



ITEM #20  
WRKS  
09/10/13

## MEMORANDUM

September 3, 2013

**TO:** Board of Mayor & Aldermen  
**FROM:** Eric S. Stuckey, City Administrator  
Russ Truell, Assistant City Administrator  
**SUBJECT:** Consideration of Adoption Agreement with Loomis-Sayles Trust Company  
(COF Contract No. 2013-0138)

### Purpose

The purpose of this agenda item is to consider approval of an agreement with Loomis-Sayles Trust Company for investment management services for the City of Franklin Pension Plan.

### Background

The Pension Committee, at its August meeting, approved a motion to select Loomis-Sayles Trust Company LLC to manage a portion of the fixed income investment allocation for the Employees' Pension Plan. Loomis-Sayles Trust Company would be a replacement for State Street Global Investments, our current fixed income manager. The Committee believes that it is in the best interest of the Pension Plan to move from an indexed approach to an actively-managed approach.

During the August meeting, three finalists were interviewed and the research on their historical performance was reviewed at length with our financial advisor. Loomis-Sayles was selected by a unanimous vote of the committee members.

By engaging Loomis-Sayles Trust Company, the Committee will not be increasing the total allocation to this investment category, only changing the asset manager. As with all contracts with pension managers, our City Attorney and our Pension Plan's legal advisor will need to review this agreement and other documentation regarding the structure of the investment fund. Approval of this agreement should be subject to final approval of, and any amendments recommended by, the City Administrator, the City Attorney, and pension counsel.

### Financial Impact

No impact to General Fund.

### Options

Approve or disapprove the adoption agreement as recommended by the Pension Committee, subject to the review of the City Attorney, our Pension Attorney, and the City Administrator.

### Recommendation

Staff recommends approval.

## ADOPTION AGREEMENT

COF Contract No.: 2013-0138

### LOOMIS SAYLES TRUST COMPANY, LLC COLLECTIVE TRUST FOR EMPLOYEE BENEFIT PLANS

This Agreement is made as of \_\_\_\_\_, by and between the authorized fiduciary executing this Agreement (the "Participating Trust Signatory") on behalf of the employee benefit plan and trust identified on the signature page hereof (the "Eligible Trust") and Loomis Sayles Trust Company, LLC ("LSTC"), as trustee (in such capacity, the "Trustee") of the Loomis Sayles Trust Company, LLC Collective Trust For Employee Benefit Plans (the "Collective Trust").

Capitalized terms used but not defined in this Agreement are defined as indicated in the Declaration of Trust, effective as of February 13, 2007, as amended and restated from time to time, pursuant to which the Trustee maintains the Collective Trust (the "Declaration of Trust").

#### RECITALS

A. The Trustee maintains the Collective Trust and its constituent Funds for the collective investment of eligible employee benefit plans and trusts, as described in the Declaration of Trust.

B. The Participating Trust Signatory desires to cause certain assets of the Eligible Trust, which is maintained by the Plan Sponsor identified on the signature page hereof, to be invested in the Fund(s) described in Schedule A ("New Account Application"), as amended from time to time by agreement of the Participating Trust Signatory and the Trustee. Such Fund(s) include the Loomis Sayles Core Plus Fixed Income Fund (the "Fund").

C. The Participating Trust Signatory further desires to appoint the Trustee as a trustee and investment manager of the Plan to the extent that assets of the Eligible Trust are invested from time to time in the Collective Trust through the Funds and acknowledges that certain custodial, administrative, transfer agency, and securities lending and collateral management services will be provided with respect to the Collective Trust by the Custodian or other service providers retained by the Trustee pursuant to the Declaration of Trust.

#### AGREEMENT

1. Appointment and Acceptance. The Participating Trust Signatory hereby appoints LSTC as trustee and investment manager of the Eligible Trust to hold such assets of the Eligible Trust as may from time to time be invested in any Fund. The Eligible Trust's participation in the Collective Trust will at all times be subject to the terms of the Declaration of Trust, which is hereby adopted as a part of the Plan and Eligible Trust. The Participating Trust Signatory hereby agrees that the responsibilities and duties of LSTC are limited to such assets of the Eligible Trust as are invested from time to time in the Collective Trust and its constituent Funds and, if such assets only constitute a portion of the assets of the Eligible Trust, LSTC has no responsibilities or duties with respect to any other assets of the Eligible Trust. Any inconsistency between this Agreement and the Declaration of Trust with respect to the Eligible Trust's investment in the Collective Trust shall be resolved in favor of the Declaration of Trust.

2. Trustee Status. The Trustee hereby acknowledges that it is a "fiduciary," as defined in Section 3(21)(A) of ERISA, of the Eligible Trust with respect to the assets of such Eligible Trust invested in the Collective Trust, with responsibilities as such limited to managing and controlling such assets in accordance with the Declaration of Trust. The Trustee represents that it qualifies as

an “investment manager,” as defined in Section 3(38) of ERISA and as a “qualified professional asset manager,” or “QPAM” as defined in Prohibited Class Exemption (“PTE”) 84-14, as amended and modified issued by the U.S. Department of Labor (“DOL”).

3. Adoption of, Admission to, the Collective Trust.

(a) The Participating Trust Signatory hereby represents to the Trustee as follows [please check as applicable]:

- The Eligible Trust is maintained pursuant to an instrument which authorizes it to participate in the Collective Trust or in any other common, collective, or commingled trust fund and, by execution of this Agreement, the Participating Trust Signatory hereby adopts the Declaration of Trust as a part of the Plan(s) of which the Eligible Trust is a part, to the extent required by applicable law.
- The Eligible Trust is maintained pursuant to an instrument which authorizes it to participate in the Collective Trust or in any other common, collective, or commingled trust fund for which the Eligible Trust is an eligible participant.
- To the extent required by applicable law, the Declaration of Trust is specifically or in substance and effect incorporated into and adopted as a part of the Plan(s) of which such Eligible Trust is a part.

(b) The Trustee hereby accepts the Eligible Trust as a Participating Trust. The Eligible Trust shall become a Participating Trust in the Collective Trust on the first Valuation Date for the relevant Fund(s) coinciding with or next following the date as of which this Agreement is made, as first written above, and receipt by the Trustee or Custodian of cash or other property acceptable to the Trustee to fund the Eligible Trust’s initial addition to the Collective Trust, or as otherwise agreed by the Eligible Trust and the Trustee.

4. Representations and Warranties Relating to the Eligible Trust. The Participating Trust Signatory warrants and represents to the Trustee as follows:

- (a) The Eligible Trust is part of a Plan maintained by the Plan Sponsor.
- (b) The Eligible Trust is either [check as applicable]:
  - An Eligible Trust exempt under Code Section 501(a) from United States federal income taxation by reason of the Plan(s) of which it is a part having qualified as exempt from such tax under Code Section 401(a) (including by reason of ERISA Section 1022(i)). If the Plan covers one or more self-employed individuals within the meaning of Code Section 401(c)(1), the applicable requirements of Securities Act Section 3(a)(2) or Rule 180 of the United States Securities and Exchange Commission under the Securities Act (or any successor ruling, regulation, or similar pronouncement) regarding participation in a collective trust fund by plans for self-employed individuals are satisfied.
  - a Governmental Plan which is not subject to federal income taxation and which satisfies the applicable requirements of the Securities Act and the Investment Company Act (or any applicable rules thereunder) regarding participation in a collective trust fund and which is (i) a plan established and maintained for its employees by the U.S. Government, by the

government of any State or political subdivision thereof, or by any agency or instrumentality of the foregoing, within the meaning of Code Section 414(d); (ii) an eligible deferred compensation plan within the meaning of Code Section 457(b) established and maintained by an eligible governmental employer described in Code Section 457(e)(1)(A) and is not subject to federal income taxation under Code Section 457(g); or (iii) any other governmental plan or unit described in Code Section 818(a)(6).

- a Commingled Fund which is common, collective, or commingled trust fund maintained by a bank or trust company: (i) interests in which are solely offered to, and held by, Qualified Plans and Governmental Plans as provided in Securities Act Section 3(a)(2) and Investment Company Act Section 3(c)(11) and by persons authorized under Exchange Act Section 3(a)(12)(A)(iv), such as Insurance Company Separate Accounts, and other Commingled Funds; and (ii) is exempt from United States federal income taxation under Code Section 501(a) by reason of qualifying as a “group trust” under the Group Trust Rules.
- an Insurance Company Separate Account consisting of assets of an insurance company, as defined in Investment Company Act Section 2(a)(17), that are segregated in a separate account, as defined in Investment Company Act Section 2(a)(37), established pursuant to a contract, interests in which are solely offered to and held by Qualified Plans and Governmental Plans as provided in Securities Act Section 3(a)(2) and Investment Company Act Section 3(c)(11) and by Persons authorized under Exchange Act Section 3(a)(12)(A)(iv), such as Insurance Company Separate Accounts, and other Commingled Funds, and Section 12(g)(2)(H).

(c) The governing instrument of the Eligible Trust expressly provides that it is impossible for any part of the corpus or income of the Eligible Trust to be used for, or diverted to, purposes other than the exclusive benefit of employees or their beneficiaries, prior to the satisfaction of all liabilities of the Eligible Trust with respect to such employees or their beneficiaries. For purposes of this paragraph, “Eligible Trust” also refers to any constituent plan of a Commingled Fund or Insurance Company Separate Account.

(d) The Eligible Trust does not include assets of any (i) Plan described in Code Section 403, or (ii) individual retirement account described in Code Section 408 or Section 408A.

(e) Any Plan of which the Eligible Trust is a part that permits participants to direct the investment of assets allocated to his or her accounts under the Plan (a “Participant-Directed Plan”) is maintained by the Plan Sponsor as a Plan that satisfies in form and operation the requirements of ERISA Section 404(c) and regulations promulgated by the DOL thereunder.

(f) The Plan of which the Eligible Trust is a part is/is not sponsored solely by a broker-dealer (**please circle the appropriate response**). Pursuant to Rule 5130 of the Financial Industry Regulatory Authority, Inc. (formerly, the National Association of Securities Dealers, Inc.) (“FINRA”), certain persons associated with broker/dealers and other financial-type accounts are “restricted persons” as defined in FINRA Rule 5130. “Restricted Persons” may not fully participate in the profits and losses of so-called “new issues.” For that reason, to the extent the Fund desires to reserve the right to invest in “new issues,” as described in the Offering Memorandum, it must identify participants that are “restricted persons.” Eligible Trusts whose Plans are sponsored solely by a broker-dealer are deemed “Restricted Persons.”

5. Additional Representations and Warranties and Covenants of the Participating Trust Signatory. The Participating Trust Signatory warrants and represents to, and covenants with, the Trustee as follows:

(a) The Participating Trust Signatory is a named fiduciary of the Plan as defined in ERISA and has full power and authority under the provisions of the Plan and the Eligible Trust to execute and deliver this Agreement, including, without limitation, authority to amend the Plan and Eligible Trust if and to the extent necessary for purposes of Section 3(a), and to perform the obligations and agreements undertaken by it and the Eligible Trust as a Participating Trust under the Declaration of Trust and this Agreement on its own behalf and on behalf of the Eligible Trust. The Agreement constitutes the valid and binding undertaking of the Plan, the Eligible Trust, and the Participating Trust Signatory in accordance with its terms.

(b) The Participating Trust Signatory possesses or has available to it such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks to the Plan and its participants and beneficiaries of an investment in the Collective Trust. The Eligible Trust is acquiring its interest in the Collective Trust for its own account, and not with a view to resale or distribution.

(c) The investment by the Eligible Trust in the Collective Trust is consistent with the terms and investment objectives of the Eligible Trust (including those described in documents made available to participants and beneficiaries of a Participant-Directed Plan funded through the Eligible Trust). The Participating Trust Signatory, in the exercise of its discretionary authority as a fiduciary of the Eligible Trust (i) has determined that such investment is prudent, suitable, and appropriate for the Eligible Trust and protective of the interests of the Plan and its participants and beneficiaries, and (ii) agrees and acknowledges that the Trustee, in discharging its responsibilities under the Collective Trust and this Agreement, has no responsibility to advise or monitor the Participating Trust Signatory or any Plan participant or beneficiary under a Participant-Directed Plan with respect to any decision to designate one or more Funds as eligible investment options under the Plan and/or to invest (and continue to invest) in the Funds, as the case may be.

(d) With respect to the assets of the Eligible Trust invested in the Collective Trust, (i) the investment guidelines of each Fund supersede any internal or other investment guidelines and/or policies adopted by or applicable to the Eligible Trust, including those set forth in any investment policy statement of, or state law applicable to, the Eligible Trust; (ii) the Participating Trust Signatory is responsible for ensuring that the Eligible Trust's participation in the Collective Trust complies with its internal investment guidelines and/or policies; and (iii) compliance by the Trustee with the investment guidelines and/or policies of the Fund (and those of any other Fund designated on Schedule A) will not violate the Eligible Trust's internal investment guidelines and/or policies, or any guidelines or policies established under state law to which the Eligible Trust is subject. In furtherance of the foregoing, the Participating Trust Signatory shall be responsible for monitoring and ensuring compliance with any investment restriction relating to the Eligible Trust under applicable state law. Such responsibility shall be adopted as part of the Plan and the Eligible Trust.

(e) The Participating Trust Signatory understands that investments in foreign securities may involve depositary and settlement risks not customarily associated with securities of domestic issuers, and acknowledges that neither the Trustee nor the Custodian is guaranteeing the performance of foreign custodians or depositories or the performance of counterparties to investment strategies that the Trustee is authorized and intends to use in the investment of the Funds.

(f) The Participating Trust Signatory acknowledges and agrees that the Participating Trust Signatory is responsible for monitoring and ensuring compliance by the Plan with

applicable requirements of Section 407 of ERISA (dealing with investments in “employer securities”), and that the Trustee shall have no such responsibility in its management of the Fund. The Participating Trust Signatory has informed the Trustee in Schedule E about all restrictions or limitations on securities or other instruments in which the Eligible Trust may invest directly or indirectly, including, without limitation, for purposes of complying with ERISA Section 407 to the extent applicable. The Trustee and the Investment Adviser shall be entitled to rely on any such information provided by the Participating Trust Signatory unless and until superseded in writing.

(g) The Participating Trust Signatory acknowledges that the Trustee may rely on exemptions provided under ERISA, including, without limitation, ERISA Section 408(b)(17), and exemptions promulgated by the DOL, including, without limitation, PTE 84-14 (applicable to transactions by “Qualified Professional Asset Managers”) and PTE 91-38 (relating to common or collective trust funds maintained by banks) in connection with transactions undertaken on behalf of the Funds. Accordingly, the Participating Trust Signatory represents that, except as the Participating Trust Signatory indicated in the New Account Application and Schedule E attached hereto, (i) the Participating Trust Signatory or any other person that has authority to subscribe for or redeem Shares or to negotiate the terms of this Agreement is not itself, is not a director or employee of, and does not have an affiliate that is, an issuer of publicly traded securities or a bank, broker-dealer, insurance company, trust company, or similar financial institution, and (ii) no person other than the Participating Trust Signatory (and the Participating Trust Signatory’s investment consultant) has or has exercised any discretionary authority, control, responsibility, or influence with respect to the investment of the Eligible Trust’s assets in, or held by, the Collective Trust, or renders investment advice (within the meaning of ERISA Section 3(21)(A)(ii) with respect to those assets.

(h) The Participating Trust Signatory agrees that any representation of the Participating Trust Signatory under this Agreement at the time of the initial transfer of assets by the Eligible Trust to the Collective Trust will be deemed to be continued until such time as the Eligible Trust’s interest has been completely withdrawn from the Collective Trust. The Participating Trust Signatory hereby agrees on behalf of the Eligible Trust that the Eligible Trust will indemnify and hold harmless the Trustee, Loomis, Sayles & Company, L.P. (“Loomis Sayles”), and their directors, officers, employees, and affiliates against all actions and proceedings, claims, demands, costs and expenses which may be brought, threatened or incurred by any of them, arising out of the failure of the representations and warranties given hereunder by the Participating Trust Signatory on its own behalf or on behalf of the Eligible Trust to be true, complete and accurate in all material respects. This indemnity will survive the termination of this Agreement.

(i) The Participating Trust Signatory agrees that it shall notify the Trustee before or immediately upon the occurrence of any event which (i) causes a change in any of the representations and warranties made by it under this Agreement; (ii) makes participation of the Plan or the Eligible Trust to which it relates in the Collective Trust unlawful or otherwise contrary to the constituent documents of the Eligible Trust; (iii) could jeopardize the tax qualification of the Eligible Trust; or (iv) could jeopardize the exemptions for any Eligible Trust that is a Commingled Fund or Insurance Company Separate Account and the interests therein under the Securities Laws; provided, however, that nothing in this sentence shall be deemed to relieve the Participating Trust Signatory or the Plan Sponsor from any liability or obligation it may have to the Trustee for any breach of the Participating Trust Signatory’s representations and warranties in this Agreement.

(j) The Participating Trust Signatory acknowledges that the Trustee is authorized under the Declaration of Trust to retain affiliated or unaffiliated investment advisers and sub-advisers to assist the Trustee with respect to the management of Fund investments. If the Eligible Trust is subject to ERISA, the Participating Trust Signatory, as a named fiduciary of the Eligible

Trust, hereby confers on the Trustee such authority as is necessary to enable the Trustee, if the Trustee in its discretion deems it necessary or advisable to do so, to appoint Loomis Sayles as an investment manager (as such term is defined by ERISA Section 3(38)) with respect to the Eligible Trust, with responsibilities as such limited to, assets of the Eligible Trust that are held in the Fund.

(k) The Participating Trust Signatory understands that, to the extent described in the Fund's Offering Memorandum, the Trust may invest in one or more other pooled or bundled investment vehicles sponsored, serviced or advised by LSTC, Loomis Sayles, or an affiliate, and that such investments may be subject to limitations on redemptions. The Participating Trust Signatory authorizes and consents to such investments, provided that, as described in the Fund's Offering Memorandum, the Trust is not subject to the payment of additional fees to LSTC, Loomis Sayles or their affiliates by reason of such investment.

6. Trustee Compensation and Expenses. The Trustee is entitled to reasonable compensation for its services to the Collective Trust as set forth in Schedule B. If the Trustee's compensation will be paid from the assets of the Fund(s) in which the Eligible Trust invests, and if the Eligible Trust is part of a Participant-Directed Plan, the Participating Trust Signatory acknowledges and agrees, that it has disclosed and, upon any change in compensation applicable to the Eligible Trust, it will disclose to all affected participants (i) the Trustee's compensation with respect to each Fund, (ii) that such compensation varies among Classes, (iii) whether any portion of such compensation is payable to third parties in connection with such Plan's expenses and (iv) that such compensation may change, as described in Section 8.3 of the Declaration of Trust. In addition, each Fund will incur certain expenses in connection with its operations that will be charged to the Fund as described in the Declaration of Trust and the Fund's Offering Memorandum. The Participating Trust Signatory acknowledges that the Trustee, in its discretion, may elect to limit certain expenses of a Fund and may discontinue or modify any such limitation at any time without notice to the Participating Trust Signatory. Neither a modification nor a discontinuance of any such limitation will be deemed to be a revision of Schedule B.

7. Securities Lending Authorization. The Participating Trust Signatory acknowledges that the Trustee is authorized under the Declaration of Trust to lend or to authorize the Custodian to lend securities of any Fund and that any such securities lending and related compensation arrangements are as described in the Offering Memorandum of each affected Fund. The Participating Trust Signatory hereby authorizes the Trustee and/or the Custodian to lend securities, as agent, on behalf of the Fund(s), provided that the Trustee uses reasonable efforts to ensure that such loans of Fund securities are made in compliance with the requirements of PTE 2006-16 promulgated by the DOL. The Participating Trust Signatory hereby further authorizes the arrangements under which compensation for securities lending services is paid to the Trustee and/or the Custodian in which the Eligible Trust invests, as described in the Offering Memorandum of each affected Fund.

8. Additional Information. The Participating Trust Signatory further agrees to provide such other information as the Trustee may reasonably request from time to time in order to avoid violations of ERISA or other laws applicable to the Collective Trust. The Trustee shall be entitled to rely on any information provided by the Participating Trust Signatory unless and until superseded in writing.

9. Information Regarding the Collective Trust. The Participating Trust Signatory acknowledges that: (i) it has received a copy of the Declaration of Trust before it executed this Agreement and authorized the initial transfer of Eligible Trust assets to the Collective Trust; (ii) neither the Collective Trust nor any Fund or Units offered to or held by the Eligible Trust are (or are expected to be) registered under the securities laws; (iii) it has received the Supplemental Declaration and the Offering Memorandum relating to each Fund in which the Eligible Trust invests pursuant to this Agreement; (iv) as an alternative to the direct investment in securities the

Funds may, as described in the Offering Memorandum of each Fund, invest in underlying funds including funds managed or advised by the Trustee or its affiliates, and (v) the interest of the Eligible Trust in the Collective Trust is not transferable and is subject to restrictions on withdrawal as provided in the Declaration of Trust.

10. Brokerage. The Participating Trust Signatory understands that the Trustee(i) will place orders for the execution of portfolio transactions for each Fund with brokers, futures commission merchants, dealers, or other counterparties selected by the Trustee in its discretion, (ii) will allocate such transactions to such brokers, futures commission merchants, dealers, or counterparties for execution on such markets, at such prices, and at such commission rates as in its good faith judgment are appropriate, using its reasonable efforts to obtain best price and best execution in light of all relevant factors, and (iii) subject to the requirements of Section 28(e) of the Securities and Exchange Act of 1934, may cause the Trust to pay a broker or dealer an amount of commission for effecting a transaction in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if Trustee determines, in good faith, that such amount of commission is reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either the particular transaction or its overall responsibilities with respect to the accounts over which Trustee exercises investment discretion.

11. Aggregation of Orders. The Trustee, in its discretion, may aggregate purchases or sales of any investment effected for a Fund with purchases or sales, as the case may be, of the same investment effected on the same day for other Funds and/or the accounts of one or more of the Trustee's other clients or clients of the Trustee's affiliate, Loomis Sayles. When transactions are so aggregated, (i) the actual prices applicable to the aggregated transaction will be averaged and the Fund and each other account participating in the aggregated transaction shall be deemed to have purchased or sold its share of the investment involved at such average price, and (ii) all transaction costs incurred in effecting such an aggregated transaction shall be shared on a pro rata basis among the Fund and all other accounts participating in such aggregated transaction.

12. Referral Fees. The Participating Trust Signatory acknowledges and agrees that, if the Eligible Trust has been referred to the Trustee by an employee of the Trustee, Loomis Sayles, or their affiliates, the Trustee, in its discretion, may make payments out of any Trustee compensation received by it directly or indirectly to said employee.

13. Investment, Market Timing, etc. The Participating Trust Signatory acknowledges and agrees that all investments and redemptions of Units contemplated by this Agreement for the benefit of underlying participants and beneficiaries of the Eligible Trust, including any Commingled Fund described in Section 3(b) above, and their underlying participants and beneficiaries, if any, (each an "Underlying Participant") shall be effected in accordance with the Offering Memorandum of the affected Fund and the Trust Agreement, including the use of any Dedicated or Liquidating Accounts. The Participating Trust Signatory acknowledges and agrees that it will be responsible for monitoring the Underlying Participants' accounts for any pattern of investments, redemptions and exchanges of Units of the Funds that potentially indicates excessive trading or "market timing" ("Potential Market Timing"). The Participating Trust Signatory acknowledges and agrees that should it come to its attention that any Underlying Participant is engaging in Potential Market Timing, it shall immediately inform the Trustee of such Potential Market Timing and shall cooperate fully with the Trustee in any investigation and, if deemed necessary or appropriate by the Trustee, terminating any such Potential Market Timing, including by refusing such Underlying Participant's requests to invest in or redeem Units of the Funds.

1. 14. Confidentiality. The Participating Trust Signatory agrees that, if the Trustee provides it with reports of the portfolio holdings of the Fund (each a "Report") at any time earlier than 30 business days after the date of the Report, then with respect to each such Report for the remainder of such 30 day period, the Participating Trust Signatory



and the Eligible Trust will carefully safeguard the confidentiality of the Report, making at least such efforts as it does to protect its own confidential information, and will not disclose any aspect or portion of the Report to anyone else, including any beneficiary of the Subscriber, without the Trustee's express prior written consent unless the Participating Trust Signatory has been compelled to do so by law, by any regulatory agency or any legal entity or court of competent jurisdiction. The Participating Trust Signatory agrees to notify the Trustee promptly upon the receipt of such request or requirement so that the Trustee may seek a protective order or other appropriate remedy. Should the Trustee determine that a Report is confidential, the Trustee agrees to respond to the request by redacting proprietary or other confidential information. In exchange, the Trustee agrees to indemnify, defend, and hold harmless the Participating Trust Signatory for any claims by third parties relating thereto or arising out of (i) the Participating Trust Signatory's failure to disclose such documents or information required to be disclosed by law, or (ii) the Participating Trust Signatory's release of documents as a result of Participating Trust Signatory's reliance upon Trustee's representation that materials supplied by Trustee (in full or redacted form) do not contain trade secrets or proprietary information, provided that the Participating Trust Signatory impleads Trustee and Trustee assumes control over that claim.

The Participating Trust Signatory has requested that it be permitted to disclose a Report to its consultant, \_\_\_\_\_, (the "Consultant") on the condition that the Consultant agrees in writing that it shall be bound by the terms of this Section 14. Upon such agreement by the Consultant, the Trustee gives its express prior written consent to such disclosure.

15. Trustee Indemnification. The Trustee hereby agrees that it will, indemnify and hold harmless the Eligible Trust and the Participating Trust Signatory against all actions and proceedings, claims, demands, costs and expenses which may be brought, threatened or incurred by any of them, arising out of the failure of the representations and warranties given hereunder by the Trustee on its own behalf or on behalf of the Collective Trust to be true, complete and accurate in all material respects. This indemnity will survive the termination of this Agreement.

16. Directions from Participating Trust Signatory; Indemnification. The Participating Trust Signatory has designated the individual(s) identified in Schedule C to communicate directions, instructions, or other notices required or permitted under this Agreement to the Trustee on its behalf. The Participating Trust Signatory may change such designated individuals from time to time upon 10 days' prior written notice to the Trustee. The Trustee shall not be liable for acting in reliance on and in accordance with any such direction or notice. ~~The Participating Trust Signatory hereby agrees on behalf of the Eligible Trust that the Participating Trust will indemnify and hold harmless the Trustee, Loomis Sayles, and their directors, officers, employees, and affiliates (each, an "indemnified party") against all actions and proceedings, claims, demands, costs and expenses which may be brought, threatened or incurred by any of them, arising out of any act taken or omitted by an indemnified party in good faith in accordance with, or due to the absence of, directions of any person authorized to give a direction with respect to the matter.~~

17. Miscellaneous.

(a) The Trustee agrees to keep confidential all information concerning the financial affairs of the Eligible Trust except to the extent that any information about the Eligible Trust is requested by a regulator, required by law or necessary to perform any function in connection with the Trustee's services to the Eligible Trust or the Fund.

(b) The Trustee shall maintain records on the voting of proxies for the Funds and it shall provide information for the Funds from those records to the Eligible Trust from time to time upon reasonable request.

(c) The Trustee's provision of services to the Fund is intended to conform with the statutory prohibited transaction exemption provided under Section 408(b)(2) of ERISA and Section 4975(d)(2) of the Code. The Trustee is authorized to augment or amend this Agreement and any other Collective Trust documents in such manner as the Trustee, in its discretion, may deem necessary or advisable to comply with Trustee's legal obligations, including, without limitation, any such obligation to provide disclosures required by applicable law or regulations. The Eligible Trust will receive a copy of any such amendment at its address indicated on the new account Application, or such other address as the Eligible Trust may indicate by written notice to the Trustee.

(d) The Trustee has adopted anti-money laundering policies and procedures that are reasonably designed to comply with applicable law to ensure that the Fund's investments are not derived from terrorist, money laundering, or other illegal activities. The Fund will not knowingly invest in any countries listed on the "List of Sanctioned Countries" or "Designated Nationals and Blocked Persons List."

18. Term and Amendment. The term of this Agreement shall commence on the date indicated in the first paragraph until the date the Eligible Trust ceases to be a Participating Trust in the Collective Trust as provided therein. This Agreement may be amended by a written instrument signed by the Trustee and the Participating Trust Signatory. If any part of this Agreement shall be found to be void or unenforceable, it shall not affect the remaining provisions which shall remain in full force and effect.

19. General Matters. The headings used in this Agreement are for convenience of reference only and shall not be deemed to limit or affect the terms or provisions herein. The interpretation of this Agreement and the rights of the parties hereunder shall be governed by ~~ERISA and other~~ applicable federal law and, to the extent not pre-empted by the foregoing, the laws of the State of ~~New Hampshire~~ Tennessee.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

The City of Franklin, Tennessee  
City of Franklin Employees' Pension Plan

By \_\_\_\_\_  
Name: Dr. Ken Moore  
Title: Mayor

Attest by:

By \_\_\_\_\_  
Name: Eric Stuckey  
Title: City Administrator

LOOMIS SAYLES TRUST COMPANY, LLC, in its individual capacity and as trustee of the Loomis Sayles Trust Company, LLC Collective Trust for Employee Benefit Plans

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

# SCHEDULE A NEW ACCOUNT APPLICATION

## 1. FUND SELECTION AND INVESTMENT AMOUNT

| Fund Name                      | Fund # | Investment Minimum | Investment Amount |
|--------------------------------|--------|--------------------|-------------------|
| Core Plus Fixed Income Class B | 872    | \$5,000,000.00     | \$ _____          |

## 2. YOUR ACCOUNT REGISTRATION

Name of Plan Administrator/Custodian: \_\_\_\_\_

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

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

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

Please indicate the type of account registration:

Pension Plan  Defined Contribution 401(k) Plan  Defined Benefit Plan  Other \_\_\_\_\_

Tax ID Number: \_\_\_\_\_ - \_\_\_\_\_ Plan ID Number: \_\_\_\_\_

Account Mailing Address: \_\_\_\_\_

\_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Exempt From Backup Withholding

Under penalties of perjury, I certify that:

1. The number shown on this form is the correct taxpayer identification number for the Plan, and
2. The Plan is not subject to backup withholding because: (a) The Plan is exempt from backup withholding, or (b) The Plan has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified the Plan that it is no longer subject to backup withholding, and
3. The Plan is a U.S. entity (including a U.S. resident alien)

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

## 3. BANK INFORMATION

Wire Instructions for redemption proceeds (redemption proceeds will only be sent to these pre-designated instructions. For NSCC participants, these instructions will be used for backup purposes):

Name of Bank: \_\_\_\_\_

Address of Bank: \_\_\_\_\_

\_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Name on Bank Account: \_\_\_\_\_

Bank ABA Routing Number: \_\_\_\_\_

Bank Account Number: \_\_\_\_\_

For Further Credit To: \_\_\_\_\_

**4. WIRE POLICY**

Loomis Sayles Trust Company's transfer agent must receive your purchase wire in good order before the close of regular trading on the NYSE on a valuation date in order for you to receive that day's NAV. If a wire is not received in good order before the close of regular trading on the NYSE, on the required date to fund a transaction, the transaction will either be cancelled or postponed to the next transaction date, as described in the Fund's offering memorandum.

Wires for purchases into the collective trusts can be sent to the following bank instructions:

ABA 0110 0002 8  
State Street Bank and Trust Company  
Boston, MA  
DDA 00326736  
Loomis Collective Trusts  
Ref: Fund Name  
Ref Benef: Account Number and Account Registration

**5. NSCC PROCESSING**

**The Plan will effect additions and withdrawals primarily via NSCC:**

- Yes (If yes, complete section 6)
- No (If no, skip to section 7)

All dealers are required to have a valid Fund/SERV and Networking agreements in place with State Street Bank and Trust order to place trades in the Collective Trusts via the NSCC. The Custodian or Plan Administrator will independently confirm that a valid agreement is in place.

**6. DEALER INFORMATION**

For NSCC processing, provide the following information:

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

Dealer Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

NSCC Participant Number: \_\_\_\_\_ Alpha Indicator: \_\_\_\_\_

Networking level utilized by the dealer:  level 0  level 3  
Please indicate the requested dealer position files:  1<sup>st</sup> and 3<sup>rd</sup> Friday  2<sup>nd</sup> and 4<sup>th</sup> Friday  
 Other \_\_\_\_\_

**7. SIGNATURE AND TIN CERTIFICATION**

The Participating Trust Signatory hereby authorizes the following individuals to forward instructions to Loomis Sayles or State Street Bank and Trust with respect to the matters addressed in this Adoption Agreement.

X \_\_\_\_\_  
Signature of Authorized Individual    Date                      Title                      Telephone #                      Fax #

X \_\_\_\_\_  
Signature of Authorized Individual    Date                      Title                      Telephone #                      Fax #

X \_\_\_\_\_  
Signature of Authorized Individual    Date                      Title                      Telephone #                      Fax #

**8. CUSTODIAN NAV RECIPIENT**

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Name \_\_\_\_\_ Email Address \_\_\_\_\_ Telephone Number \_\_\_\_\_

Name \_\_\_\_\_ Email Address \_\_\_\_\_ Telephone Number \_\_\_\_\_

**9. CONFIRMATION/STATEMENTS**

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The Trust will send daily individual trade confirmation statements unless we receive written notification from the Participating Trust Signatory that such statements are not required.

Check here if do NOT wish to receive individual trade confirmation statements.

A monthly statement will be provided to the address of record identified in the Adoption Agreement. Duplicate monthly statement recipients may be designated below:

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

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**10. SPONSORING FIDUCIARY INFORMATION**

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(i.e., Fiduciary with authority to amend the plan and participating Trust; typically, Plan Sponsor or Employer.)

Name of Sponsoring Fiduciary: \_\_\_\_\_ Email Address: \_\_\_\_\_

Mailing Address of Sponsoring Fiduciary: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

SCHEDULE B TRUSTEE COMPENSATION

FEE SCHEDULE

Name of Eligible Trust: City of Franklin Employees' Pension Plan

Date: \_\_\_\_\_, 20\_\_

All defined terms used herein have the meanings provided in the Adoption Agreement to which this Schedule B relates.

The Participating Trust Signatory agrees that the Eligible Trust shall pay the Trustee a fee for services to Class B of the Loomis Sayles Core Plus Fixed Income Fund of the Collective Trust related to the units of beneficial interest held by the Eligible Trust. The fee shall be paid quarterly in arrears (based on the actual number of days in the quarter) by the Eligible Trust to the Trustee at the annual rates indicated below based on the average daily net asset value of the Class B Units of the Fund held for investment by the Eligible Trust (the "Class B Unit Value"), as provided by the Fund's custodian. The fee for any period that is less than a full quarter shall be prorated on a daily basis.

Annual Fee Rates  
0.50% on the first \$10 million  
0.35% on the next \$10 million  
0.25% on the value over \$20 million  
Minimum account size: \$5 million

Please check box if applicable:

The Eligible Trust hereby provides to Loomis Sayles Trust Company, LLC standing instructions to redeem Units from the Eligible Trust's account in the Fund, but only to the extent sufficient to pay fees for its services in connection with the Units as such fees become due and payable. Loomis Sayles Trust Company, LLC shall send promptly to the Eligible Trust and the Trustee or Custodian of the Eligible Trust's account, if any, a fee statement showing (x) the amount of the fee, (y) the average value of the Eligible Trust's Units during the quarter, and (z) the specific manner in which the fee was calculated.

LOOMIS SAYLES TRUST COMPANY, LLC

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

City of Franklin, Tennessee  
City of Franklin Employees' Pension Plan

By: \_\_\_\_\_  
Name: \_\_\_\_\_ Dr. Ken Moore  
Title: \_\_\_\_\_ Mayor

**SCHEDULE C**

**AUTHORIZED SIGNATURE LIST**

City of Franklin Employees' Pension Plan

Name of Account

\_\_\_\_\_  
Date

Please note that the following persons are authorized to sign all instructions concerning accounts investing through Loomis Sayles Trust Company LLC.

| <b>Name &amp; Title</b> | <b>Specimen Signature</b> |
|-------------------------|---------------------------|
| Name: _____<br>Title:   |                           |
| Name: _____<br>Title:   |                           |
| Name: _____<br>Title:   |                           |
| Name: _____<br>Title:   |                           |
| Name: _____<br>Title:   |                           |
| Name: _____<br>Title:   |                           |

The present list cancels and replaces all prior versions of City of Franklin Employees' Pension Plan Authorized Signature List. Name of Client (Please type or print)



**SCHEDULE D      TAX IDENTIFICATION FORMS**

[W-9 Form to be provided]

**SCHEDULE E                      ERISA DISCLOSURES**

The Participating Trust Signatory hereby notifies the Trustee that:

1. If any person<sup>1</sup> that has or has exercised any discretionary authority, control or responsibility or renders investment advice (within the meaning of Section 3(21)(A)(ii) of ERISA) with respect to the investment of the Plan’s assets in, or held by, the Trust, or has authority to subscribe for or redeem Units or to negotiate the terms of this Adoption Agreement:

- (A) is an issuer of publicly traded securities (an “issuer”),
- (B) is a bank, broker-dealer, insurance company, trust company or similar financial institution (a “financial institution”),
- (C) is a director or employee of an issuer or a financial institution, or
- (D) has an affiliate<sup>2</sup> that is an issuer or financial institution,

then the name of any such person (and affiliate, if applicable) and the name of the issuer or financial institution, as described in (A) through (D), is listed below:

| NAME OF PERSON (OR AFFILIATE, IF APPLICABLE) | NAME OF ISSUER OR FINANCIAL INSTITUTION |
|--|---|
|  |   |
|  |   |
|  |   |

None (Check if Applicable).

2. The Trustee is not responsible for monitoring or ensuring compliance by the Plan (including each constituent Plan of an Eligible Trust that is a private investment fund or similar entity) with applicable requirements of Section 407 of ERISA (dealing with

<sup>1</sup> Such person may include, for example, the Plan Sponsor, a designated officer or officers of the Plan Sponsor, a fiduciary or investment committee appointed by the Plan Sponsor, or a board of trustees or similar group. In the case of a fiduciary committee, board of trustees, or similar group, the representation applies to each member of the committee, board, or group.

<sup>2</sup> An “affiliate” of a person includes (a) any person directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the person; (b) any corporation, partnership, trust, or unincorporated enterprise of which such person is an officer, director, 10 percent or more partner, or employee (but only if the employer of such employee is the plan sponsor); and (c) any director of the person or any employee of the person who is a highly compensated employee, as defined in Section 4975(e)(2)(H) of the Code, or who has direct or indirect authority, responsibility or control regarding the custody, management or disposition of plan assets involved in the purchase of Units. For purposes of the preceding sentence, a named fiduciary of a Plan and an employer any of whose employees are covered by the Plan will also be considered affiliates with respect to each other if such employer or an affiliate of such employer has the authority, alone or shared with others, to appoint or terminate the named fiduciary or otherwise negotiate the terms of the named fiduciary’s employment agreement.

investments in “employer securities”), except as indicated in the instructions below and which the Trustee has accepted by signing this Adoption Agreement.

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None (Check if Applicable).

3. If at any time during which the Plan holds Units, any of the representations set forth in this Exhibit E is or is reasonably expected to become untrue or inaccurate, the Participating Trust Signatory shall so inform the Trustee and provide in writing the necessary information immediately. The Participating Trust Signatory further agrees to provide such other information as the Trustee may reasonably request from time to time in order to avoid violations of ERISA or other laws applicable to the Trust.

**Accepted:**

Loomis Sayles Trust Company, LLC for and on behalf of Loomis Sayles Core Plus Fixed Income Fund, as Trustee

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

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

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