

THE BANK OF NEW YORK MELLON, LONDON BRANCH
SUPPLEMENTARY LENDINGLITE
TERMS AND CONDITIONS

1. APPLICATION

The following terms and conditions apply to and form part of the Lending Lite Securities Lending Authorisation Agreement entered into by the Client and The Bank of New York Mellon, London Branch (the “**Agreement**”).

2. INTERPRETATION

- (a) Capitalised Terms used herein but not defined that shall have the meaning given to them under the Agreement.
- (b) Unless the context otherwise requires, any reference to EU legislation, regulatory requirement, or guidance (including any concepts as defined therein) should be read as a reference to that EU legislation, regulatory requirement or guidance (including any concepts as defined therein) as it forms part of UK domestic law pursuant the European Union (Withdrawal) Act 2018 (as amended) (the EUWA) or as otherwise adopted under, or given effect to in, UK legislation or the UK regulatory regime (UK Onshored Legislation, Regulatory Requirement, or Guidance) and any references to EU competent authorities should be read as references to the relevant UK competent authority. All references to legislation, regulatory requirements or guidance in this clause refer to the relevant legislation, regulatory requirements or guidance as amended from time to time.

3. SPECIAL RESOLUTION REGIMES:

- (a) The Client agrees that the Lending Agent may, in order to comply with certain statutory special resolution regimes (“**SRRs**”):
 - (i) amend and/or agree in the relevant Counterparty Agreement, any master repurchase agreement in relation to cash collateral invested into repos, this Agreement and any other agreement entered into by the Lending Agent on its behalf pursuant to this Agreement (the “**Applicable Agreements**”) to contractually acknowledge and agree to stays, overrides of default rights, early termination rights and potential bail-in of liabilities under the applicable SRR;
 - (ii) adhere to any protocols published by the International Swaps and Derivatives Association, Inc. on your behalf, including the ISDA Resolution Stay Jurisdictional Modular Protocol and any Jurisdictional Modules thereto, (available at <https://www2.isda.org/functional-areas/protocol-management/protocol/24>) with respect to the Applicable Agreements; and/or
 - (iii) take any other action on your behalf that the Lending Agent, in its sole discretion, deems to be necessary to comply with the regulations promulgated with respect to any SRR.

The parties further agree that:

- (i) the terms of each relevant Resolution Stay Protocol, as defined below, are incorporated by reference into and form part of this Agreement;

- (ii) this Agreement shall be deemed a “Protocol Covered Agreement” for all purposes under each relevant Resolution Stay Protocol as so incorporated; and
 - (iii) for the purposes of incorporating each relevant Resolution Stay Protocol, each party shall be deemed to be an Adhering Party or Module Adhering Party, as applicable, and each party that has specified in a letter of adherence to a Resolution Stay Protocol that it is a Regulated Entity for the purposes of such Resolution Stay Protocol shall also be deemed to be a Regulated Entity for the purposes of such Resolution Stay Protocol and this Agreement.
- (b) For this purpose, the term “**Resolution Stay Protocol**” means (i) the ISDA 2018 US Resolution Stay Protocol (as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) on July 31, 2018) and (ii) each Jurisdictional Module to, and supplementing, the ISDA Resolution Stay Jurisdictional Modular Protocol, as applicable, in each case to which both parties have adhered (directly or through an agent) on or prior to the date hereof. In the event of any inconsistency between the terms of this Agreement and the terms of any relevant Resolution Stay Protocol, the terms of the relevant Resolution Stay Protocol shall prevail.
- (c) The Lending Agent operates the Programme on a pooled basis. Consequently, if a Borrower defaults, the Lending Agent will act in accordance with the applicable SRR when closing out transactions entered into with a Borrower on behalf of all clients participating in a pooled loan. Therefore, all clients, including any clients not technically subject to the applicable SRR, will in practice be treated in the same manner, in terms of timing and close-out procedures, as all clients in the pool.

4. DATA

- (a) The Bank of New York Mellon Corporation, the corporate parent of the Lending Agent, is a global financial organisation that provides services to clients through its affiliates and subsidiaries in multiple jurisdictions (the “**BNY Group**”). The BNY Group may centralise functions, including audit, accounting, risk, credit, legal, compliance, operations, sales and marketing, administration, product communication, relationship management, information technology and the storage, maintenance, compilation, processing and analysis of customer-related data (which includes Personal Data), and other functions (the “**Centralised Functions**”) in one or more affiliates, subsidiaries and third-party service providers. Solely in connection with the Centralised Functions, (i) the Client consents to the disclosure of, and authorises the Lending Agent to disclose, information regarding Client and its accounts (“**Customer-Related Data**”) to the BNY Group and to its third-party service providers who are subject to confidentiality obligations with respect to such information and (ii) the Lending Agent may store the names and business addresses of Client’s employees on the systems or in the records of the BNY Group or its service providers. In addition, the BNY Group may aggregate Customer-Related Data with other data collected and/or calculated by the BNY Group, and the BNY Group will own all such aggregated data, provided that the BNY Group shall not distribute the aggregated data in a format that identifies Customer-Related Data with the Client. The Client is authorised to consent to the foregoing and confirms that the disclosure to and storage by the BNY Group of such information does not violate any relevant data protection legislation. In addition, the Lending Agent may disclose Customer-Related Data as required by law or at the request of any governmental or regulatory authority.

- (b) For the purposes of these terms and conditions, “**Data Protection Laws**” means all applicable laws and regulations relating to the processing of Personal Data, including The General Data Protection Regulation (EU) 2016/679 (“**GDPR**”) and all Member State laws, rules, regulations and regulatory guidance supplementing the GDPR and any laws relating to the processing of Personal Data enacted in the United Kingdom, including the GDPR as incorporated into the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 (“**UK GDPR**”) and the UK Data Protection Act.
- (c) To the extent applicable, the parties acknowledge and agree that they are separate and independent Controllers in relation to any information relating to an identified or identifiable natural person (“**Personal Data**”) processed pursuant to the relationship between the Client and the Lending Agent and shall each comply with their respective obligations under applicable Data Protection Laws. It is not intended that either party shall act as a Processor to the other party in respect of any Personal Data. “**Controller**” and “**Processor**” have the meanings set out in the GDPR or UK GDPR, as applicable.
- (d) The Client shall ensure that any Personal Data that it provides to the Lending Agent has been obtained in compliance with applicable Data Protection Laws, and shall take such steps as are required, including the giving of information, making of notices and obtaining of valid consents, to ensure that the Lending Agent is entitled to process such Personal Data as set out in these terms and conditions and the Lending Agent’s privacy notice.
- (e) The Lending Agent’s privacy notice is contained at <https://www.bny.com/corporate/global/en/data-privacy.html>, receipt of which is hereby acknowledged by the Client, and shall apply to the Lending Agent’s use, storage, and disclosure of Personal Data pursuant to these terms and conditions. The Client acknowledges that the Lending Agent may make amendments to its privacy notice by posting a revised version at the abovementioned website link (or such other link as the Lending Agent may advise from time to time).

5. REGULATORY MATTERS

- (a) The Bank of New York Mellon is supervised and regulated by the New York State Department of Financial Services and the Federal Reserve and authorised by the Prudential Regulation Authority. The Bank of New York Mellon London branch is subject to regulation by the Financial Conduct Authority (and any successor regulatory authority) (the “**FCA**”) and limited regulation by the Prudential Regulation Authority of the United Kingdom (and any successor regulatory entity). Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.
- (b) The Lending Agent will treat the Client as a professional client for the purposes of the rules promulgated by the FCA under the Financial Services and Markets Act 2000, as amended or replaced from time to time, (the “**FCA Rules**”). The Client has the right to request to be treated as a retail client (and benefit from a higher level of protection); however, the Lending Agent is not obliged to consent to such a request.
- (c) Risk Analysis. As you have been classified as a Professional Client in accordance with FCA Conduct of Business Rules, the Lending Agent assumes you have the necessary experience and knowledge in order to understand the risks in relation to the securities lending activity that the Lending Agent has been instructed to undertake.
- (d) The Client acknowledges that where a liability in one currency is to be matched by an asset in a different currency, or where an investment transaction relates to an investment denominated in a currency other than sterling, a movement of exchange rates may have a

separate effect, favourable or unfavourable, on the gain or loss which would otherwise be experienced on the investment.

- (e) In accordance with regulatory requirements, the Lending Agent has taken reasonable steps to identify conflicts of interest that exist, or may exist, between the Lending Agent and our clients or between one client and another. The Lending Agent has in place a policy to ensure that any conflicts of interest that may occur between the interests our clients, or ourselves and a client, has been identified and is being managed according to the regulatory requirements. The policy sets out the types of actual or potential conflict which may impact the relationship between the Lending Agent and its clients and provides details of how these are managed. Should the Client require additional information around this policy it should contact the Compliance Officer of the Lending Agent at the address in this Agreement.
- (f) The custody agreement between the Client and the applicable Bank of New York Mellon entity (the “**Custodian**”), as custodian and any successors and assigns, as amended, (the “**Custody Agreement**”) governs the holding of the Client’s assets by the Custodian. Programme Securities (including equivalent Programme Securities and any distributions or similar) transferred to the Lending Agent pursuant to this Agreement, as well as cash and non-cash Collateral which the Lending Agent may receive on behalf of the Client in connection with its lending of the Client’s securities may be held for the Client by the Lending Agent under the terms of this Agreement (including the terms set out in Section 6 below) and will not therefore be held under the Custody Agreement.
- (g) Except as stated in clause 5(h) below, cash received by the Lending Agent and held on the Client’s behalf in connection with this Agreement is held by the Lending Agent as banker and not as trustee under the client money rules as set out in the FCA’s Client Assets Sourcebook (the “**Client Money Rules**”). If the Lending Agent fails (as such term is used in the Client Money Rules) the client money distribution rules as set out in Chapter 7A of the FCA’s Client Assets Sourcebook (the “**Client Money Distribution Rules**”) will not apply to such Cash and so the Client will not be entitled to share in any distribution under the Client Money Distribution Rules.
- (h) There are limited circumstances in which the Lending Agent may hold certain sums as client money for the benefit of the Client in accordance with the Client Money Rules. These circumstances are limited to the requirements under the client assets rules set out in Chapter 6 of the FCA’s Client Assets Sourcebook (the “**Client Assets Rules**”) pursuant to which the Lending Agent may be required to segregate certain sums from the Lending Agent’s own funds as client money in certain cases where the Lending Agent has identified a shortfall in the number of client securities held by or for it. Such segregation will continue until such time as the relevant shortfall has been resolved at which point Lending Agent will re-appropriate such money. Such client money amount will be held in accordance with the Client Money Rules on behalf of the Client, to the extent that the Client is affected by the relevant shortfall. In the absence of Lending Agent failure, such segregation does not create a cash entitlement of the Client against the Lending Agent. If the Lending Agent fails, the Client Money Distribution Rules will apply to any such money held as client money by the Lending Agent. Client money will be held with a third party bank or banks. Lending Agent does not accept any liability for any default or delay in the distribution of client money in the event of the failure of a bank holding client money on its behalf. If a bank with which the Lending Agent holds any client money fails at the same time as the Lending Agent fails, Client may share in any shortfall of client money on a pro rata basis. The Lending Agent may from time to time notify the Client of other circumstances in which it may hold client money for the Client in accordance with the Client Money Rules. The Lending Agent shall not pay any interest earned on any client money to the Client. In the limited circumstances described

in this paragraph in which Lending Agent holds certain sums as client money for the benefit of the Client in accordance with the Client Money Rules, our standard practice would be for Lending Agent to open accounts with third party banks within the United Kingdom but there may be reasons (including, but not limited to diversification requirements) where Lending Agent may arrange for such money to be held outside of the United Kingdom. Such money may be held in accounts with a third party bank or banks in a state which is not an EEA Member State and, in such case, the relevant accounts will be subject to the laws of that state and as a result such money may be treated in a different manner from that which would apply if such money were held by a third party bank(s) located in the EEA.

- (i) In the event that the Lending Agent is required in a particular market to open a cash account on behalf of the Client in the Client's name, the Client authorises the Lending Agent to give, on behalf of the Client, all such instructions to the relevant subcustodian in a particular market, as are necessary and required to fulfil the requirements of this Agreement.
- (j) Any of the Client's securities held with subcustodians shall be held subject to the terms and conditions of the relevant subcustodian agreement. Any of the Client's securities held in Settlement Systems shall be held in accordance with, and subject to, the agreements, rules, regulations and conditions imposed by such Settlement Systems. Depending on the relevant agreements, rules, laws, regulations, local market practices and conditions Securities held by the Lending Agent with subcustodians or Settlement Systems may be held on a fungible or non-fungible basis. Where Securities are held outside of the United Kingdom the Client, acknowledges that settlement, legal and regulatory requirements and local market practices relating to the separate identification and protection of these Securities may apply that are different from English law and that the Client's rights over the Securities may consequently differ.
- (k) The Lending Agent will identify the Client's securities in its books and records as being beneficially owned by the Client or, if the Client has advised the Lending Agent that it is acting on behalf of others, by such others.
- (l) The Client's securities may be held by the Lending Agent in an omnibus securities account at a subcustodian or Settlement System along with the securities of other customers of the Lending Agent and will be treated as fungible with all other securities of the same issue held in such account by the Lending Agent with such subcustodian or Settlement System. This means that the Client's redelivery rights in respect of the securities are not in respect of the assets actually deposited by the Lending Agent from time to time but rather in respect of securities of the same number, class, denomination and issue as those securities originally deposited by the Lending Agent from time to time. Such subcustodian or Settlement System may then hold the Client's securities in an omnibus account with a third party that it engages ("**third party**"). If the subcustodian or Settlement System defaulted, and held less securities than it should for the benefit of all of its custody clients, there may be a shortfall. Any shortfall may then have to be shared pro rata among all clients whose securities are held by that subcustodian or Settlement System and the Client may not receive its full entitlement. As a result, in the event of the default of such a subcustodian or Settlement System, there is a risk that not all securities deposited by the Lending Agent with the subcustodian or Settlement System will be returned to the Lending Agent where there is a shortfall at the subcustodian or Settlement System. In addition, in certain markets, it may not be possible under national law for securities belonging to the Client and held by a subcustodian, Settlement System or third party to be separately identifiable from the proprietary securities of that subcustodian, Settlement System or third party (or the Lending Agent, where the Lending Agent is a client of the relevant subcustodian, Settlement System or third party).

- (m) In connection with the settlement of trades operated within an omnibus account structure, the Lending Agent may use or authorise any subcustodian to use, the Client's securities for the account of another customer of the Lending Agent and vice versa. This shall be the only permitted use of the Client's securities, and the Lending Agent may not and shall not use the Client's securities for its own account or for the account of a subcustodian or Settlement System.
- (n) Where the Client's securities are held outside of the United Kingdom (or, if different, outside of the jurisdiction in which the Client is established), different settlement, legal and regulatory requirements and different practices relating to the separate identification of those securities may apply which are different to those in the United Kingdom or the Client's jurisdiction (as the case may be).
- (o) The Lending Agent is a member of the Financial Services Compensation Scheme (the "FSCS"). In respect of deposits, details of this scheme and the eligibility of the Client to receive compensation in the event the Lending Agent is unable to meet its financial obligations will be provided separately by the Lending Agent in accordance with the applicable regulations.
- (p) The Client may also be entitled to compensation from the FSCS in respect of its securities if Lending Agent cannot meet its obligations. This depends on the type of business and circumstances of the claim. Most types of investment business are covered for 100% of the first £85,000.
- (q) For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website www.FSCS.org.uk or call the FSCS on 0800 678 1100 or 020 7741 4100. Please note only compensation related queries should be directed to the FSCS.
- (r) The following statements are required in accordance with the FCA Rules related to the Markets in Financial Instruments Directive 2004/39/EC and apply specifically to the extent that the Lending Agent invests or reinvests the cash Collateral in Approved Investments:
- (i) **Risk Analysis.** The Lending Agent expects the Client to understand the risks associated with the investments and investment strategy that the Lending Agent may pursue hereunder because the Client is a professional client but the Client should ask the Lending Agent if it requires any information in this respect;
 - (ii) **Order execution policy.** If the Lending Agent executes Client orders it does so in accordance with its execution policy, available at <https://www.bny.com/corporate/emea/en/regulatory-information.html> and as the same may be amended, supplemented or restated from time to time. By signing this Agreement, the Client acknowledges receipt of and consents to the execution policy and expressly consents to its orders being executed outside EU regulated markets and multilateral trading facilities, where to do so is in accordance with the execution policy;
 - (iii) **Aggregation.** The Lending Agent may aggregate transactions with transactions for its own account and/or transactions for other clients subject to the FCA Rules which require that the Lending Agent can only do so if it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated. However, the Client is notified that the effect of aggregation may work to its disadvantage in relation to a particular order.
- (s) In accordance with (i) Article 15 of the Securities Financing Transactions Regulation and the industry information statement published by AFME, FIA, ICMA, ISDA, ISLA and SIFMA on

13 May 2016, and (ii) Article 15 of the UK Securities Financing Transactions Regulation and the industry information statement published by AFME, FIA, ICMA, ISDA, ISLA and SIFMA on May 2021 (the “Information Statements”) (available at <https://www.bny.com/corporate/emea/en/regulatory-resources.html>), the Lending Agent will send copies of the Information Statements on behalf of the Client and accept copies of the Information Statements from Borrowers on the Client’s behalf. Copies of the Information Statements received from the Borrowers(s) will be available upon request.

- (t) **Risk Disclosure** – Lending Agent Security Interests and Liens and Third Party Security Interests and Liens. For any liens or security interests that apply over Accounts please consult the body of this Agreement. In addition, certain depositories (including a Settlement System) and subcustodians (including tri-party collateral agents) may have a lien or other security interest or rights of set-off or retention and sale in respect of your securities and entitlements credited to any account(s) held with such depository or subcustodian in relation to claims for payments of obligations owed to such depository or subcustodian. Such lien or other security interest or rights of set-off or retention and sale shall be limited to debts arising for the provision of custody and administration to clients, unless such lien or other security interest or rights of set-off or retention and sale is required by applicable law, or where required under the terms of rules of that depository.
- (u) The Central Securities Depositories Regulation (“**CSDR**”). The CSDR settlement discipline regime has introduced cash penalties (both credits and debits) for settlement fails in transactions in securities settling via a European Economic Area Central Securities Depository. More information on The Bank of New York Mellon’s treatment of CSDR cash penalties credits and debits arising from loan and loan return instructions is available at <https://www.bny.com/assets/corporate/documents/pdf/emea/securities-finance-settlement-fail-penalties-bnym-london.pdf>
- (v) The Client acknowledges that any accounts the Lending Agent opens for the Client in accordance with the terms of this Agreement are not payment accounts as defined by the Payments Services Regulations 2017 and must not be used to make or receive payments which are not directly related to the servicing of the Client’s assets and investment services. If the Client asks the Lending Agent to make or receive payments of this kind from or to the Client’s accounts, or the Lending Agent reasonably believes that the Client is using the accounts in this way, the Lending Agent will have the right to refuse to execute the Client’s instructions in relation to these accounts and may require the Client to open a payment account with the Lending Agent, or a third party, for these purposes. The Lending Agent is under no obligation to monitor the use of the Client’s accounts or the purposes of any instructions the Lending Agent receives in connection with these accounts, although the Lending Agent may do so from time to time.

6. CUSTODY TERMS

This Section 6 shall apply only to the provision of services by the Lending Agent under this Agreement where such services relate to Financial Instruments (as defined below) in relation to the Programme only.

Subject to the above, the terms set out in this Section 6 supplement the existing terms of the Agreement and in the event of any conflict between the terms of this Schedule and the other terms of the Agreement, the terms of this Section 6 shall override the conflicting terms of, and thereby amend, the Agreement.

Where the Lending Agent provides services in respect of Financial Instruments in relation to the Programme, those services will be delivered pursuant to and be governed by the terms of the Agreement as supplemented and amended by this Section 6 (which shall be referred to herein as the “Agreement”).

I. DEFINITIONS

For the purposes of this Section 6 and unless otherwise specified by the Lending Agent:

- (a) “**Accounts**” means the Securities Custody Account(s) and the Collateral Account(s);
- (b) “**Cash**” means the money and currency of any jurisdiction which the Lending Agent accepts for deposit in a Cash Collateral Account;
- (c) “**Cash Collateral**” means Collateral in the form of Cash, denominated in U.S. dollars and such other currencies as may be agreed in writing between the Lending Agent and the Client from time to time;
- (d) “**Cash Collateral Account**” means one or more bank accounts established and maintained by the Lending Agent as banker, in which Cash Collateral and Proceeds, in connection with the loans hereunder, may be deposited from time to time;
- (e) “**Client Assets Rules**” means the client assets rules set out in Chapter 6 of the FCA’s Client Assets Sourcebook;
- (f) “**Collateral Account**” means a Securities Collateral Account or a Cash Collateral Account
- (g) “**Financial Instruments**” means the financial instruments from time to time delivered to, or received by, the Lending Agent and held in custody by the Lending Agent under this Agreement. For the purposes of this Agreement, all Securities shall be considered to be Financial Instruments;
- (h) “**Instructions**” means Written Instructions or Oral Instructions;
- (i) “**Oral Instructions**” means verbal instructions actually received by the Lending Agent from a person reasonably believed by the Lending Agent to be authorised to give such an instruction on behalf of the Client;
- (j) “**Proceeds**” means any interest, dividends and other payments and distributions received by the Lending Agent in respect of Collateral and Approved Investments;
- (k) “**Securities Account(s)**” means the Securities Custody Account(s) and the Securities Collateral Account(s);
- (l) “**Securities Collateral Account**” means a securities account established and maintained by the Lending Agent for the purpose of holding Collateral in the form of Securities received by the Lending Agent from time to time in connection with loans hereunder.
- (m) “**Securities Custody Account**” means the custodial account(s) established and maintained by the Lending Agent for the safekeeping of Securities for the Client, from which the Lending Agent may from time to time lend Securities as agent of the Client;
- (n) “**Settlement Systems**” means Clearstream, Euroclear, Crest, the Federal Reserve Bank of New York, the Depository Trust Company, Participants Trust Company and any other securities depository or clearing agency (and their respective successors and nominees) authorised to act as a securities depository or clearing agency;

- (o) **“Standard of Care”** means, in respect of the Lending Agent in its capacity as custodian, the due skill, care and diligence that may be reasonably expected of a professional custodian engaged in activities which are similar to those performed by the Lending Agent under this Agreement;
- (p) **“Sub-custodian”** means a bank or financial institution appointed to act as a sub-custodian of the Lending Agent from time to time, excluding a Settlement System;
- (q) **“Written Instructions”** means written communications actually received by the Lending Agent by S.W.I.F.T., letter, facsimile or other method or system specified by the Lending Agent as available for use in connection with the services hereunder.

Capitalised terms not defined in Clause I shall have the meaning ascribed to them elsewhere in the Agreement. For the avoidance of doubt, if a term is defined in both the Agreement and in Clause I of this Section 6, for the purpose of this Section 6 it shall have the meaning ascribed to it in Clause I.

II. ESTABLISHMENT OF ACCOUNTS

- (a) The Client hereby authorises and directs the Lending Agent to open and maintain on its books, pursuant to the terms of this Agreement one or more:
 - (i) Securities Custody Accounts;
 - (ii) Cash Collateral Accounts; and
 - (iii) Securities Collateral Accounts.
- (b) Securities (which shall for the avoidance of doubt include Approved Investments) received by the Lending Agent from time to time hereunder shall be held in custody by Lending Agent in accordance with this Agreement. The Lending Agent shall act as banker in respect of all cash delivered to and accepted by the Lending Agent in accordance with this Agreement.

III. SAFEKEEPING OF SECURITIES

- (a) The Lending Agent shall hold:
 - (i) all Collateral in the form of Securities in a Securities Collateral Account; and
 - (ii) all other Securities received by the Lending Agent under this Agreement in a Securities Custody Account.

In each case, the Lending Agent shall identify such Securities on its books and records as held for the account of the Client through use of a naming convention that identifies the Client and in a manner that indicates that the Securities do not beneficially belong to: Lending Agent or other customers of the Lending Agent.

- (b) Legal title to the Securities in the Securities Accounts shall be registered or recorded in any relevant record of legal entitlement in accordance with the rules set out in the Client Asset Rules (as amended from time to time). In accordance with such rules, the Lending Agent notifies the Client that the Securities may be registered in the name of:
 - (i) the Client;

(ii) a nominee company controlled by the Lending Agent or controlled by an Affiliate (a “Relevant Nominee Company”), or a nominee company appointed by a Sub-custodian or a Settlement System on such terms and conditions as any of the foregoing may require; or

(iii) the Lending Agent, a Sub-custodian or a Settlement System or otherwise as permitted by the Client Asset Rules. Where securities are registered or recorded in this manner, they may not be physically segregated from the securities of the Lending Agent, the Sub-custodian or Settlement System and in the event of the insolvency of the Lending Agent, the Sub-custodian or the Settlement System (as applicable), the Client’s securities may not be as well protected from claims made by the creditors of the Lending Agent, the Sub-custodian or the Settlement System;

provided that in each case that legal title to securities shall be registered or recorded in any relevant record of legal entitlement in accordance with the applicable Client Asset Rules. The Lending Agent accepts the same level of responsibility to the Client for any Relevant Nominee Company with respect to the requirements of the Client Asset Rules. Where registration is in the name of the Lending Agent, the Lending Agent will include (where practicable) appropriate designation to indicate that assets are held by it on behalf of its clients.

(c) The Lending Agent shall hold all physical Securities in the physical possession of the Lending Agent in such a manner that it is readily apparent that such Securities do not belong to the Lending Agent, or with a Sub-custodian in a safe custody account generally designated for Securities belonging to the customer of the Lending Agent.

IV. CASH

(a) Except as stated in paragraph (b) below, Cash received by the Lending Agent and held in a Cash Collateral Account for the Client is in connection with this Agreement will be held by the Lending Agent as banker and not as a trustee under the Client Money Rules. In the event of the failure of the Lending Agent, the Client Money Distribution Rules will not apply to such Cash and so the Client will not be entitled to share in any distribution under the Client Money Distribution Rules.

(b) In certain circumstances Cash held for the Client will be credited to an internal client omnibus operating account established for more than one client (rather than established in the Client’s own name). Cash held by the Lending Agent in this internal client operating account will be reconciled daily with the Client’s records such that an individual customers’ entitlement is identifiable at all times.

V. SUB-CUSTODIANS AND SETTLEMENT SYSTEMS

(a) The Client authorises the Lending Agent on a continuing and on-going basis to appoint and/or utilise Sub-custodians (including its Affiliates) and to use Settlement Systems to the extent possible in the relevant local markets to act as custodian of the Securities. Securities held in Settlement Systems shall be held in accordance with, and subject to, the agreements, rules, regulations and conditions imposed by such Settlement Systems. Securities and Cash held through Sub-custodians shall be held subject to the terms and conditions of the Lending

Agent's agreements with such Sub-custodians. For the avoidance of doubt, a Settlement System shall not be considered a sub-agent of the Lending Agent for the purposes of clause 1 (b) of this Agreement.

- (b) Securities credited to a Securities Account may be held in an omnibus client securities account with securities of other customers of the Lending Agent at a Sub-custodian or a Settlement System and will be treated as fungible with all other securities of the same issue held in such account by the Lending Agent with such Sub-custodian or Settlement System. Such Sub-custodian or Settlement System may then hold such Securities in an omnibus account with a third party that it engages (a "delegate"). This means that the Client's redelivery rights in respect of the Securities are not in respect of the Securities actually deposited with the Lending Agent from time to time but rather in respect of Securities of the same number, class, denomination and issue as those Securities originally deposited with the Lending Agent in the Securities Accounts from time to time. The Client's entitlement to the Securities in the Securities Accounts may not be identifiable by separate certificates or other physical documents of title, or an equivalent electronic record at any relevant Sub-custodian, Settlement System or delegate.
- (c) If Securities are held (directly or indirectly) with a Sub-custodian, Settlement System or delegate which defaults or becomes insolvent, or if the Lending Agent becomes insolvent, the consequences for the Client will depend in part upon the relevant applicable law of the insolvency proceedings (which may not be English law), the effects of which are outside the control of the Lending Agent. Where such a default or insolvency occurs, there may be (amongst other risks) delays in settling or transferring Securities and entitlements or, where the Lending Agent, a relevant Sub-custodian, Settlement System or delegate held fewer securities than it should have for the benefit of all of its custody clients, there may be a shortfall. Any such shortfall may have to be shared pro rata among all clients whose securities are held by or at the relevant Sub-custodian, Settlement System or delegate and the Client may not receive its full entitlement. As a result, in the event of such a shortfall, there is a risk that not all Securities deposited by or with the Lending Agent and held directly or indirectly with such Sub-custodian, Settlement System or delegate will be returned to the Lending Agent. In addition, in certain jurisdictions, it may not be possible under applicable local law for Securities belonging to the Client and held by the Lending Agent (directly or indirectly) at a Sub-custodian, Settlement System or delegate to be separately identifiable from the proprietary or other client assets of that Sub-custodian, Settlement System, delegate or the Lending Agent.
- (d) The Lending Agent shall hold the Client's securities at the Lending Agent, Settlement Systems and subcustodians. The Client's securities may be held only with subcustodians which have entered into a written subcustodian agreement with the Lending Agent. subcustodians may hold the Client's securities in Settlement Systems in which such subcustodians participate or are a member.
- (e) Notwithstanding any other provision of this Agreement, but subject to the Lending Agent's obligation to identify Securities in the Securities Accounts pursuant to Clause III of this Section 6 above and without prejudice to the proprietary rights of the Client, in connection with the settlement of securities trades operated within an omnibus account structure, the Lending Agent may use, or authorise any Sub-custodian to use, the Securities credited to the Securities Accounts for the account of another customer and vice versa. However, neither the Securities Accounts nor any omnibus client account of the Lending Agent at a Sub-custodian shall hold Securities which are beneficially owned by the Lending Agent or such Sub-custodian, as the case may be. The Lending Agent may not use the Securities credited to a Securities Account for its own account.

- (f) Where Securities credited to a Securities Account are held outside of the United Kingdom (or, if different, outside of the jurisdiction in which the Client is established), different settlement, legal and regulatory requirements and different practices may apply to those Securities, including (amongst other things) in relation to the separate identification of those Securities, which are different from those in the United Kingdom or Client's jurisdiction.
- (g) Delegation of Custody Services by the Lending Agent to Sub-custodians:
- (i) The Lending Agent shall delegate safekeeping of Financial Instruments to Sub-custodians or hold Financial Instruments with Settlement Systems, on the terms of this Clause V of Section 6.
 - (ii) The Lending Agent shall exercise the Standard of Care in selecting, appointing, monitoring and using Sub-custodians, by ensuring each Sub-custodian:
 - A. has the structures and expertise that are adequate and proportionate to the nature and complexity of the Financial Instruments;
 - B. is subject to effective prudential regulation, including minimum capital requirements, and supervision in the jurisdictions concerned and the Sub-custodian is subject to regular due diligence review by the Lending Agent (not less than on an annual basis) to ensure that the Financial Instruments are in its possession;
 - C. shall hold in its books and records the Financial Instruments separate from (I) assets belonging to the Lending Agent in a proprietary capacity; (II) assets belonging to the Sub-custodian in a proprietary capacity; and (III) assets belonging to other clients of the Sub-custodian;
 - D. has no rights of re-use of the Financial Instruments without the prior consent of the Lending Agent and the Client, subject to Clause V(d) of Section above;
 - E. in respect of the delegation of safekeeping of the Financial Instruments, and further to (C) above, shall not carry out activities that may create conflicts of interest between the Lending Agent (or its nominee), and the Sub-custodian or any other party, unless it has functionally and hierarchically separated the performance of its safekeeping tasks from its other potentially conflicting tasks, and any potential conflicts of interest are properly identified, managed, monitored and disclosed to the Lending Agent, in the course of its normal provision of services.
 - (iii) In exercising the Standard of Care, the Lending Agent shall exercise due skill, care and diligence in appointing, selecting, and continuing to use Sub-custodians in each relevant market in light of the customary or established rules, practices and procedures then prevailing in each such country and monitoring that they remain suitable to provide the services for which they are engaged.
 - (iv) The Lending Agent shall provide on a regular basis (and not less frequently than annually) and upon reasonable request, details of any Sub-custodian appointed and when reasonably requested by the Client, information on the criteria used to select such Sub-custodian and the steps envisaged by the Lending Agent to monitor the activities carried out by the Sub-custodian. The Lending Agent reserves the right to add, replace or remove Sub-custodians at any time without requiring any form of prior agreement or consent from the Lending Agent or the Client.
 - (v) The Lending Agent represents and warrants that it has implemented policies and procedures that comply in all material respects with standard industry practices with respect to the Lending Agent's oversight of its Sub-custodians, including the review of their respective financial condition as reflected in their published financial statements

and from other publicly available financial information. The Lending Agent shall update those policies and procedures from time to time so that they remain in all material respects in compliance with standard industry practices.

- (vi) The Lending Agent shall require the Sub-custodian to notify the Lending Agent of any events materially affecting the provision of services by the Sub-custodian to the Lending Agent, and provided that the Lending Agent has received notice of such event from the Sub-custodian, the Lending Agent shall notify the Client as soon as is reasonably practicable under the circumstances. The Lending Agent shall have no liability for failing to notify the Client of any such event where the Lending Agent has not been notified by the Sub-custodian of any such event.
- (vii) The Lending Agent shall discuss with the Client from time to time, upon the Client's request, the Lending Agent's oversight processes.
- (viii) The Lending Agent shall maintain and update from time-to-time business continuation and disaster recovery plans with respect to the services which the Lending Agent determines are in line with standard industry practice.

VI. STATEMENTS, REPORTING AND ACCESS TO BOOKS AND RECORDS

- (a) The Lending Agent shall provide the Client with statements reflecting positions in the Accounts on each Business Day or as otherwise requested by the Client. BNY shall provide the Client with such daily statements provided the Client elects to obtain such statements through BNY's secure internet website. The Client shall promptly review all such statements and shall promptly advise the Lending Agent of any error, omission or inaccuracy in such statements. The Lending Agent shall undertake to correct any errors, omissions or inconsistencies reported to the Lending Agent by the Client. Any such corrections shall be reflected on subsequent statements.
- (b) Upon the written request of the Client (such request not to be made more than once in any calendar year), the Lending Agent shall provide the Client with the Lending Agent's most recent annual assurance report on its policies and procedures (SSAE16 or equivalent report).