund or its affiliates for services to such Fund, including fees payable under a plan adopted pursuant to Rule 12b-1 under the 1940 Act, in addition to, and without reduction of, customary advisory fees paid to Adviser by the client.

Part II of Adviser's Form ADV (or other brochure meeting the requirements of Rule 204-3 under the Advisers Act) contains additional disclosure regarding potential conflicts of interest which disclosure may be amended from time to time. Clients should also refer to the Client Authorizations attached to their Agreement for additional conflicts of interest that may be applicable to their account.

*Notice: The Adviser, like all financial institutions, is required by U.S. Federal law to obtain, verify, and record information that identifies each customer that opens an account. When a client opens an account, the Adviser may ask for the client's legal name, address, tax identification number and other identifying information. The Adviser may ask for copies of business licenses or other documents evidencing the existence and good standing of the entity. For individuals, including sole proprietors, the Adviser may ask for the date of birth, and may also ask to see a driver's license or other identifying documents.*