

386.590 Investment adviser's contract.

No person shall serve or act as investment adviser of a fiduciary investment company except pursuant to a written contract, which contract has been approved by the vote of a majority of the outstanding voting securities of such fiduciary investment company and:

- (1) Precisely describes all compensation to be paid thereunder;
- (2) Shall continue in effect for a period more than two (2) years from the date of its execution, only so long as such continuance is specifically approved at least annually by the board of directors or by vote of a majority of the outstanding voting securities of such company;
- (3) Provides, in substance, that it may be terminated at any time, without the payment of any penalty, by the board of directors of such company or by vote of a majority of the outstanding voting securities of such company on not more than 60 days' written notice to the investment adviser; and
- (4) Provides, in substance, for its automatic termination in the event of its assignment by the investment adviser.

History: Created 1974 Ky. Acts ch. 300, sec. 10.