

Disclosure of beginning to have substantial holding  
*Section 276, Financial Markets Conduct Act 2013*

To NZX Limited  
and  
To The A2 Milk Company Limited (ATM)

**Date this disclosure made:** 7 July 2017

**Date on which substantial holding began:** 3 July 2017

**Substantial product holder(s) giving disclosure**

Full name(s): The Goldman Sachs Group, Inc. (“GSGI”) on behalf of itself and its subsidiaries (“Goldman Sachs Group”) including its significant subsidiaries listed in Annexure A.

**Summary of substantial holding**

Class of quoted voting products: Ordinary shares

Summary for GSGI on behalf of itself and the Goldman Sachs Group.

For this disclosure,

- (a) total number held in class: 36,836,253
- (b) total in class: 726,988,067
- (c) total percentage held in class: 5.0670%

**Details of relevant interests**

Details for **Goldman Sachs Asset Management L.P. (GSAMLPL)**

Nature of relevant interest(s): GSAMLPL has a relevant interest in ordinary fully paid shares in its capacity as investment manager for a range of client portfolios. GSAMLPL’s relevant interest arises under investment management contract(s) and only from the powers of investment contained in those contract(s), including the power to exercise, or to control the exercise of, a right to vote attached to ATM shares, or to acquire or dispose of, or to control the acquisition or disposal of, the ATM shares.

For that relevant interest,

- (a) number held in class: 154,490
- (b) percentage held in class: 0.0219%
- (c) current registered holder(s) of securities: Bank of New York Mellon
- (d) registered holder(s) once transfers registered: NA

For a derivative relevant interest, also—

- (a) type of derivative: N/A
- (b) details of derivative: N/A
- (c) parties to the derivative: N/A
- (d) if the substantial product holder is not a party to the derivative, the nature of the relevant interest in the derivative: N/A

## Details for **Goldman Sachs International (GSI)**

Nature of relevant interest(s): Beneficial holder

For that relevant interest, -

(a) number held in class: 153,424

(b) percentage held in class: 0.0211%

(c) current registered holder(s) of securities: : HSBC Custody Nominees (New Zealand) Limited, HSBC Custody Nominees Australia Limited, Bank of New York Mellon

(d) registered holder(s) once transfers are registered: NA

For a derivative relevant interest, also—

(a) type of derivative: Equity swap

(b) details of derivative:

- (1) Long 122 cash-settled equity swap (0.0000% long held in class) maturing on 24 September 2018;
- (2) Long 8,962 cash-settled equity swap (0.0012% long held in class) maturing on 02 January 2019;
- (3) Long 2,281,581 cash-settled equity swap (0.3138% long held in class) maturing on 07 January 2019;
- (4) Long 171 cash-settled equity swap (0.0000% long held in class) maturing on 29 March 2019;
- (5) Long 75,355 cash-settled equity swap (0.0104% long held in class) maturing on 01 May 2019;
- (6) Long 2,884 cash-settled equity swap (0.0004% long held in class) maturing on 03 July 2019;
- (7) Long 124,657 cash-settled equity swap (0.0171% long held in class) maturing on 21 June 2019;
- (8) Long 21,318 cash-settled equity swap (0.0029% long held in class) maturing on 04 June 2018;
- (9) Long 565,593 cash-settled equity swap (0.0778% long held in class) maturing on 01 July 2026;
- (10) Long 207,196 cash-settled equity swap (0.0285% long held in class) maturing on 01 July 2026;
- (11) Long 672,307 cash-settled equity swap (0.0925% long held in class) maturing on 01 July 2026;
- (12) Long 18,000 cash-settled equity swap (0.0025% long held in class) maturing on 13 January 2027;
- (13) Long 12,000 cash-settled equity swap (0.0017% long held in class) maturing on 05 February 2027;
- (14) Long 10,000 cash-settled equity swap (0.0014% long held in class) maturing on 05 February 2027;
- (15) Long 25,074 cash-settled equity swap (0.0034% long held in class) maturing on 14 April 2027;
- (16) Long 177,185 cash-settled equity swap (0.0244% long held in class) maturing on 19 May 2027;
- (17) Long 450,000 cash-settled equity swap (0.0619% long held in class) maturing on 26 May 2027;
- (18) Long 200,000 cash-settled equity swap (0.0275% long held in class) maturing on 27 May 2027;
- (19) Long 277,838 cash-settled equity swap (0.0382% long held in class) maturing on 17 June 2027;
- (20) Long 536,844 cash-settled equity swap (0.0738% long held in class) maturing on 02 July 2027

(c) parties to the derivative:

- (1) to (7) GAUS;
- (8) MACQUARIE BANK LIMITED;
- (9) CIRCLE ROAD PARTNERS MASTER;
- (10) CIRCLE ROAD OPPORTUNITY
- (11) CR ADVANTAGE LLC
- (12) PACIFIC ALLIANCE ASIA
- (13) PAG ASIA ALPHA LP
- (14) PACIFIC ALLIANCE ASIA
- (15) HUTCHIN HILL CAP PRIMARY FUND
- (16) to (20) BOSVALEN MASTER FUND

(d) if the substantial product holder is not a party to the derivative, the nature of the relevant interest in the derivative: N/A

#### Details for **Goldman Sachs International (GSI)**

Nature of relevant interest(s): Beneficial holder subject to a qualification to its ability to exercise voting rights as set out in Master Equity & Fixed Interest Stock Lending Agreement and Overseas Securities Lender's Agreements. Forms of Master Equity & Fixed Interest Stock Lending Agreement and Overseas Securities Lender's Agreements are in Annexure C (62 pages).

For that relevant interest, -

(a) number held in class: 2,900,000

(b) percentage held in class: 0.3989%

(c) current registered holder(s) of securities: HSBC Custody Nominees (New Zealand) Limited, HSBC Custody Nominees Australia Limited, Bank of New York Mellon

(d) registered holder(s) once transfers are registered: NA

#### Details for **Goldman Sachs Financial Markets Pty Ltd (GAUS)**

Nature of relevant interest(s): Beneficial holder

For that relevant interest, -

(a) number held in class: 2,636,587

(b) percentage held in class: 0.3627%

(c) current registered holder(s) of securities: : HSBC Custody Nominees (New Zealand) Limited, HSBC Custody Nominees Australia Limited, Bank of New York Mellon

(d) registered holder(s) once transfers are registered: NA

For a derivative relevant interest, also—

(a) type of derivative: total return swap

(b) details of derivative:

(1) Long 1,445,096 cash-settled equity swap (0.1988% long held in class) maturing on 30 July 2018

(2) Long 40,000 cash-settled equity swap (0.0055% long held in class) maturing on 14 January 2019;

(3) Long 1,641,867 cash-settled equity swap (0.2258% long held in class) maturing on 08 May 2019;

(4) Long 7,982 cash-settled equity swap (0.0011% long held in class) maturing on 22 May 2019;

(5) Long 1,655 cash-settled equity swap (0.0002% long held in class) maturing on 18 June 2019

(c) parties to the derivative:

(1) to (5) GSI

(d) if the substantial product holder is not a party to the derivative, the nature of the relevant interest in the derivative: N/A

## Details for **Goldman Sachs & Co. LLC (GSCO)**

Nature of relevant interest(s): Beneficial holder

For that relevant interest, -

(a) number held in class: 22,183,065

(b) percentage held in class: 3.0514%

(c) current registered holder(s) of securities: HSBC Custody Nominees (New Zealand) Limited, HSBC Custody Nominees Australia Limited, Bank of New York Mellon

(d) registered holder(s) once transfers are registered: NA

### **Details of transactions and events giving rise to relevant event**

Details of the transactions or other events requiring disclosure: Please see Annexure B.

### **Additional information**

Address(es) of substantial product holder(s):

The Goldman Sachs Group, Inc. - Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, U.S.A.

Goldman Sachs International - Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom

Goldman Sachs Asset Management L.P. - Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, USA

Goldman Sachs Financial Markets Pty Ltd - Level 17, 101 Collins Street, Melbourne, Victoria 3000, Australia

Goldman Sachs & Co. LLC - 200 West Street, New York, NY 10282, USA

Contact details:

Contact person – Robert Horton

Contact number - 852 2978 7696

Email - gs-reg-ops-hk-posn@gs.com

### **Nature of connection between substantial product holders:**

The Goldman Sachs Group, Inc. owns, directly or indirectly, at least 99% of the voting securities of each of:

- Goldman Sachs International;
- Goldman Sachs Financial Markets Pty Ltd;
- Goldman Sachs & Co. LLC. and
- Goldman Sachs Asset Management L.P.


### **Declaration**

I, Robert Horton, declare that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.

**Signature**

Print name: Robert Horton Capacity: Attorney  
(signing under power of attorney)

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Sign here:  Date: 7 July 2017

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## Annexure A

### Significant Subsidiaries of The Goldman Sachs Group, Inc.

The following are significant subsidiaries of The Goldman Sachs Group, Inc. as of December 31, 2016 and the states or jurisdictions in which they are organized. Indentation indicates the principal parent of each subsidiary. The Goldman Sachs Group, Inc. owns, directly or indirectly, at least 99% of the voting securities of substantially all of the subsidiaries included below. The names of particular subsidiaries have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute, as of the end of the year covered by this report, a “significant subsidiary” as that term is defined in Rule 1-02(w) of Regulation S-X under the Securities Exchange Act of 1934.

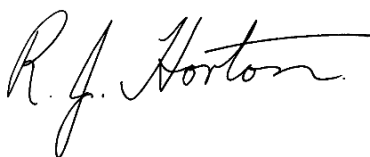
Name	State or Jurisdiction of Organization of Entity
The Goldman Sachs Group, Inc.	Delaware
Goldman, Sachs & Co.	New York
Goldman Sachs Paris Inc. et Cie	France
Goldman Sachs (UK) L.L.C.	Delaware
Goldman Sachs Group UK Limited	United Kingdom
Goldman Sachs International Bank	United Kingdom
Goldman Sachs International	United Kingdom
Goldman Sachs Asset Management International	United Kingdom
Goldman Sachs Group Holdings (U.K.) Limited	United Kingdom
Rothsay Life (Cayman) Limited	Cayman Islands
Broad Street Principal Investments International, Ltd.	Cayman Islands
Goldman Sachs Global Holdings L.L.C.	Delaware
GS Asian Venture (Delaware) L.L.C.	Delaware
Asia Investing Holdings Pte. Ltd.	Singapore
Austreo Property Ventures Pty Ltd	Australia
Goldman Sachs Investments Holdings (Asia) Limited	Mauritius
GS (Asia) L.P.	Delaware
Goldman Sachs (Japan) Ltd.	British Virgin Islands
Goldman Sachs Japan Co., Ltd.	Japan
J. Aron Holdings, L.P.	Delaware
J. Aron & Company	New York
GSAM Holdings LLC	Delaware
Goldman Sachs Asset Management, L.P.	Delaware
Goldman Sachs Asset Management International Holdings L.L.C.	Delaware
Goldman Sachs Asset Management Co., Ltd	Japan
Goldman Sachs Hedge Fund Strategies LLC	Delaware
GS Investment Strategies, LLC	Delaware
Goldman Sachs (Asia) Corporate Holdings L.L.C.	Delaware
Goldman Sachs Holdings (Hong Kong) Limited	Hong Kong
Goldman Sachs Structured Products (Asia) Limited	Cayman Islands
Goldman Sachs (Asia) Finance	Mauritius
GS EMEA Funding Limited Partnership	United Kingdom
Goldman Sachs Holdings (Singapore) PTE. Ltd.	Singapore
J. Aron & Company (Singapore) PTE.	Singapore
Goldman Sachs (Singapore) PTE.	Singapore
Goldman Sachs Holdings ANZ Pty Limited	Australia
Goldman Sachs Financial Markets Pty Ltd	Australia
Goldman Sachs Australia Group Holdings Pty Ltd	Australia
Goldman Sachs Australia Capital Markets Limited	Australia
Goldman Sachs Australia Pty Ltd	Australia
GS Lending Partners Holdings LLC	Delaware
Goldman Sachs Lending Partners LLC	Delaware
Goldman Sachs Bank USA	New York
Goldman Sachs Mortgage Company	New York
GS Financial Services II, LLC	Delaware
GS Funding Europe	United Kingdom
GS Funding Europe I Ltd.	Cayman Islands
GS Funding Europe II Ltd.	Cayman Islands
GS Funding Europe IV Limited	United Kingdom
GS Funding Europe V Limited	United Kingdom

Name	State or Jurisdiction of Organization of Entity
GSSG Holdings LLC	Delaware
Goldman Sachs Specialty Lending Holdings, Inc.	Delaware
Special Situations Investing Group II, LLC	Delaware
GSFS Investments I Corp.	Delaware
ELQ Holdings (Del) LLC	Delaware
ELQ Holdings (UK) Ltd	United Kingdom
ELQ Investors VII Ltd	United Kingdom
GS Sapphire Holding Limited	United Kingdom
GS Sapphire Investment Limited	United Kingdom
GSG Athena S.A.R.L.	Luxembourg
ELQ Investors IX Ltd	United Kingdom
ELQ Investors II Ltd	United Kingdom
GS Diversified Funding LLC	Delaware
Hull Trading Asia Limited	Hong Kong
Goldman Sachs LLC	Mauritius
Goldman Sachs Venture LLC	Mauritius
MTGLQ Investors, L.P.	Delaware
ELQ Investors, LTD	United Kingdom
GS UK Funding Limited Partnership	United Kingdom
Broad Street Principal Investments Superholdco LLC	Delaware
Broad Street Principal Investments, L.L.C.	Delaware
Broad Street Principal Investments Holdings, L.P.	Delaware
GDG Redwood City Venture, LLC	Delaware
Elan Redwood City, LLC	Delaware
Broad Street Credit Holdings LLC	Delaware
GS Fund Holdings, L.L.C.	Delaware
Shoelane GP, L.L.C.	Delaware
Shoelane, L.P.	Delaware
Goldman Sachs do Brasil Banco Multiplo S/A	Brazil

**THE GOLDMAN SACHS GROUP, INC AND ITS SUBSIDIARIES**

**Signature**

Print name: Robert Horton Capacity: Attorney  
 (signing under power of attorney)

Sign here:  Date: 7 July 2017

## Annexure B

<b>Date of change</b>	<b>Person whose relevant interest changed</b>	<b>Nature of Change</b>	<b>Consideration given in relation to change (NZD)</b>	<b>Number of Securities</b>	<b>Class</b>
03/07/2017	GSI	Sell	34,620	13,979	Ordinary
03/08/2017	GSI	Buy	1,437	584	Ordinary
03/08/2017	GSI	Sell	68,986	28,043	Ordinary
03/08/2017	GSI	Buy	68,986	28,043	Ordinary
03/08/2017	GAUS	Sell	14,374	5,818	Ordinary
03/08/2017	GSI	Sell	8,704	3,587	Ordinary
03/09/2017	GSI	Sell	1,051	426	Ordinary
03/10/2017	GSI	Sell	1,892	742	Ordinary
03/10/2017	GSI	Buy	239	95	Ordinary
03/13/2017	GAUS	Buy	200,417	77,200	Ordinary
03/16/2017	GSI	Buy	121,300	45,239	Ordinary
03/16/2017	GAUS	Buy	121,300	45,239	Ordinary
03/17/2017	GAUS	Sell	205,938	77,200	Ordinary
03/20/2017	GAUS	Buy	54,526	20,477	Ordinary
03/21/2017	GSI	Buy	85,612	30,623	Ordinary
03/21/2017	GAUS	Buy	59,238	21,310	Ordinary
03/21/2017	GSI	Sell	64,594	23,016	Ordinary
03/21/2017	GAUS	Buy	33,209	12,115	Ordinary
03/22/2017	GSI	Sell	17,721	6,384	Ordinary
03/23/2017	GAUS	Buy	128,531	45,558	Ordinary
03/24/2017	GSI	Buy	128,484	45,558	Ordinary
03/24/2017	GAUS	Sell	128,484	45,558	Ordinary
03/24/2017	GAUS	Buy	128,484	45,558	Ordinary
03/27/2017	GSI	Buy	8,508	3,015	Ordinary
03/27/2017	GSI	Buy	5,669	2,009	Ordinary
03/27/2017	GSI	Sell	5,187	1,838	Ordinary
03/27/2017	GSI	Sell	166,263	56,868	Ordinary
03/27/2017	GSI	Sell	64,145	21,940	Ordinary
03/27/2017	GSI	Sell	208,142	71,192	Ordinary
03/27/2017	GAUS	Sell	437,886	150,000	Ordinary
03/27/2017	GSI	Buy	14,190	5,014	Ordinary
03/27/2017	GSI	Sell	14,190	5,014	Ordinary
03/27/2017	GAUS	Buy	5,669	2,009	Ordinary
03/27/2017	GSI	Sell	14,177	5,024	Ordinary
03/27/2017	GSI	Sell	30,664	10,524	Ordinary
03/27/2017	GSI	Sell	8,508	3,015	Ordinary
03/27/2017	GSI	Buy	14,177	5,024	Ordinary
03/27/2017	GAUS	Sell	5,187	1,838	Ordinary



<b>Date of change</b>	<b>Person whose relevant interest changed</b>	<b>Nature of Change</b>	<b>Consideration given in relation to change (NZD)</b>	<b>Number of Securities</b>	<b>Class</b>
03/27/2017	GSI	Sell	5,669	2,009	Ordinary
03/27/2017	GAUS	Buy	8,508	3,015	Ordinary
03/27/2017	GSI	Buy	111,824	38,306	Ordinary
03/27/2017	GSI	Buy	14,177	5,024	Ordinary
03/29/2017	GSI	Buy	99,916	33,938	Ordinary
03/29/2017	GAUS	Buy	99,916	33,938	Ordinary
03/30/2017	GSI	Sell	21,227	7,252	Ordinary
03/31/2017	GSI	Borrow of securities	N/A	1,940,000	Ordinary
03/31/2017	GSI	Sell	60,384	20,295	Ordinary
04/03/2017	GSI	Sell	1,255	413	Ordinary
04/04/2017	GSI	Sell	1,068	354	Ordinary
04/06/2017	GSI	Sell	1,401	447	Ordinary
04/06/2017	GAUS	Sell	15,112	4,716	Ordinary
04/06/2017	GSI	Buy	807	253	Ordinary
04/06/2017	GAUS	Buy	315,580	99,426	Ordinary
04/07/2017	GSI	Buy	827	260	Ordinary
04/07/2017	GSI	Sell	2,402	757	Ordinary
04/07/2017	GAUS	Buy	74,866	23,742	Ordinary
04/07/2017	GAUS	Sell	15,180	4,717	Ordinary
04/10/2017	GSI	Buy	436,770	139,678	Ordinary
04/10/2017	GAUS	Buy	31,893	10,103	Ordinary
04/10/2017	GAUS	Buy	719,082	228,179	Ordinary
04/11/2017	GSCO	Borrow of securities	N/A	1,083,690	Ordinary
04/11/2017	GSCO	Borrow of securities	N/A	986,177	Ordinary
04/11/2017	GSCO	Borrow of securities	N/A	30,133	Ordinary
04/11/2017	GSI	Buy	56,579	18,045	Ordinary
04/11/2017	GAUS	Buy	31,876	10,104	Ordinary
04/12/2017	GAUS	Buy	475,692	150,813	Ordinary
04/12/2017	GAUS	Buy	198,894	63,492	Ordinary
04/12/2017	GSI	Buy	4,520	1,437	Ordinary
04/12/2017	GSI	Sell	18,596	5,898	Ordinary
04/12/2017	GAUS	Buy	38,497	12,205	Ordinary
04/13/2017	GAUS	Sell	109,259	33,901	Ordinary
04/13/2017	GAUS	Sell	1,386	430	Ordinary
04/13/2017	GAUS	Buy	129,948	40,684	Ordinary
04/13/2017	GSI	Sell	31,861	9,889	Ordinary
04/13/2017	GAUS	Buy	967	300	Ordinary

<b>Date of change</b>	<b>Person whose relevant interest changed</b>	<b>Nature of Change</b>	<b>Consideration given in relation to change (NZD)</b>	<b>Number of Securities</b>	<b>Class</b>
04/13/2017	GAUS	Buy	419	130	Ordinary
04/13/2017	GSI	Buy	1,650	512	Ordinary
04/13/2017	GAUS	Buy	38,977	12,206	Ordinary
04/18/2017	GSI	Sell	10,319	3,213	Ordinary
04/18/2017	GAUS	Buy	3,675	1,141	Ordinary
04/18/2017	GAUS	Sell	3,662	1,141	Ordinary
04/19/2017	GSI	Borrow of securities	N/A	45,000	Ordinary
04/19/2017	GSCO	Borrow of securities	N/A	2,400,000	Ordinary
04/19/2017	GSI	Sell	793	249	Ordinary
04/20/2017	GAUS	Buy	10,067	3,201	Ordinary
04/20/2017	GAUS	Buy	74,626	23,728	Ordinary
04/20/2017	GAUS	Buy	18,311	5,763	Ordinary
04/20/2017	GAUS	Buy	25,359	8,063	Ordinary
04/20/2017	GSI	Sell	1,309	419	Ordinary
04/21/2017	GSI	Buy	55,286	17,458	Ordinary
04/21/2017	GSCO	Return of borrowed securities	N/A	495,000	Ordinary
04/21/2017	GAUS	Sell	35,651	11,264	Ordinary
04/21/2017	GSI	Buy	707	222	Ordinary
04/21/2017	GAUS	Buy	55,286	17,458	Ordinary
04/21/2017	GSI	Sell	1,739	548	Ordinary
04/24/2017	GSI	Buy	1,714	534	Ordinary
04/24/2017	GSI	Sell	1,714	534	Ordinary
04/26/2017	GSCO	Return of borrowed securities	N/A	580,000	Ordinary
04/26/2017	GSI	Buy	6,358	1,874	Ordinary
04/26/2017	GSI	Sell	3,478	1,006	Ordinary
04/26/2017	GAUS	Sell	74,406	23,094	Ordinary
04/27/2017	GSI	Buy	120,699	33,900	Ordinary
04/27/2017	GSI	Buy	24,061	6,780	Ordinary
04/27/2017	GSI	Buy	321,444	90,467	Ordinary
04/27/2017	GAUS	Buy	24,061	6,780	Ordinary
04/27/2017	GAUS	Buy	120,699	33,900	Ordinary
04/27/2017	GAUS	Buy	321,442	90,467	Ordinary
04/28/2017	GSI	Buy	91,929	27,120	Ordinary
04/28/2017	GSI	Buy	286,508	84,752	Ordinary
04/28/2017	GSI	Buy	30,839	9,108	Ordinary

<b>Date of change</b>	<b>Person whose relevant interest changed</b>	<b>Nature of Change</b>	<b>Consideration given in relation to change (NZD)</b>	<b>Number of Securities</b>	<b>Class</b>
04/28/2017	GSI	Buy	91,681	27,120	Ordinary
04/28/2017	GSI	Buy	13,096	3,710	Ordinary
04/28/2017	GSI	Sell	13,096	3,710	Ordinary
04/28/2017	GAUS	Buy	286,508	84,752	Ordinary
04/28/2017	GAUS	Buy	75,961	22,470	Ordinary
04/28/2017	GAUS	Buy	30,838	9,108	Ordinary
04/28/2017	GAUS	Buy	56,574	16,735	Ordinary
04/28/2017	GAUS	Buy	91,929	27,120	Ordinary
04/28/2017	GSI	Buy	482,114	142,162	Ordinary
04/28/2017	GAUS	Buy	31,668	9,160	Ordinary
04/28/2017	GSI	Sell	377,178	111,600	Ordinary
04/28/2017	GAUS	Buy	91,681	27,120	Ordinary
04/28/2017	GAUS	Buy	23,836	7,051	Ordinary
05/01/2017	GSI	Buy	6,826	2,021	Ordinary
05/01/2017	GSI	Buy	116,353	33,900	Ordinary
05/01/2017	GSI	Buy	157,080	45,766	Ordinary
05/01/2017	GAUS	Sell	81,217	23,663	Ordinary
05/01/2017	GAUS	Buy	116,353	33,900	Ordinary
05/01/2017	GAUS	Buy	86,598	25,253	Ordinary
05/01/2017	GSI	Sell	4,990	1,457	Ordinary
05/01/2017	GAUS	Buy	157,080	45,766	Ordinary
05/01/2017	GAUS	Buy	6,826	2,021	Ordinary
05/02/2017	GSI	Buy	175,905	51,071	Ordinary
05/02/2017	GSI	Buy	163,961	48,614	Ordinary
05/02/2017	GAUS	Buy	175,902	51,071	Ordinary
05/02/2017	GSI	Buy	637	190	Ordinary
05/02/2017	GAUS	Sell	6,037	1,758	Ordinary
05/02/2017	GAUS	Buy	164,254	48,702	Ordinary
05/02/2017	GSI	Sell	91,164	26,678	Ordinary
05/03/2017	GSI	Buy	231,671	68,095	Ordinary
05/03/2017	GSCO	Return of borrowed securities	N/A	2,098,510	Ordinary
05/03/2017	GAUS	Buy	2,004	593	Ordinary
05/03/2017	GAUS	Buy	231,670	68,095	Ordinary
05/03/2017	GAUS	Sell	48,426	14,244	Ordinary
05/04/2017	GAUS	Buy	796	228	Ordinary
05/04/2017	GAUS	Sell	58,021	16,735	Ordinary
05/04/2017	GSI	Buy	2,651	764	Ordinary
05/04/2017	GAUS	Sell	57,084	16,542	Ordinary

<b>Date of change</b>	<b>Person whose relevant interest changed</b>	<b>Nature of Change</b>	<b>Consideration given in relation to change (NZD)</b>	<b>Number of Securities</b>	<b>Class</b>
05/05/2017	GAUS	Buy	499,413	144,496	Ordinary
05/05/2017	GAUS	Sell	857	248	Ordinary
05/05/2017	GSI	Sell	15,144	4,387	Ordinary
05/05/2017	GSI	Buy	54,677	15,821	Ordinary
05/05/2017	GAUS	Buy	1,382	400	Ordinary
05/08/2017	GAUS	Buy	402,295	115,000	Ordinary
05/08/2017	GAUS	Buy	412,778	119,144	Ordinary
05/08/2017	GAUS	Sell	2,822	812	Ordinary
05/08/2017	GAUS	Sell	70,763	20,425	Ordinary
05/08/2017	GAUS	Buy	88,243	25,469	Ordinary
05/09/2017	GSI	Sell	41,464	11,779	Ordinary
05/09/2017	GSI	Sell	134,544	38,221	Ordinary
05/09/2017	GAUS	Sell	175,742	50,000	Ordinary
05/09/2017	GAUS	Buy	652,569	185,000	Ordinary
05/09/2017	GSCO	Borrow of securities	N/A	3,000,000	Ordinary
05/09/2017	GSI	Buy	1,034	291	Ordinary
05/09/2017	GSI	Sell	11,562	3,254	Ordinary
05/09/2017	GAUS	Sell	86,315	24,300	Ordinary
05/09/2017	GAUS	Buy	423,847	119,144	Ordinary
05/10/2017	GSI	Buy	409,729	119,144	Ordinary
05/10/2017	GAUS	Buy	527,287	145,000	Ordinary
05/10/2017	GSI	Borrow of securities	N/A	500,000	Ordinary
05/10/2017	GAUS	Buy	250,027	68,082	Ordinary
05/10/2017	GAUS	Sell	3,810	1,057	Ordinary
05/10/2017	GSI	Buy	194	53	Ordinary
05/10/2017	GSI	Sell	39,798	10,838	Ordinary
05/11/2017	GSI	Buy	428,702	119,144	Ordinary
05/11/2017	GAUS	Buy	452,970	120,000	Ordinary
05/11/2017	GAUS	Sell	57,260	15,475	Ordinary
05/11/2017	GAUS	Buy	377,362	102,124	Ordinary
05/11/2017	GSI	Sell	2,134	558	Ordinary
05/11/2017	GAUS	Buy	281,375	75,487	Ordinary
05/11/2017	GSI	Buy	125,808	33,550	Ordinary
05/12/2017	GSI	Buy	253,419	68,082	Ordinary
05/12/2017	GAUS	Buy	894,420	250,000	Ordinary
05/12/2017	GSI	Sell	102,567	28,486	Ordinary
05/12/2017	GSI	Buy	81,507	23,170	Ordinary
05/12/2017	GAUS	Sell	7	2	Ordinary

<b>Date of change</b>	<b>Person whose relevant interest changed</b>	<b>Nature of Change</b>	<b>Consideration given in relation to change (NZD)</b>	<b>Number of Securities</b>	<b>Class</b>
05/12/2017	GAUS	Buy	58,254	16,609	Ordinary
05/15/2017	GSI	Buy	281,322	75,487	Ordinary
05/15/2017	GSI	Buy	377,292	102,124	Ordinary
05/15/2017	GAUS	Buy	882,926	250,000	Ordinary
05/15/2017	GSI	Buy	881,155	250,000	Ordinary
05/15/2017	GSI	Buy	2,001	572	Ordinary
05/15/2017	GAUS	Sell	58,075	16,672	Ordinary
05/15/2017	GSI	Sell	9,877	2,812	Ordinary
05/16/2017	GAUS	Buy	311,799	90,504	Ordinary
05/16/2017	GSI	Buy	311,179	90,504	Ordinary
05/16/2017	GAUS	Buy	9,452	2,704	Ordinary
05/16/2017	GAUS	Sell	9,364	2,704	Ordinary
05/16/2017	GSI	Buy	24,070	6,957	Ordinary
05/16/2017	GSI	Sell	111,918	32,524	Ordinary
05/17/2017	GAUS	Sell	5,669	1,600	Ordinary
05/17/2017	GAUS	Sell	30,643	8,648	Ordinary
05/17/2017	GSI	Sell	6,325	1,804	Ordinary
05/18/2017	GAUS	Buy	28,410	7,982	Ordinary
05/18/2017	GSCO	Borrow of securities	N/A	1,300,000	Ordinary
05/18/2017	GAUS	Sell	252,088	71,474	Ordinary
05/18/2017	GAUS	Sell	55,885	15,845	Ordinary
05/18/2017	GSI	Sell	884	252	Ordinary
05/18/2017	GAUS	Sell	30,226	8,649	Ordinary
05/18/2017	GSI	Buy	882	252	Ordinary
05/18/2017	GAUS	Sell	13,325	3,813	Ordinary
05/18/2017	GAUS	Buy	28,410	7,982	Ordinary
05/18/2017	GAUS	Sell	5,595	1,601	Ordinary
05/18/2017	GAUS	Sell	35,545	10,078	Ordinary
05/19/2017	GSI	Buy	56,674	16,044	Ordinary
05/19/2017	GSAMLP	Buy	124,063	35,051	Ordinary
05/22/2017	GSAMLP	Buy	112,990	32,032	Ordinary
05/23/2017	GAUS	Buy	860,480	250,000	Ordinary
05/23/2017	GSI	Buy	858,762	250,000	Ordinary
05/23/2017	GSI	Sell	2,903	843	Ordinary
05/23/2017	GSI	Buy	1,781	517	Ordinary
05/23/2017	GAUS	Buy	10	3	Ordinary
05/24/2017	GAUS	Buy	690,694	200,000	Ordinary
05/24/2017	GSI	Buy	689,323	200,000	Ordinary
05/24/2017	GSI	Sell	805	232	Ordinary

<b>Date of change</b>	<b>Person whose relevant interest changed</b>	<b>Nature of Change</b>	<b>Consideration given in relation to change (NZD)</b>	<b>Number of Securities</b>	<b>Class</b>
05/24/2017	GAUS	Sell	11	3	Ordinary
05/24/2017	GSI	Buy	2,153	621	Ordinary
05/25/2017	GAUS	Buy	684,858	200,000	Ordinary
05/25/2017	GSI	Buy	683,482	200,000	Ordinary
05/25/2017	GSCO	Borrow of securities	N/A	177,000	Ordinary
05/25/2017	GSCO	Borrow of securities	N/A	1,000,000	Ordinary
05/25/2017	GSCO	Borrow of securities	N/A	3,332,000	Ordinary
05/25/2017	GSCO	Borrow of securities	N/A	500,000	Ordinary
05/25/2017	GSI	Borrow of securities	N/A	15,000	Ordinary
05/25/2017	GAUS	Buy	7,145	2,065	Ordinary
05/25/2017	GSI	Sell	819	240	Ordinary
05/25/2017	GAUS	Sell	3	1	Ordinary
05/26/2017	GSI	Sell	85,206	25,000	Ordinary
05/26/2017	GAUS	Sell	95	28	Ordinary
05/26/2017	GSI	Buy	1,440	425	Ordinary
05/26/2017	GSI	Sell	1,508	446	Ordinary
05/29/2017	GSI	Sell	3,358	1,007	Ordinary
05/29/2017	GAUS	Sell	39,577	11,917	Ordinary
05/29/2017	GAUS	Buy	3,414	1,012	Ordinary
05/29/2017	GAUS	Sell	401,596	120,736	Ordinary
05/29/2017	GAUS	Sell	240	72	Ordinary
05/29/2017	GSI	Buy	24,082	7,250	Ordinary
05/30/2017	GSI	Borrow of securities	N/A	400,000	Ordinary
05/30/2017	GAUS	Sell	9,988	2,976	Ordinary
05/30/2017	GSI	Buy	2,345	698	Ordinary
05/30/2017	GSI	Sell	4,598	1,374	Ordinary
05/30/2017	GAUS	Sell	39,857	11,917	Ordinary
05/31/2017	GSI	Buy	231,550	68,506	Ordinary
05/31/2017	GAUS	Sell	22,707	6,809	Ordinary
05/31/2017	GSI	Sell	1,626	486	Ordinary
05/31/2017	GAUS	Sell	105,138	31,527	Ordinary
06/01/2017	GSI	Sell	163,473	48,614	Ordinary
06/01/2017	GAUS	Sell	163,472	48,614	Ordinary
06/02/2017	GSI	Buy	110,221	32,000	Ordinary
06/02/2017	GAUS	Buy	43,933	12,844	Ordinary

<b>Date of change</b>	<b>Person whose relevant interest changed</b>	<b>Nature of Change</b>	<b>Consideration given in relation to change (NZD)</b>	<b>Number of Securities</b>	<b>Class</b>
06/02/2017	GSI	Sell	2,385	697	Ordinary
06/02/2017	GAUS	Buy	21,136	6,144	Ordinary
06/02/2017	GAUS	Sell	41,757	12,146	Ordinary
06/02/2017	GAUS	Buy	88,026	25,688	Ordinary
06/05/2017	GAUS	Buy	232,652	68,045	Ordinary
06/05/2017	GAUS	Buy	69,794	20,413	Ordinary
06/05/2017	GSI	Buy	877	256	Ordinary
06/05/2017	GAUS	Buy	232,652	68,045	Ordinary
06/06/2017	GSI	Buy	29,380	8,467	Ordinary
06/06/2017	GSI	Sell	29,380	8,467	Ordinary
06/06/2017	GSI	Sell	2,189	655	Ordinary
06/06/2017	GAUS	Sell	80,072	24,020	Ordinary
06/06/2017	GSI	Buy	5,196	1,543	Ordinary
06/06/2017	GAUS	Sell	16,972	4,982	Ordinary
06/06/2017	GAUS	Sell	34,026	10,207	Ordinary
06/07/2017	GSI	Buy	232,741	68,045	Ordinary
06/07/2017	GSI	Buy	69,820	20,413	Ordinary
06/07/2017	GSI	Buy	232,741	68,045	Ordinary
06/07/2017	GSI	Sell	22,539	6,809	Ordinary
06/07/2017	GAUS	Buy	224,887	68,045	Ordinary
06/08/2017	GSI	Sell	16,992	4,982	Ordinary
06/08/2017	GSI	Buy	30	9	Ordinary
06/08/2017	GSI	Sell	906	272	Ordinary
06/09/2017	GSI	Buy	223,644	68,045	Ordinary
06/09/2017	GSI	Buy	86,738	25,739	Ordinary
06/12/2017	GSI	Sell	14,610	4,250	Ordinary
06/12/2017	GSCO	Borrow of securities	N/A	96,100	Ordinary
06/13/2017	GSI	Sell	147,268	43,197	Ordinary
06/13/2017	GAUS	Buy	4,880	1,440	Ordinary
06/13/2017	GSI	Sell	17,822	5,250	Ordinary
06/13/2017	GSI	Buy	1,837	544	Ordinary
06/14/2017	GAUS	Buy	84,521	24,591	Ordinary
06/14/2017	GAUS	Sell	78,353	22,936	Ordinary
06/14/2017	GAUS	Buy	977,529	277,838	Ordinary
06/14/2017	GSI	Buy	976,853	277,838	Ordinary
06/14/2017	GSI	Sell	115,827	33,037	Ordinary
06/14/2017	GAUS	Sell	78,353	22,936	Ordinary
06/14/2017	GSI	Sell	993	285	Ordinary
06/14/2017	GAUS	Buy	72,828	20,564	Ordinary

<b>Date of change</b>	<b>Person whose relevant interest changed</b>	<b>Nature of Change</b>	<b>Consideration given in relation to change (NZD)</b>	<b>Number of Securities</b>	<b>Class</b>
06/15/2017	GSI	Buy	4,315,732	1,210,725	Ordinary
06/15/2017	GSI	Sell	199,819	56,726	Ordinary
06/15/2017	GAUS	Sell	199,819	56,726	Ordinary
06/15/2017	GAUS	Buy	407,247	114,248	Ordinary
06/15/2017	GSI	Buy	2,106	597	Ordinary
06/15/2017	GAUS	Buy	4,315,732	1,210,725	Ordinary
06/15/2017	GAUS	Sell	216,325	61,412	Ordinary
06/16/2017	GSI	Buy	2,297	592	Ordinary
06/16/2017	GSI	Sell	34,950	9,120	Ordinary
06/16/2017	GSI	Sell	36,045	10,125	Ordinary
06/16/2017	GSI	Buy	36,045	10,125	Ordinary
06/16/2017	GSI	Buy	8,223	2,134	Ordinary
06/16/2017	GAUS	Buy	2,297	592	Ordinary
06/16/2017	GAUS	Buy	41,284	10,641	Ordinary
06/16/2017	GSI	Sell	1,807	471	Ordinary
06/19/2017	GSI	Sell	62,137	15,112	Ordinary
06/19/2017	GAUS	Sell	3,426,546	842,000	Ordinary
06/19/2017	GSI	Buy	94,598	23,135	Ordinary
06/19/2017	GAUS	Sell	62,136	15,112	Ordinary
06/19/2017	GAUS	Buy	94,598	23,135	Ordinary
06/19/2017	GSI	Sell	24,721	6,044	Ordinary
06/20/2017	GSI	Sell	284,894	70,326	Ordinary
06/20/2017	GAUS	Sell	1,144,207	280,815	Ordinary
06/20/2017	GSI	Sell	665,926	163,319	Ordinary
06/20/2017	GSI	Buy	94,604	23,067	Ordinary
06/20/2017	GSCO	Return of borrowed securities	N/A	293,783	Ordinary
06/20/2017	GSI	Sell	9,843	2,425	Ordinary
06/20/2017	GAUS	Buy	94,604	23,067	Ordinary
06/20/2017	GSI	Buy	3,007	737	Ordinary
06/20/2017	GAUS	Sell	55,082	13,563	Ordinary
06/20/2017	GAUS	Sell	27,535	6,780	Ordinary
06/20/2017	GAUS	Sell	50,211	12,366	Ordinary
06/20/2017	GAUS	Sell	285,486	70,326	Ordinary
06/21/2017	GSI	Sell	275,991	68,062	Ordinary
06/21/2017	GSI	Sell	341	84	Ordinary
06/21/2017	GSI	Buy	83,729	20,918	Ordinary
06/21/2017	GSI	Sell	10,597	2,610	Ordinary
06/21/2017	GAUS	Sell	275,991	68,062	Ordinary



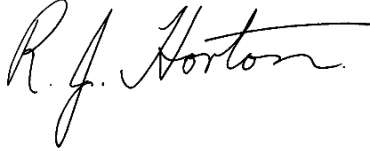
<b>Date of change</b>	<b>Person whose relevant interest changed</b>	<b>Nature of Change</b>	<b>Consideration given in relation to change (NZD)</b>	<b>Number of Securities</b>	<b>Class</b>
06/21/2017	GAUS	Buy	83,729	20,918	Ordinary
06/21/2017	GAUS	Sell	95,094	23,451	Ordinary
06/21/2017	GAUS	Sell	341	84	Ordinary
06/22/2017	GSI	Sell	302	75	Ordinary
06/22/2017	GSI	Buy	57,317	14,123	Ordinary
06/22/2017	GSI	Buy	2,747	681	Ordinary
06/22/2017	GSI	Sell	21,522	5,344	Ordinary
06/22/2017	GAUS	Buy	57,317	14,123	Ordinary
06/22/2017	GAUS	Sell	302	75	Ordinary
06/23/2017	GSI	Sell	299	74	Ordinary
06/23/2017	GSI	Buy	32,708	8,052	Ordinary
06/23/2017	GAUS	Buy	32,708	8,052	Ordinary
06/23/2017	GAUS	Sell	299	74	Ordinary
06/23/2017	GSI	Sell	1,234	305	Ordinary
06/26/2017	GSI	Sell	113,201	28,000	Ordinary
06/26/2017	GSI	Sell	178	44	Ordinary
06/26/2017	GSI	Buy	68,499	16,877	Ordinary
06/26/2017	GAUS	Buy	68,499	16,877	Ordinary
06/26/2017	GAUS	Sell	178	44	Ordinary
06/27/2017	GSI	Sell	207,455	51,188	Ordinary
06/27/2017	GSI	Sell	247	61	Ordinary
06/27/2017	GSI	Buy	22,889	5,627	Ordinary
06/27/2017	GSI	Sell	8,515	2,102	Ordinary
06/27/2017	GAUS	Buy	33,187	8,164	Ordinary
06/27/2017	GAUS	Sell	247	61	Ordinary
06/28/2017	GSI	Sell	158,172	39,139	Ordinary
06/28/2017	GSI	Sell	57,944	14,338	Ordinary
06/28/2017	GSI	Sell	188,013	46,523	Ordinary
06/28/2017	GAUS	Sell	403,522	100,000	Ordinary
06/28/2017	GSI	Sell	2,293	569	Ordinary
06/28/2017	GSI	Buy	33,368	8,266	Ordinary
06/28/2017	GSCO	Borrow of securities	N/A	125,000	Ordinary
06/28/2017	GSCO	Borrow of securities	N/A	494,258	Ordinary
06/28/2017	GSCO	Borrow of securities	N/A	200,000	Ordinary
06/28/2017	GSCO	Borrow of securities	N/A	500,000	Ordinary
06/28/2017	GAUS	Buy	33,368	8,266	Ordinary
06/28/2017	GSI	Sell	1,064	266	Ordinary

<b>Date of change</b>	<b>Person whose relevant interest changed</b>	<b>Nature of Change</b>	<b>Consideration given in relation to change (NZD)</b>	<b>Number of Securities</b>	<b>Class</b>
06/28/2017	GAUS	Sell	2,293	569	Ordinary
06/28/2017	GSI	Buy	1,130	281	Ordinary
06/28/2017	GAUS	Sell	925,883	228,179	Ordinary
06/29/2017	GSI	Sell	1,697	420	Ordinary
06/29/2017	GSI	Buy	30,389	7,404	Ordinary
06/29/2017	GSI	Buy	11,680	2,884	Ordinary
06/29/2017	GSCO	Borrow of securities	N/A	150,000	Ordinary
06/29/2017	GSCO	Borrow of securities	N/A	1,000,000	Ordinary
06/29/2017	GSCO	Borrow of securities	N/A	2,100,000	Ordinary
06/29/2017	GSCO	Borrow of securities	N/A	900,000	Ordinary
06/29/2017	GSCO	Borrow of securities	N/A	950,000	Ordinary
06/29/2017	GSCO	Borrow of securities	N/A	500,000	Ordinary
06/29/2017	GSCO	Borrow of securities	N/A	100,000	Ordinary
06/29/2017	GSI	Buy	4,961	1,224	Ordinary
06/29/2017	GSI	Sell	1,319	326	Ordinary
06/29/2017	GAUS	Sell	1,697	420	Ordinary
06/29/2017	GAUS	Buy	42,069	10,288	Ordinary
06/30/2017	GAUS	Buy	2,135,055	536,844	Ordinary
06/30/2017	GSI	Sell	3,474	876	Ordinary
06/30/2017	GSI	Buy	2,133,569	536,844	Ordinary
06/30/2017	GAUS	Sell	13,559	3,413	Ordinary
06/30/2017	GSI	Buy	28,950	7,264	Ordinary
06/30/2017	GSI	Sell	62,488	15,681	Ordinary
07/03/2017	GSI	Sell	2,421	609	Ordinary
07/03/2017	GSI	Buy	1,050	264	Ordinary
07/03/2017	GAUS	Sell	2,421	609	Ordinary
07/03/2017	GSI	Sell	873	219	Ordinary

**Signature**

Print name: Robert Horton Capacity: Attorney  
(signing under power of attorney)

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Sign here:  Date: 7 July 2017

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## **Annexure C – Relevant Agreements**

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"MEFISLA"

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MASTER EQUITY & FIXED INTEREST STOCK LENDING AGREEMENT (1996)

(For use by UK Lenders or their Agents with Intermediaries and Borrowers and by Intermediaries with Borrowers and other Intermediaries for the Lending of all Securities (including Overseas Securities) other than gilt-edged securities.)

THIS AGREEMENT is made the <sup>12<sup>th</sup></sup> day of *June*, 2003

**BETWEEN:-**

(1) **GOLDMAN SACHS INTERNATIONAL**, an unlimited liability company incorporated under the laws of England and Wales, with registered office at Peterborough Court, 133 Fleet Street, London, EC4A 2BB ("Party A")

and

(2) **HSBC BANK PLC**, a company incorporated under the laws of England and Wales, whose registered office at 27-32 Poultry, London EC2P 2BX, acting on behalf of various underlying principals listed on Appendix A ("Party B")

**WHEREAS:-**

From time to time the Parties hereto may enter into transactions in which one Party (the "Lender") agrees to lend to the other (the "Borrower") Securities (as hereinafter defined) subject to any Inland Revenue provisions then in force.

Where the schedule to this Agreement indicates that Clause 7 of this Agreement applies, the parties are desirous of agreeing a procedure for lending and borrowing money from time to time and from each other in the ordinary course of business.

All transactions carried out under this Agreement will be effected in accordance with the Rules (as hereinafter defined) **TOGETHER WITH** current market practices, customs and conventions.



IT IS HEREBY AGREED AS FOLLOWS:-

1. INTERPRETATION

(A) In this Agreement:-

- “Act of Insolvency” means in relation to either Party:
- i) its making a general assignment for the benefit of, or entering into a reorganisation, arrangement, or composition with creditors; or
  - ii) its admitting in writing that it is unable to pay its debts as they become due; or
  - iii) its seeking, consenting to or acquiescing in the appointment of any trustee, administrator, receiver or liquidator or analogous officer of it or any material part of its property; or
  - iv) the presentation or filing of petition in respect of it (other than by the other Party to this Agreement in respect of any obligation under this Agreement) in any court or before any agency alleging or for the bankruptcy, winding-up or insolvency of such Party (or any analogous proceeding) or seeking any reorganization, arrangement, composition, re-adjustment, administration, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such petition (except in the case of a petition for winding-up or any analogous proceeding, in respect of which no such 30 day period shall apply) not having been stayed or dismissed within 30 days of its filing; or
  - v) the appointment of a receiver, administrator, liquidator or trustee or analogous officer of such Party or over all or any material part of such Party’s property; or
  - vi) the convening of any meeting of its creditors for the purposes of considering a voluntary arrangement as referred to in Section 3 of the Insolvency Act 1986 (or any analogous proceeding);
- “Agency Transaction” shall have the meaning given in Clause 16;
- “Agent” shall have the meaning given in Clause 16;
- “Alternative Collateral” means collateral of a Value equal to the Collateral delivered pursuant to Clause 6 and provided by way of substitution for collateral or Cash Collateral originally delivered or previously substituted in accordance with the provisions of Clauses 6(F) or 6(G);
- “Appropriate Tax Vouchers” means:-
- i) either such tax vouchers and /or certificates as shall enable the recipient to claim and receive from any relevant tax authority, in respect of interest, dividends, distributions and/or other amounts (including for the avoidance of doubt any manufactured payment) relating to particular Securities, all and any repayment of tax or benefit of tax credit to which the lender would have been entitled but for the loan of Securities in accordance with this Agreement and/or to which the Lender is entitled in respect of tax withheld and

accounted for in respect of any manufactured payment; or such tax vouchers and/or certificates as are provided by the borrower which evidence an amount of overseas tax deducted which shall enable the recipient to claim and receive from any relevant tax authority all and any repayment of tax from the UK Inland Revenue or benefits of tax credit in the jurisdiction of the recipient's residence; and

- ii) such vouchers and/or certificates in respect of interest, dividends, distributions and/or other amounts relating to particular Collateral;

“Approved UK  
Collecting Agent”

means a person who is approved as such for the purposes of the Rules of the UK Inland Revenue relating to stocklending and manufactured overseas dividends;

“Approved UK  
Intermediary”

means a person who is approved as such for the purposes of the Rules of the UK Inland Revenue relating to stocklending and manufactured overseas dividends;

“Assured Payment”

means a payment obligation of a Settlement bank arising (under the Assured Payment Agreement) as a result of a transfer of stock or other securities to a CGO stock account of the member of the CGO for whom that Settlement Bank is acting;

Agreement”

means an agreement dated 24<sup>th</sup> October 1986 between the Bank of England and all the other banks which are for the time being acting as Settlement Banks in relation to the CGO regulating the obligations of such banks to make payments in respect of transfers of securities through the CGO as supplemented and amended from time to time;

“Assured Payment

“Bid Price”

in relation to Equivalent Securities or Equivalent Collateral means the best available bid price thereof on the most appropriate market in a standard size;

“Bid Value”

subject to Clause 10(E) means:-

- (a) in relation to Equivalent Collateral at a particular time:-
  - (aa) in relation to equivalent Collateral type B(x) (more specifically referred to in the Schedule) the Value thereof as calculated in accordance with such Schedule;
  - (bb) in relation to all other types of Equivalent Collateral (more specifically referred to in the Schedule) the amount which would be received on a sale of such Equivalent Collateral at the Bid Price thereof at such time less all costs, fees and expenses that would be incurred in connection with selling or otherwise realising such Equivalent Collateral, calculated on the assumption that the aggregate thereof is the least that could reasonably be expected to be paid in order or carry out such sale or realisation and adding thereto the amount of any Income declared or paid to the Lender and in respect of which equivalent amounts have not been paid to the Borrower in accordance with Clause 6(G) prior to such time in respect of such Equivalent

Collateral or the original collateral held gross of all and any tax deducted or paid in respect thereof; and

- (cc) in relation to Equivalent Securities at a particular time the amount which would be received on a sale of such Equivalent Securities at the Bid Price thereof at such time less all costs, fees and expenses that would be incurred in connection therewith, calculated on the assumption that the aggregate thereof is the least that could reasonably be expected to be paid in order to carry out the transaction;

“Borrower” means the Party who acts as borrower under this Agreement;

“Borrowing Request” means

- (a) in relation to loans of Securities, a request made by the Borrower to the Lender (by telephone or otherwise) pursuant to Clause 2(A) specifying the description, title and amount of the Securities required by the Borrower, the proposed Settlement Date and duration of such loan and in the case of Securities which are not designated by CRESTCo Limited as eligible for settlement within CREST the date, time, mode and place of delivery;
- (b) in relation to loans of money, a request made by the Borrower to the Lender (by telephone or otherwise) pursuant to Clause 7(A) specifying:-
  - (aa) the amount and currency of money;
  - (bb) the rate of interest thereon;
  - (cc) the date, time, mode and place of payment;
  - (dd) the type of Collateral to be provided and mode of delivery; and
  - (ee) the duration of the loan.

“Business Day” means a day on which banks and securities markets are open for business generally both in London and, in relation to the delivery or redelivery of any of the following items, in relation to any loan, in the place(s) where the relevant Securities, equivalent Securities, Collateral or Equivalent Collateral are to be delivered;

“Cash Collateral” means Collateral that takes the form of a deposit of currency;

“Central Gilts Office” or “CGO” means the computer based system managed by the Bank of England to facilitate the book-entry transfer of gilt-edged securities;

“CGO Collateral” shall have the meaning specified in paragraph 1A of the Schedule;

“CGO Rules” means the requirements of the CGO for the time being in force as defined in the membership agreement regulating membership of the CGO.

“Close of Business” means the time at which banks close in the business centre in which payment is to be made or Collateral is to be delivered;



- “Collateral” means such securities or financial instruments or deposits of currency as are referred to in the Schedule hereto or any combination thereof which are delivered by the Borrower to the Lender in accordance with this Agreement and shall include the certificates and other documents of or evidencing title and transfer in respect of the foregoing (as appropriate), and shall include Alternative Collateral;
- “CREST” means the computer based system, and procedures, operated by CREST Co. Limited which enable title to units of a security to be evidenced and transferred without a written instrument;
- “Defaulting Party” shall have the meaning given in Clause 14;
- “Default Valuation Time” shall have the meaning given in Clause 10(D);
- “Delivery-by-Value” means a transaction effected through the CGO, CREST or another book entry transfer system whereby Collateral is provided in the form of a package of securities determined by the operator of the system of a particular aggregate value and “delivered-by-value” shall be construed accordingly;
- “Equivalent Collateral” or “Collateral Equivalent to” in relation to any Collateral provided under this Agreement means securities, cash or other property, as the case may be, of an identical type, nominal value, description and amount to particular collateral so provided and shall include the certificates and other documents of or evidencing title and transfer in respect of the foregoing (as appropriate). If and to the extent that the particular Collateral consists of securities that are partly paid or have been converted, subdivided, consolidated, redeemed, made the subject of a takeover, capitalisation issue or rights issue, or any event similar to the foregoing, the expression shall have the following meaning:
- (a) in the case of conversion, subdivision or consolidation, securities equivalent to the securities into which the particular Collateral has been converted, subdivided or consolidated **PROVIDED THAT**, if appropriate, notice has been given in accordance with Clause 4(B)(vi);
  - (b) in the case of redemption, a sum of money equivalent to the proceeds of the redemption;
  - (c) in the case of a takeover, a sum of money or securities equivalent to the money or securities which was or were the consideration or alternative consideration in respect of Collateral of that particular kind in such takeover, **PROVIDED THAT**, if appropriate, notice has been given in accordance with Clause 4(B)(vi);
  - (d) in the case of a call on partly paid Collateral securities, securities equivalent to the particular Collateral securities after such call has been paid-up **PROVIDED THAT** the Borrower shall have paid to the Lender an amount of money equal to the sum due in respect of the call;
  - (e) in the case of a capitalisation issue, securities equivalent to the particular Collateral securities **TOGETHER WITH** securities equivalent to the securities allotted by way of a bonus on Collateral securities of that particular kind;
  - (f) in the case of a rights issue, securities equivalent to the particular Collateral securities **TOGETHER WITH** the securities equivalent to securities allotted thereon, **PROVIDED THAT** the Borrower has given

notice to the Lender in accordance with Clause 4(B)(vi), and has paid to the Lender all and any sum due in respect thereof;

- (g) in the event that a payment of Income is made in respect of the particular Collateral in the form of securities or a certificate which may at a future date be exchanged for securities or in the event of an option to take Income in the form of securities or a certificate which may at a future date be exchanged for securities, PROVIDED THAT notice has been given to the Lender in accordance with Clause 4(B)(vi), securities equivalent to the particular Collateral TOGETHER WITH securities or a certificate equivalent to those allotted;
- (h) in the case of any event similar to any of the foregoing, securities equivalent to the particular Collateral TOGETHER WITH or replaced by a sum of money or securities equivalent to that received in respect of the particular collateral resulting from such event.

For the avoidance of doubt, in the case of Bankers' Acceptances (Collateral type B(v)), Equivalent Collateral must be drawn by and bear dates, acceptances and endorsements (if any) by the same entities as the bill to which it is intended to be equivalent;

**"Equivalent Securities"**

means securities of an identical type, nominal value, description and amount to particular Securities borrowed and such term shall include the certificates and other documents of or evidencing title and transfer in respect of the foregoing (as appropriate). If and to the extent that such Securities are partly paid or have been converted, subdivided, consolidated, redeemed, made the subject of a takeover, capitalisation issue or rights issue, or any event similar to the foregoing, the expression shall have the following meaning:

- (a) in the case of conversion, subdivision or consolidation the securities equivalent to the securities into which the particular Securities have been converted, subdivided or consolidated PROVIDED THAT, if appropriate, notice has been given in accordance with Clause 4(B)(vi);
- (b) in the case of redemption, a sum of money equivalent to the proceeds of the redemption;
- (c) in the case of a takeover, a sum of money or securities equivalent to the money or securities which was or were the consideration or alternative consideration in respect of securities of that particular kind in such takeover, PROVIDED THAT, if appropriate, notice has been given in accordance with Clause 4(B)(vi);
- (d) in the case of a call on partly paid Securities, securities equivalent to the particular Securities after such call has been paid-up PROVIDED THAT the Lender shall have paid to the Borrower an amount of money equal to the sum due in respect of the call;
- (e) in the case of a capitalisation issue, securities equivalent to the particular securities TOGETHER WITH securities equivalent to the securities allotted by way of a bonus on securities of that particular kind;
- (f) in the case of a rights issue, securities equivalent to the particular securities TOGETHER WITH the securities equivalent to securities allotted thereon, PROVIDED THAT the lender has given notice to the Borrower in accordance with Clause 4(B)(vi), and has paid to the Borrower all and any sum due in respect thereof;

- (g) in the event that a payment of Income is made in respect of the particular Securities in the form of securities or a certificate which may at a future date be exchanged for securities or in the event of an option to take Income in the form of securities or a certificate which may at a future date be exchanged for securities, **PROVIDED THAT** notice has been given to the Borrower in accordance with Clause 4(B)(vi), securities equivalent to the particular Securities **TOGETHER WITH** securities or a certificate equivalent to those allotted;
  - (h) in the case of any event similar to any of the foregoing, the securities equivalent to the particular Securities **TOGETHER WITH** or replaced by a sum of money or securities equivalent to that received in respect of the particular Securities resulting from such event;
- “Event of Default” has the meaning given in Clause 14;
- “Income” means any interest, dividends or other distributions of any kind whatsoever with respect to any Securities or Collateral;
- “Income Payment Date” with respect to any Securities or Collateral means the date on which Income is paid in respect of such Securities or collateral, or, in the case of registered Securities or Collateral, the date by reference to which particular registered holders are identified as being entitled to payment of Income;
- “Intermediary” means a Lender who has borrowed the Securities which are the subject of a particular loan from a Third Party;
- “Lender” means the Party who acts as lender under this Agreement;
- “Manufactured Dividend” shall have the meaning given in Clause 4 (B)(ii);
- “Margin” shall have the meaning specified in the Schedule hereto;
- “Nominee” means an agent or a nominee appointed by either Party to accept delivery of, hold or deliver Securities, Equivalent Securities, Collateral and/or Equivalent Collateral on its behalf whose appointment has been notified to the other Party;
- “Non-Defaulting Party” shall have the meaning given in Clause 14;
- “Offer Price” in relation to Equivalent Securities or Equivalent Collateral means the best available offer price thereof on the most appropriate market in a standard size;
- “Offer Value” subject to Clause 10(E) means:-
- (a) in relation to Equivalent Collateral type B(x) (more specifically referred to in the Schedule hereto) the Value thereof as calculated in accordance with such Schedule; and
  - (b) in relation to Equivalent Securities or Collateral equivalent to all other types of Collateral (more specifically referred to in the Schedule hereto) the amount it would cost to buy such Equivalent Securities or Equivalent Collateral at the Offer Price thereof **TOGETHER WITH** all costs, fees and expenses that would be incurred in connection therewith, calculated on the assumption that the aggregate thereof is the least that could reasonably be expected to be paid in order to carry out the transaction;

- “Overseas Securities” shall have the meaning specified in paragraph 1(1) of Schedule 23A to the Income and Corporation Taxes Act 1988;
- “Parties” means the Lender and the Borrower and “Party” shall be construed accordingly;
- “Performance Date” shall have the meaning given in Clause 10;
- “Posted Collateral” shall have the meaning given in Clause 6(H);
- “Principal” shall have the meaning given in Clause 16;
- “Reference Price” means:
- (a) in relation to the valuation of Securities, Equivalent Securities, Collateral and/or Equivalent Collateral eligible for settlement within CREST, such price as may be established from time to time for use within such system, or, where such price is not available, the mid market quotation of such Securities, Equivalent Securities, Collateral and/or Equivalent Collateral as derived from the latest edition of the Daily Official List published by the Stock Exchange;
  - (b) in relation to the valuation of Securities, Equivalent Securities, Collateral and/or Collateral equivalent to Collateral types B (ii), (viii), (xi) and (xii) (more specifically referred to in the Schedule hereto) not designated as eligible for settlement within CREST, such price (in sterling) as is equal to the mid market quotation of such Securities, Equivalent Securities, Collateral and/or Equivalent Collateral as derived from the latest edition of the Daily Official List published by the Stock Exchange or, if unavailable, such price as published in the latest edition of such other equivalent financial publication in the business centre in which payment is to be made or Collateral and/or Equivalent Collateral is to be delivered or redelivered (as the case may be) or, in the case of Overseas Securities, such price as is equal to the mid market quotation of such Securities, Equivalent Securities, Collateral and/or Equivalent Collateral as derived from a reputable pricing information service (such as the services provided by Reuters, Extel Statistical Services and Telerate) reasonably chosen in good faith by the Lender or if unavailable the market value thereof as derived from the prices or rates bid by a reputable dealer for the relevant instrument reasonably chosen in good faith by the Lender, in each case at Close of Business on the previous Business Day;
  - (c) in relation to the valuation of Securities, Equivalent Securities, Collateral and/or Collateral equivalent to Collateral types A and B(i) (more specifically referred to in the Schedule hereto), the CGO Reference Price of such Securities, Equivalent Securities, Collateral and/or Equivalent Collateral then current as determined in accordance with the CGO Rules from time to time in force;
  - (d) in relation to the valuation of Collateral and/or Collateral equivalent to Collateral types B (iii), (iv), (v), (vi), (vii) and (ix) (more specifically referred to in the Schedule hereto), the market value thereof as derived from the rates bid by Barclays bank PLC for such instruments or, in the absence of such a bid, the average of the rates bid by two leading market makers for such instruments at Close of Business on the previous Business Day.

For the purposes of this Agreement the Reference Price of any Securities, Equivalent Securities, Collateral and/or Equivalent Collateral eligible for settlement within the CREST shall be the offer price thereof, unless otherwise indicated.

- “Relevant Payment Date” shall have the meaning given in Clause 4(B)(i);
- “Relevant Value” shall have the meaning given in Clause 10(C);
- “Required Collateral Value” shall have the meaning given in Clause 6;
- “Required Notice” shall have the meaning given in Clause 8(B);
- “Rules” means the rules for the time being of the Stock Exchange and/or any other regulatory authority whose rules and regulations shall from time to time affect the activities of the Parties pursuant to this Agreement (PROVIDED THAT in an Event of Default the rules of the Stock Exchange shall prevail where the Defaulting Party is a member of that exchange);
- “Securities” means equities and other securities, not being gilt-edged securities as defined in the Rules, and which are the subject of a loan pursuant to this Agreement and such term shall include the certificates and other documents of title in respect of the foregoing;
- “Settlement Bank” means a settlement member of the CHAPS and Town Clearing systems who has entered into contractual arrangements with the CGO to provide Assured Payment facilities for members of the CGO;
- “Settlement Date” means:-
- (a) in relation to a loan of Securities the date upon which such Securities are or are to be transferred to the Borrower in accordance with this Agreement;
  - (b) in relation to a loan of money, the date upon which the advance of such money to the Borrower is or is to be made in accordance with this Agreement;
- “Stock Exchange” means the London Stock Exchange Limited;
- “Third Party” means a lender who is not an Intermediary;
- “Valuation Date” in relation to borrowed Securities means the date upon which the Reference Price is established within CREST or such other date as the Parties may from time to time agree;
- “Value” at any particular time means:-
- (a) in respect of Securities, Equivalent Securities, Collateral and/or Equivalent Collateral eligible for settlement within CREST and Securities and Equivalent Securities not so designated the aggregate worth of such Securities, Equivalent Securities, Collateral and/or Equivalent Collateral as calculated at the Reference Prices then current; and
  - (b) in respect of Collateral or Equivalent Collateral not eligible for settlement within CREST, such worth as determined in accordance with the Schedule hereto;

All headings appear for convenience only and shall not affect the interpretation hereof.

- (B) Notwithstanding the use of expressions such as "borrow", "lend", "Collateral", "Margin", "redeliver" etc., which are used to reflect terminology used in the market for transactions of the kind provided for in this Agreement, title to Securities "borrowed" or "lent" and "Collateral" provided in accordance with this Agreement shall pass from one Party to another as provided for in this Agreement, the Party obtaining such title being obliged to redeliver Equivalent Securities or Equivalent Collateral as the case may be.
- (C) For the purposes of determining any prices, sums or values (including Value, Relevant Value, Bid Value, and Offer Value for the purposes of Clauses 6, 7, 8 and 10 of this Agreement), prices, sums or values stated in currencies other than sterling shall be converted into sterling at the spot rate of exchange quoted by Barclays Bank Plc in the London interbank market for the purchase of sterling with the currency concerned, at or about 11.00 a.m. London time on the day on which the calculation is to be made or, if that day is not a Business Day or the calculation needs to be made before 11.00 a.m. on that day, the immediately preceding Business Day.
- (D) Any reference in this Agreement to an act, regulation or other legislation hereunder shall include a reference to any statutory modification or re-enactment thereof for the time being in force.

## 2. LOANS OF SECURITIES

- (A) The Lender will lend Securities to the Borrower, and the Borrower will borrow Securities from the Lender in accordance with the terms and conditions of this Agreement and with the Rules PROVIDED THAT the Lender shall have received from the Borrower and accepted (by whatever means) a Borrowing Request.
- (B) The Borrower has the right to reduce the amount of Securities referred to in a Borrowing Request PROVIDED THAT the Borrower has notified the Lender of such reduction no later than midday on the day which is two Business Days prior to the Settlement Date, unless otherwise agreed between the parties, and the Lender shall have accepted such reduction (by whatever means).

## 3. DELIVERY OF SECURITIES

- (A) In the case of Securities eligible for settlement within CREST the Lender shall deliver or procure the delivery of such Securities to the Borrower in accordance with the Borrowing Request. Such Securities shall be deemed to have been delivered by the Lender to the Borrower when credited to the CREST account designated by the Borrower in the Borrowing Request.
- (B) In the case of Securities not eligible for settlement within CREST the Lender shall deliver such Securities in accordance with the Borrowing Request TOGETHER WITH appropriate instruments of transfer duly stamped where necessary and such other instruments as may be requisite to vest title thereto in the Borrower. Such Securities shall be deemed to have been delivered by the Lender to the Borrower on delivery to the Borrower, or as it shall direct, of the relevant instruments of transfer; or, in the case of securities held by an agent or a clearing or settlement system, on the effective instructions to such agent or the operator of such system to hold the Securities absolutely for the Borrower, or by such other means as shall be agreed.

## 4. RIGHTS AND TITLE

- (A) The Parties shall execute and deliver all necessary documents and give all necessary instructions to procure that all right, title and interest in:
  - (i) any Securities borrowed pursuant to Clause 2;
  - (ii) any Equivalent Securities redelivered pursuant to Clause 8;
  - (iii) any Collateral delivered pursuant to Clause 6;
  - (iv) any Equivalent Collateral redelivered pursuant to Clauses 6 or 8;

shall pass from one Party to the other subject to the terms and conditions mentioned herein and in accordance with the Rules on delivery or redelivery of the same in accordance with this Agreement, free from all liens, charges and encumbrances. In the case of Securities, Collateral, Equivalent Securities or Equivalent Collateral title to which is established through a computer based system which provides for the recording and transfer of title to the same by way of book entries, delivery and transfer of title shall take place in accordance with the rules and procedures of such system as in force from time to time. The Party acquiring such right, title and interest shall have no obligation to return or redeliver any of the assets so acquired but, in so far as any Securities are borrowed or any Collateral is delivered to such Party, such Party shall be obliged, subject to the terms of this Agreement, to redeliver Equivalent securities or Equivalent Collateral as appropriate.

- (B) (i) Where Income is paid in relation to any Securities on or by reference to an Income Payment Date on which such Securities are the subject of a loan hereunder, the Borrower shall, on the date of the payment of such Income, or on such other date as the Parties may from time to time agree (the "Relevant Payment Date") pay and deliver a sum of money or property equivalent to the same (with any such endorsements or assignments as shall be customary and appropriate to effect the delivery) to the Lender or its Nominee, irrespective of whether the Borrower received the same. The provisions of Clause 4(B)(ii) to (iv) below shall apply in relation thereto. Unless otherwise agreed between the Parties as indicated in the Schedule to this Agreement, if in relation to Overseas Securities at any time any Manufactured Dividend (as defined in 4(B)(ii) below) falls to be paid pursuant to this clause neither of the Parties is an Approved UK Intermediary or an Approved UK collecting Agent, the Borrower will procure that the relevant payment is paid through an Approved UK Intermediary or an Approved UK Collecting Agent agreed by the Parties for this purpose, unless the rate of relevant withholding tax (as defined above) in respect of any Income that would be payable to the Lender but for the loan of the Securities would have been zero and no income tax liability under Chapter VII A of Part IV of the Income and Corporation Taxes Act 1988 would have arisen in respect thereof.
- (ii) Subject to Clause 4(B)(iii) below, in the case of any Income comprising a payment, the amount (the "Manufactured Dividend") payable by the borrower shall be equal to the amount of the relevant Income TOGETHER WITH an amount equivalent to any deduction, withholding or payment for or on account of tax made by the relevant issuer (or on its behalf) in respect of such Income TOGETHER WITH an amount equal to any other tax credit associated with such Income, unless a lesser amount is agreed between the Parties or an Appropriate Tax Voucher (TOGETHER WITH any further amount which may be agreed between the Parties to be paid) is provided in lieu of such deduction, withholding, tax credit or payment.
- (iii) Where either the Borrower, or any person to whom the Borrower has on-lent the Securities, is unable to make payment of the Manufactured Dividend to the Lender without there being a requirement to account to the Inland Revenue for any amount of relevant tax (as required by Schedule 23A to or section 737(1) of the Income and Corporation taxes Act 1988) the Borrower shall pay to the Lender or its Nominee, in cash, the Manufactured Dividend less amounts equal to such tax. The Borrower shall at the same time, if requested, supply Appropriate Tax Vouchers to the Lender.
- (iv) In the event of the Borrower failing to remit either directly or by its Nominee any sum payable pursuant to this Clause, the borrower hereby undertakes to pay a rate to the Lender (upon demand) on such sum at the rate provided for in Clause 15 hereof. Interest on such sum shall accrue daily commencing on and inclusive of the third Business Day after the Relevant Payment Date, unless otherwise agreed between the Parties.
- (v) Each Party hereby undertakes that where it holds Securities of the same description as any Securities borrowed by it or transferred to it by way of Collateral at a time when a right to vote arises in respect of such Securities, it will use its best endeavours to arrange for the voting rights attached to such Securities to be exercised in accordance with the instructions of the Lender or Borrower (as the case may be) PROVIDED THAT each Party shall use its best endeavours to notify the other of its instructions in writing no later than seven Business Days prior to the date upon which such votes are exercisable or as otherwise agreed between the Parties and that the Party concerned shall not be obliged so to exercise the votes in respect of a

number of Securities greater than the number so lent or transferred to it. For the avoidance of doubt the Parties agree that subject as hereinbefore provided any voting rights attaching to the relevant Securities, Equivalent Securities, Collateral and/or Equivalent Collateral shall be exercisable by the persons in whose name they are registered or in the case of Securities, Equivalent Securities, Collateral and/or Equivalent Collateral in bearer form, the persons by or on behalf of whom they are held, and not necessarily by the Borrower or the Lender (as the case may be).

- (vi) Where, in respect of any borrowed Securities or any Collateral, any rights of conversion, subdivision, consolidation, pre-emption or option, rights arising under a takeover offer or other rights, including those requiring election by the holder for the time being of such Securities or Collateral, become exercisable prior to the redelivery of Equivalent Securities or Equivalent Collateral, then the Lender or Borrower as the case may be may within a reasonable time before the latest time for the exercise of the right or option give written notice to the other Party that, on redelivery of Equivalent Securities or Equivalent Collateral, as the case may be, it wishes to receive Equivalent Securities or Equivalent Collateral in such form as will arise if the right is exercised, or, in the case of a right which may be exercised in more than one manner, is exercised as is specified in such written notice.
- (vii) This Clause 4(B) shall not apply after Securities have been sold and sums of money remitted pursuant to Clause 8(D) hereof.
- (viii) Any payment to be made by the Lender or the Borrower under this Clause shall be made in a manner to be agreed between the Parties.

#### 5. RATES

- (A) In respect of each loan of Securities the Borrower shall pay to the Lender, in the manner prescribed in sub-Clause (D) below, sums calculated by applying such rate as shall be agreed between the Parties from time to time to the daily Value of the relevant Securities.
- (B) The Borrower shall pay to the Lender the rates agreed between the Parties on any loans of money made by the Lender to the Borrower pursuant to Clause 7.
- (C) Where Cash Collateral is deposited with the Lender in respect of any loan of Securities, the Lender shall pay to the Borrower, in the manner prescribed in Clause 5(D), sums calculated by applying such rates as shall be agreed between the Parties from time to time to the amount of such Cash Collateral. Any such payment due to the Borrower may be set-off against any payment due to the Lender pursuant to Clause 5(A) hereof.
- (D) In respect of each loan of Securities, the payments referred to in sub-Clauses 5(A), (B) and (C) hereof shall accrue daily in respect of the period commencing on and inclusive of the Settlement Date and terminating on and exclusive of the Business Day upon which Equivalent Securities are redelivered or Cash Collateral is repaid. Unless otherwise agreed, the sums so accruing in respect of each calendar month shall be paid in arrears by the Borrower to the Lender or to the Borrower by the Lender (as the case may be) on the last Business Day, or, in respect of loans of Overseas Securities, not later than the Business Day which is one week after the last Business Day, of the calendar month to which such payments relate or such other date as the Parties shall from time to time agree.
- (E) Any payment made pursuant to sub-Clauses 5(A), (B) and (C) hereof shall be in such currency and shall be paid in such manner and at such place as shall be agreed between the Parties.

#### 6. COLLATERAL

- (A) (i) Subject to Clauses 6(B), (C) and (E) below the borrower undertakes to deliver Collateral to the Lender (or in accordance with the Lender's instructions) **TOGETHER WITH** appropriate instruments of transfer duly stamped where necessary and such other instruments as may be requisite to vest title thereto in the Lender simultaneously with delivery of the borrowed Securities and in any event no later than Close of Business on the Settlement Date. Collateral may be provided in any of the forms in the Schedule hereto (as agreed between the Parties);



- (ii) where Collateral is delivered to the Lender's Nominee any obligation under this Agreement to redeliver or otherwise account for Equivalent Collateral shall be an obligation of the Lender notwithstanding that any such redelivery may be effected in any particular case by the Nominee.
- (B) Where CGO Collateral is provided to the Lender or its Nominee by member-to-member delivery or Delivery-by-Value in accordance with the provisions of the CGO Rules from time to time in force, the obligation of the Lender to redeliver Equivalent Collateral in respect thereof shall be an obligation to redeliver Equivalent Collateral through the CGO to the Borrower in accordance with this Agreement. Any references, (howsoever expressed) in this Agreement, the Rules, and/or any other agreement or communication between the Parties to an obligation to redeliver such Equivalent Collateral shall be construed accordingly. If, when the Equivalent Collateral is redelivered, any loan of securities remains outstanding, the Assured Payment obligation generated on such redelivery shall be deemed to constitute a payment of money which shall be treated as Cash Collateral. This procedure shall continue daily where CGO Collateral is delivered-by-value for as long as any loans of securities remain outstanding.
- (C) Where Collateral is provided by Delivery-by-Value through CREST or an alternative book entry transfer system, not being the CGO, the obligation of the Lender shall be to redeliver Equivalent Collateral through such book entry transfer system in accordance with this Agreement. If the loan of Securities in respect of which such Collateral was provided has not been discharged when the Collateral is redelivered, any payment obligation generated within the book entry transfer system on such redelivery shall be deemed to constitute a payment of money which shall be treated as Cash Collateral until the loan is discharged, or further Equivalent Collateral is provided later during that Business Day. This procedure shall continue when Collateral is delivered-by-value for as long as the relevant loan remains outstanding.
- (D) Where CGO Collateral or other Collateral is provided by Delivery-by-Value to a Lender or its Nominee the Borrower may consolidate such collateral with other Collateral provided by the same delivery to a third party for whom the Lender or its Nominee is acting.
- (E) Where Cash Collateral is provided the sum of money so deposited may be adjusted in accordance with Clause 6(H) and shall be held by the Lender until Equivalent Securities (in respect of the Securities borrowed) are redelivered. The Borrower may, simultaneously with the delivery of the borrowed Securities, deposit with the Lender (or in accordance with the Lender's instructions) Cash Collateral equivalent to the Value of those borrowed Securities TOGETHER WITH the Margin applicable thereto. Such Cash Collateral may be in the form of a currency other than sterling paid in a manner and at a place to be agreed between the Parties. Subject to Clause 6(H), the Cash collateral shall be repaid at the same time as Equivalent Securities in respect of the Securities borrowed are redelivered, and the Borrower shall not assign, charge, dispose of or otherwise deal with its rights in respect of the Cash Collateral. If the Borrower fails to comply with its obligations for such redelivery of Equivalent Securities the Lender shall have the right to apply the Cash Collateral by way of set-off in accordance with Clause 10.
- (F) The Borrower may from time to time call for the repayment of any Cash Collateral or the redelivery of Collateral equivalent to any Collateral delivered to the Lender prior to the date on which the same would otherwise have been repayable or redeliverable PROVIDED THAT at the time of such repayment or redelivery the Borrower shall have delivered or delivers Alternative Collateral acceptable to the Lender and the Borrower is in compliance with Clause 6(I).
- (G)
  - (i) Where Collateral (other than Cash Collateral) is delivered in respect of which any Income may become payable, the Borrower shall call for the redelivery of Collateral equivalent to such Collateral in good time to ensure that such Equivalent Collateral may be delivered prior to any such Income becoming payable to the Lender, unless in relation to such Collateral the Parties are satisfied before the relevant Collateral is transferred that no tax will be payable to the UK Inland revenue under Schedule 23A or Section 737 (1) of the Income and Corporation Taxes Act 1988. At the time of such redelivery the Borrower shall deliver Alternative Collateral acceptable to the Lender.

- (ii) Where the Lender receives any Income in circumstances where the Parties are satisfied as set out in Clause 6(G)(i) above, then the Lender shall, on the date on which the Lender receives such Income, or on such other date as the Parties may from time to time agree, pay and deliver a sum of money or property equal to the amount of such Income (with any such endorsements or assignments as shall be customary and appropriate to effect the delivery) to the borrower and shall supply Appropriate Tax Vouchers (if any) to the Borrower.
- (H) Unless the Schedule to this Agreement indicates that clause 6(I) shall apply in lieu of this Clause 6(H), or unless otherwise agreed between the Parties, the value of the Collateral delivered to or deposited with the Lender or its nominated bank or depository (excluding any collateral repaid or redelivered under sub-Clauses (H)(ii) or (I)(ii) below (as the case may be) ("Posted Collateral")) in respect of any loan of Securities shall bear from day to day and at any time the same proportion to the Value of the Securities borrowed under such loan as the Posted Collateral bore at the commencement of such loan. Accordingly:
- (i) the Value of the Posted Collateral to be delivered or deposited while the loan of Securities continues shall be equal to the Value of the borrowed Securities and the Margin applicable thereto (the "Required Collateral Value");
  - (ii) if on any business Day the Value of the Posted Collateral in respect of any loan of Securities exceeds the Required Collateral Value in respect of such loan, the Lender shall (on demand) repay such Cash Collateral and/or redeliver to the Borrower such Equivalent Collateral as will eliminate the excess; and
  - (iii) if on any Business Day the Value of the Posted Collateral falls below the Required Collateral Value, the borrower shall (on demand) provide such further Collateral to the Lender as will eliminate the deficiency.
- (I) Subject to Clause 6(J), unless the Schedule to this Agreement indicates that Clause 6(H) shall apply in lieu of this Clause 6(I), or unless otherwise agreed between the Parties:-
- (i) the aggregate Value of the Posted Collateral in respect of all loans of Securities outstanding under this Agreement shall equal the aggregate of the Required Collateral Values in respect of such loans;
  - (ii) if at any time the aggregate Value of the Posted Collateral in respect of all loans of Securities outstanding under this Agreement exceeds the aggregate of the Required Collateral Values in respect of such loans, the Lender shall (on demand) repay such Cash Collateral and/or redeliver to the Borrower such Equivalent Collateral as will eliminate the excess;
  - (iii) if at any time the aggregate Value of the Posted Collateral in respect of all loans of Securities outstanding under this Agreement falls below the aggregate of Required Collateral Values in respect of all such loans, the Borrower shall (on demand) provide such further Collateral to the Lender as will eliminate the deficiency.
- (J) Where Clause 6(I) applies, unless the Schedule to this Agreement indicates that this Clause 6(J) does not apply, if a Party (the "first Party") would, but for this Clause 6(J), be required under Clause 6(I) to repay Cash Collateral, redeliver Equivalent Securities or provide further Collateral in circumstances where the other Party (the "second Party") would, but for this Clause 6(J), also be required to repay Cash Collateral or provide or redeliver Equivalent Collateral under clause 6(I), then the Value of the Cash Collateral or Equivalent Collateral deliverable by the first Party ("X") shall be set-off against the Value of the Cash Collateral, or Equivalent Collateral or further Collateral deliverable by the second Party ("Y") and the only obligation of the Parties under Clause 6(I) shall be, where X exceeds Y, an obligation of the first Party, or where Y exceeds X, an obligation of the second Party, to repay Cash Collateral, redeliver Equivalent Collateral or to deliver further Collateral having a Value equal to the difference between X and Y.
- (K) Where Cash Collateral is repaid, Equivalent Collateral is redelivered or further Collateral is provided by a Party under Clause 6(I), the Parties shall agree to which loan or loans of Securities such repayment, redelivery or further provision is to be attributed and failing agreement it shall be attributed, as

determined by the Party making such repayment, redelivery or further provision to the earliest outstanding loan and, in the case of a repayment or redelivery up to the point at which the Value of Collateral in respect of such loan is reduced to zero and, in the case of a further provision up to the point at which the Value of the Collateral in respect of such loan equals the Required Collateral Value in respect of such loan, and then to the next earliest outstanding loan up to the similar point and so on.

- (L) Where any Cash collateral falls to be repaid or Equivalent Collateral to be redelivered or further Collateral to be provided under this Clause 6, it shall be delivered within the minimum period after demand specified in the Schedule or if no appropriate period is there specified within the standard settlement time for delivery of the relevant type of Cash Collateral, Equivalent Collateral or Collateral, as the case may be.
- (M) For the purposes of this Clause the Value of Collateral, Alternative Collateral or Equivalent Collateral which is eligible for settlement within the CREST system shall be calculated by reference to the bid price thereof.

#### 7. LOANS OF MONEY

- (A) The Lender may agree to lend sums of money to the Borrower in accordance with this Agreement **PROVIDED THAT** in respect of all and any loans of money made pursuant to this sub-clause (A) the Lender shall have received from the Borrower and accepted (by whatever means) a Borrowing Request.
- (B) Against the loan of money pursuant to sub-clause (A) hereof, the Borrower shall deliver Collateral to the Lender pursuant to Clause 6 of a Value equal to the amount of money borrowed **TOGETHER WITH** such Margin as the Parties may from time to time agree in relation to the type of Collateral in question. Collateral shall be delivered in accordance with the Lender's instructions.
- (C) Where Collateral is provided through the CGO, CREST or any other book entry transfer system, whether by member to member delivery or Delivery-by-Value, the loan of money shall be made through the payment obligations generated by such system.
- (D) Unless otherwise agreed loans of money will be made on an overnight basis. At the same time as any money borrowed is repaid, the Lender shall redeliver the Equivalent Collateral provided as security for that loan. If Collateral has been provided in accordance with Clause 7(C) above, repayment of the loan shall be against the redelivery of Equivalent Collateral through the book entry transfer system in accordance with Clause 6(C).

#### 8. REDELIVERY OF EQUIVALENT SECURITIES

- (A) The Borrower undertakes to receiver Equivalent Securities in accordance with this Agreement, and the terms of the relevant Borrowing Request. For the avoidance of doubt any reference herein or in any other agreement or communication between the Parties (howsoever expressed) to an obligation to redeliver or account for or act in relation to borrowed Securities shall accordingly be construed as a reference to an obligation to redeliver or account for or act in relation to Equivalent Securities.
- (B) Subject to Clause 10 hereof and the terms of the relevant Borrowing Request, the Lender may call for the redelivery of all or any Equivalent Securities at any time upon notice (the "Required Notice") of not less than:-
  - (i) in the case of Overseas Securities, the standard settlement time for such Equivalent Securities on the exchange or in the clearing organisation through which the relevant borrowed Securities were originally delivered, or
  - (ii) in the case of any other Securities, one Business Day less than the standard settlement time, or
  - (iii) such other period as may be agreed between the Parties,

**PROVIDED THAT** the Lender shall give notice as soon as practicable after recall becomes necessary. The Borrower shall redeliver such Equivalent Securities not later than the expiry of such notice in accordance with the Lender's instructions. Simultaneously with the redelivery of the Equivalent

Securities in accordance with such call, the Lender shall (subject to Clause 6(I) if applicable) repay any Cash Collateral and redeliver to the Borrower Collateral equivalent to the Collateral delivered pursuant to Clause 6 in respect of the borrowed Securities **PROVIDED THAT** in respect of Securities eligible for settlement within CREST the Borrower shall (if so requested by the Lender) procure the delivery of such Equivalent securities to another account designated by the Lender. The Lender shall (subject to Clause 6(I) if applicable) accept such action as redelivery and shall simultaneously therewith repay any Cash Collateral and redeliver Collateral equivalent to the collateral delivered by the Borrower pursuant to Clause 6 in respect thereof. For the avoidance of doubt any reference herein or in any other agreement or communication between the Parties (however expressed) to an obligation to redeliver or account for or act in relation to Collateral shall accordingly be construed as a reference to an obligation to redeliver or account for or act in relation to Equivalent Collateral.

- (C) If the Borrower does not redeliver Equivalent Securities in accordance with such call, the Lender may elect to continue the loan of Securities (which loan, for the avoidance of doubt, shall continue to be taken into account for the purposes of Clause 6(H), subject to Clause 8(D) below) **PROVIDED THAT** if the Lender does not elect to continue the loan or the Borrower fails to comply with its obligations under Clauses 6(H), 8(D) and 8(E), the Lender may by notice to the Borrower elect to terminate the loan forthwith whereupon the provisions of Clause 10 shall apply as if an Event of Default had occurred in relation to the Borrower.
- (D) Without prejudice to the Clause 8(E) below, where the borrower does not redeliver Equivalent Securities in accordance with such call:
- (a)
    - (i) the Lender may require the Borrower to deliver to the Lender Collateral in the form of cash in an amount equal to the Value of the relevant Equivalent Securities and the Margin applicable to such Collateral in the form of Cash;
    - (ii) until the relevant Equivalent Securities are redelivered by the Borrower, the Borrower shall ensure that the Collateral Aggregate shall include Collateral in the form of cash in an amount (the "Clause 8 Amount") at least equal to the Value of the relevant Equivalent Securities (or, if at any time there is more than one loan of Securities which is being continued pursuant to Clause 8(C), the aggregate Value of the Equivalent Securities under all such loans) and the Margin applicable to such Collateral in the form of cash;
    - (iii) during the period from (and including) the date on which the relevant Equivalent Securities fail to be redelivered in accordance with such call to (but excluding) the date on which the relevant Equivalent Securities are redelivered by the Borrower, the Lender may, at its discretion, not pay a rate or rates in accordance with Clause 5 on Collateral in the form of cash up to an amount equal to the Clause 8 Amount; or
  - (b) where the Lender has not required the delivery of Collateral in the form of cash in accordance with sub-Clause (a) above, the Lender may require the Borrower to pay the full money market rate of interest on the Value of the borrowed Securities in lieu of the rate originally agreed pursuant to Clause 5(A), such full money market rate to be as reasonably agreed between the parties, but failing agreement thereon sub-Clause (a) of this Clause 8(D) shall apply; and, whether sub-Clause (a) or sub-Clause (b) of this Clause 8(D) applies;
  - (c) the parties' obligations under Clause 6(H) shall be subject to this Clause 8(D); and
  - (d) the Borrower shall redeliver Equivalent Securities as soon as they are available and simultaneously therewith the Lender shall make any repayment or redelivery required under Clause 6.
- (E) In the event that as a result of the failure of the Borrower to redeliver Equivalent Securities to the Lender in accordance with this Agreement a "buy-in" is exercised against the Lender or Third Party, as the case may be, in respect of the sale of the Securities then, **PROVIDED THAT** reasonable notice has been given to the Borrower of the likelihood of such a "buy-in", the Borrower shall account to the Lender or third Party for the total costs and expenses reasonably incurred by the Lender or Third Party as a result of such "buy-in".

- (F) Subject to the terms of the relevant Borrowing Request, the Borrower shall be entitled at any time to terminate a particular loan of Securities and to redeliver all and any Equivalent Securities due and outstanding to the Lender. Redelivery shall be made in accordance with the Lender's instructions. The Lender shall accept such redelivery and simultaneously therewith shall repay to the Borrower any Cash Collateral and redeliver Collateral equivalent to the Collateral provided by the Borrower pursuant to Clause 6 in respect thereof.
- (G) Where a Letter of Credit is provided by way of Collateral, the obligation to redeliver Equivalent Collateral shall be satisfied by the Lender redelivering for cancellation the Letter of Credit so provided or, where the Letter of Credit is provided in respect of more than one loan, by the Lender consenting to a reduction in the value of the Letter of Credit.

9. SUSPENDED SECURITIES

If dealings in any borrowed Securities are suspended by reason of the adverse financial position of the issuer, then the following provisions shall apply:-

- (i) either the Lender or the Borrower may give notice of the suspension to the other in which event Clause 9(ii) and (iii) below shall apply;
- (ii) where notice is given pursuant to Clause 9(i) by or to an Intermediary, the Intermediary shall forthwith give notice of the suspension to any Third Party from whom it borrowed the suspended Securities or to the Borrower as the case may be; and
- (iii) notwithstanding the definitions of Value and Reference Price appearing in this Agreement, the Borrower, the Lender (and any Third Party) shall enter into negotiations in good faith with a view to agreeing the Value of the borrowed Securities, each Party undertaking not to withhold his consent unreasonably to any such agreement, it being understood that in the absence of such agreement the definitions of Value and Reference Price will continue to apply, PROVIDED THAT if the Lender or any Third Party called for the return of the borrowed Securities in order to deliver such Securities pursuant to a sale of such Securities, then the Value shall not be less than the net proceeds of such sale.

10. SET-OFF ETC.

- (A) On the date and time (the "Performance Date") that Equivalent Securities are required to be redelivered by the Borrower in accordance with the provisions of this Agreement the Lender shall simultaneously redeliver the Equivalent Collateral and repay any Cash Collateral held (in respect of the Equivalent Securities to be redelivered) to the Borrower.
- (B) If an Event of Default occurs, the Parties' delivery and payment obligations (and any other obligations they have under this Agreement) shall be accelerated so as to require performance thereof at the time such Event of Default occurs, the date of which shall be the "Performance Date" for the purposes of this Clause and in such event;
- (i) the Relevant Value of the Securities to be delivered (or payment to be made, as the case may be) by each Party shall be established in accordance with Clause 10(C); and
- (ii) on the basis of the Relevant Values so established, an account shall be taken (as at the Performance Date) of what is due from each Party to the other under this Agreement (including any unpaid amounts due and owing at such time) and (on the basis that each Party's claim against the other in respect of delivery of Equivalent Securities or equivalent Collateral or any cash payment equals the Relevant Value thereof) the sums due from one Party shall be set-off against the sums due from the other and only the balance of the account shall be payable (by the Party having the claim valued at the lower amount pursuant to the foregoing) and such balance shall be payable on the Performance Date.
- (C) For the purposes of Clause 10(B) the Relevant Value:-

- (i) of any cash payment obligation shall equal its par value in sterling (disregarding any amount taken into account under (ii) or (iii) below);
  - (ii) of any securities to be delivered by the Defaulting Party shall, subject to Clause 10(D), equal the Offer Value thereof; and
  - (iii) of any securities to be delivered to the Defaulting Party shall, subject to Clause 10(D) below, equal the Bid Value thereof;
- (D) For the purposes of Clause 10(C) but subject to Clause 10(E) below, the Bid Value and Offer Value of any securities shall be calculated as at the Close of Business in the relevant market for such securities on the first Business Day following the Performance Date or, if the relevant Event of Default occurs outside the business hours of the relevant market, on the second Business Day following the Performance Date (“the Default Valuation Time”).
- (E) (i) Where the Non-Defaulting Party has, following the occurrence of an Event of Default but prior to the Default Valuation Time purchased securities forming part of the same issue and being of an identical type and description to those to be delivered by the Defaulting Party and in substantially the same amount as those securities, or sold securities forming part of the same issue and being of an identical type and description to those to be delivered by him to the Defaulting Party and in substantially the same amount as those securities, the cost of such purchase or the proceeds of such sale, as the case may be, (taking into account all costs, fees and expenses that would be incurred in connection therewith), shall be treated as the Offer Value or Bid Value, as the case may be, or the relevant securities for the purposes of this Clause 10; and
- (ii) Where the amount of any securities sold or purchased as mentioned in Clause 10(E)(i) above is not in substantially the same amount as those securities to be valued for the purposes of Clause 10(C) the Offer Value or the Bid Value (as the case may be) of those securities shall be ascertained by dividing the net proceeds of sale or cost of purchase by the amount of the securities sold or purchased so as to obtain a net unit price and multiplying that net unit price by the amount of the securities to be valued.
- (F) Any reference in this Clause 10 to securities shall include any asset other than cash provided by way of Collateral.
- (G) If the Borrower or the Lender for any reason fails to comply with their respective obligations under Clauses 6(E) or 6(F) in respect of redelivery of Equivalent Collateral or repayment of Cash Collateral such failure shall be an Event of Default for the purposes of this Clause 10, and the Party who has failed to comply shall thus be treated as the Defaulting Party for the purpose of this Agreement.
- (H) Subject to and without prejudice to its rights under Clause 10(A) either Party may from time to time in accordance with market practice and in recognition of the practical difficulties in arranging simultaneous delivery of Securities, collateral and cash transfers waive its right under this Agreement in respect of simultaneous delivery and/or payment PROVIDED THAT no such waiver in respect of one transaction shall bind it in respect of any other transaction.
- (I) The Defaulting Party shall be liable to the non-Defaulting Party for the amount of all reasonable legal and other professional expenses incurred by the non-Defaulting Party in connection with or as a consequence of an Event of Default, together with interest thereon at the one-month London Inter Bank Offered Rate as quoted on Page 3750 on the Telerate Service (or such other page as may replace page 3750 on that service) (“LIBOR”) as of 11.00am, London time, on the date on which it is to be determined or, in the case of an expensive attributable to a particular transaction and where the parties have previously agreed a rate of interest for the transaction, that rate of interest if it is greater than LIBOR.

11. TAXATION

- (A) The Borrower hereby undertakes promptly to pay and account for all transfer or similar duties or taxes chargeable in connection with any transaction effected pursuant to or contemplated by this or any contingent Agreement, and shall indemnify and keep indemnified the Lender against any liability arising in respect thereof as a result of the Borrower's failure to do so.
- (B) A Party undertakes to notify the other Party if it becomes or ceases to be an Approved UK Intermediary or an Approved UK Collecting Agent.

12. LENDER'S WARRANTIES

Each Party hereby warrants and undertakes to the other on a continuing basis to the intent that such warranties shall survive the completion of any transaction contemplated herein that , where acting as Lender:

- (A) it is duly authorised and empowered to perform its duties and obligations under this Agreement;
- (B) it is not restricted under the terms of its constitution or in any other manner from lending Securities in accordance with this Agreement or from otherwise performing its obligations hereunder;
- (C) it is absolutely entitled to pass full legal and beneficial ownership of all Securities provided by it hereunder to the Lender free from all liens, charges and encumbrances;
- (D) it is acting as principal in respect of this Agreement or , subject to Clause 16, as agent and the conditions referred to in clause 16(B) will be fulfilled in respect of any transaction into which it enters as agent:
- (E) in relation to Overseas Securities only, where the Lender is not resident in the United Kingdom for tax purposes and either is not carrying on a trade in the United Kingdom through a branch or agency or, if it is carrying on such a trade, the loan is not entered into in the course of the business of such branch or agency, the Lender has:
- (i) delivered to the Borrower a duly completed and certified Certificate (MOD2) or a photocopy thereof bearing an Inland Revenue acknowledgement and unique number and such Certificate or photocopy remains valid; or
- (ii) taken all necessary steps to enable a specific authorisation to make gross payment of Manufactured Dividends of Overseas Securities to be issued by the Inland Revenue.

13. BORROWER'S WARRANTIES

Each Party hereby warrants and undertakes to the other on a continuing basis to the intent that such warranties shall survive the completion of any transaction contemplated herein that, where acting as Borrower:

- (A) it is duly authorised and empowered to perform its duties and obligations under this Agreement:
- (B) it is not restricted under the terms of its constitution or in any other manner from borrowing Securities in accordance with this Agreement or from otherwise performing its obligations hereunder;
- (C) it is absolutely entitled to pass full legal and beneficial ownership of all collateral provided by it hereunder to the Lender free from all liens, charges and encumbrances;
- (D) it is acting as principal in respect of this Agreement.

14. EVENTS OF DEFAULT

Each of the following events occurring in relation to either Party (the "Defaulting Party" the other Party being the "Non-Defaulting Party") shall be an Event of Default for the purpose of Clause 10:-

- (A) the Borrower or Lender failing to pay or repay Cash Collateral or deliver or redeliver Collateral or Equivalent collateral upon the due date and the Non-Defaulting Party serves written notice on the Defaulting Party;
- (B) the Lender or Borrower failing to comply with its obligations under Clause 6(H) hereof and the Non-Defaulting Party serves written notice on the Defaulting Party;
- (C) the Borrower failing to comply with Clause 4(B)(i) hereof and the Non-Defaulting Party serves written notice on the defaulting Party;
- (D) an Act of Insolvency occurring with respect to the Lender or the Borrower and (except in the case of an Act of Insolvency which is the Presentation of a petition for winding up or any analogous proceeding or the appointment of a liquidator or analogous officer of the Defaulting Party in which case no such notice shall be required) the Non-Defaulting Party serves written notice on the defaulting Party;
- (E) any representations or warranties made by the Lender or the borrower being incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, and the Non-Defaulting Party serves written notice on the Defaulting Party;
- (F) the Lender or the Borrower admitting to the other that it is unable to, or it intends not to, perform any of its obligations hereunder and/or in respect of any loan and the Non-Defaulting Party serves written notice on the Defaulting Party;
- (G) the Lender (if appropriate) or the Borrower being declared in default by the appropriate authority under the Rules or being suspended or expelled from membership or participation in any securities exchange or association or other self-regulatory organisation, or suspended from dealing in securities by any government agency and the Non-Defaulting Party serves written notice on the Defaulting Party;
- (H) any of the assets of the Lender or the Borrower or the assets of investors held by or to the order of the Lender or the Borrower being transferred or ordered to be transferred to a trustee by a regulatory authority pursuant to any securities regulating legislation and the Non-Defaulting Party serves written notice on the Defaulting Party, or
- (I) the Lender or the Borrower failing to perform any other of its obligations hereunder and not remedying such failure within 30 days after the Non-Defaulting Party serves written notice requiring it to remedy such failure, and the Non-Defaulting Party serves a further written notice on the Defaulting Party.

Each Party shall notify the other (in writing) if an Event of Default or an event which, upon the serving of a written notice as referred to above, would be an Event of Default, occurs in relation to it.

The provisions of this Agreement constitute a complete statement of the remedies available to each Party in respect of any Event of Default.

Neither Party may claim any sum by way of consequential loss or damage in the event of failure by the other party to perform any of its obligations under this Agreement.

15. OUTSTANDING PAYMENTS

In the event of either Party failing to remit either directly or by its Nominee sums in accordance with this Agreement such Party hereby undertakes to pay a rate to the other Party upon demand on the net balance due and outstanding of 1% above the Barclays Bank PLC base rate from time to time in force.



16. TRANSACTIONS ENTERED INTO AS AGENT

(A) Subject to the following provisions of this Clause, the Lender (not being an Intermediary) may enter into transactions as agent (in such capacity, "the Agent") for the third person (a "Principal"), whether as custodian or investment manager or otherwise (a transaction so entered into being referred to in this Clause as an "Agency Transaction").

(B) A Lender may enter into an Agency Transaction if, but only if –

- (i) it specifies that transaction as an Agency Transaction at the time when it enters into it;
- (ii) it enters into that Transaction on behalf of a single Principal whose identity is disclosed to the Borrower (whether by name or by reference to a code or identifier which the Parties have agreed will be used to refer to a specified Principal) at the time when it enters into the transaction; and
- (ii) it has at the time when the transaction is entered into actual authority to enter into the transaction and to perform on behalf of that Principal all of that Principal's obligations under the agreement referred to in Clauses 16(D)(ii).

(C) The Lender undertakes that, if it enters as agent into an Agency Transaction, forthwith upon becoming aware –

- (i) of any event which constitutes an Act of Insolvency with respect to the relevant Principal; or
- (ii) of any breach of any of the warranties given in Clause 16(E) below or of any event or circumstance which has the result that any such warranty would be untrue if repeated by reference to the current facts;

it will inform the Borrower of that fact and will, if so required by the Borrower, furnish it with such additional information as it may reasonably request.

(D) (i) Each Agency Transaction shall be a transaction between the relevant Principal and the Borrower and no person other than the relevant Principal and the Borrower shall be a party to or have any rights or obligations under an Agency transaction. Without limiting the foregoing, the Lender shall not be liable as principal for the performance of an Agency Transaction or for breach of any warranty contained in Clause 13(G), but this is without prejudice to any liability of the Lender under any other provision of this Clause.

(ii) All the provisions of the Agreement shall apply separately as between the Borrower and each Principal for whom the Agent has entered into an Agency Transaction or Agency Transactions as if each such Principal were a party to a separate agreement with the Borrower in all respects identical with this Agreement other than this Clause and as if the Principal were Lender thereunder in respect of that agreement;

**PROVIDED THAT:**

- (a) if there occurs in relation to the Lender an Event of Default or an event which would constitute an Event of default if the Borrower served written notice under any sub-clause of Clause 14, the Borrower shall be entitled by giving written notice to the Principal (which notice shall be validly given if given to the Lender in accordance with Clause 21) to declare that by reason of that event an Event of Default is to be treated as occurring in relation to the principal. If the borrower gives such a notice then an Event of Default shall be treated as occurring in relation to the Principal at the time when the notice is deemed to be given; and
- (b) if the Principal is neither incorporated nor has established a place of business in Great Britain, the Principal shall for the purposes of the agreement referred to in Clause 16(D)(ii) be deemed to have appointed as its agent to receive on its behalf service of process in the courts of England the Agent, or if the Agent is neither incorporated nor

has established a place of business in the United Kingdom, the person appointed by the Agent for the purposes of this Agreement, or such other person as the Principal may from time to time specify in a written notice given to the other party.

(iii) The foregoing provisions of this Clause do not affect the operation of the Agreement as between the Borrower and the Lender in respect of any transactions into which the Lender may enter on its own account as a principal.

(E) The Lender warrants to the Borrower that it will on every occasion on which it enters or purports to enter into a transaction as an Agency Transaction, have been duly authorised to enter into that transaction and perform the obligations arising thereunder on behalf of the person whom it specified as the Principal in respect of that transaction and to perform on behalf of that person all the obligations under the agreement referred to in Clause 16(D)(ii).

17. TERMINATION OF COURSE OF DEALINGS BY NOTICE

Each Party shall have the right to bring the course of dealing contemplated under this Agreement to an end by giving not less than 10 Business Days notice in writing to the other Party (which notice shall specify the date of termination) subject to an obligation to ensure that all transactions which have been entered into but not discharged at the time such notice is given are duly discharged in accordance with this Agreement and with the Rules.

18. OBSERVANCE OF PROCEDURES

Each of the Parties hereto agrees that in taking any action that may be required in accordance with this Agreement it shall observe strictly the procedures and timetable applied by the Rules and, further, shall observe strictly any agreement (oral or otherwise) as to the time for delivery or redelivery of any money, Securities, Equivalent Securities, Collateral or Equivalent Collateral entered into pursuant to this Agreement.

19. SEVERANCE

If any provision of this Agreement is declared by any judicial or other competent authority to be void or otherwise unenforceable, that provision shall be severed from the Agreement and the remaining provisions of this Agreement shall remain in full force and effect. The Agreement shall, however, thereafter be amended by the Parties in such reasonable manner so as to achieve, without illegality, the intention of the Parties with respect to that severed provision.

20. SPECIFIC PERFORMANCE

Each Party agrees that in relation to legal proceedings it will not seek specific performance of the other Party's obligation to deliver or redeliver Securities, Equivalent Securities, Collateral or Equivalent Collateral but without prejudice to any other rights it may have.

21. NOTICES

All notices issued under this Agreement shall be in writing (and shall include telex or facsimile messages) and shall be deemed validly delivered if sent by prepaid first class post to or left at the addresses or sent to the telex or facsimile number of the Parties respectively or such other addresses or telex or facsimile numbers as each party may notify in writing to the other.

22. ASSIGNMENT

(A) Subject to Clause 22(B) below, neither Party may charge, assign or transfer all or any of its rights or obligations hereunder without the prior consent of the other Party.

(B) Clause 22(A) above shall not preclude a Party from assigning, charging or otherwise dealing with all or any part of its interest in any sum payable to it under Clause 10(C) and 10(I).

23. WAIVER

No failure or delay by either Party to exercise any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege as herein provided.

24. ARBITRATION AND JURISDICTION

- (A) All claims, disputes and matters of conflict between the Parties arising hereunder shall be referred to or submitted for arbitration in London in accordance with English Law before a sole arbitrator to be agreed between the parties or in default of agreement by an arbitrator to be nominated by the Chairman of the Stock Exchange on the application of either Party and this Agreement shall be deemed for this purpose to be submission to arbitration within the Arbitration Acts 1950 and 1979, or any statutory modification or re-enactment thereof for the time being in force.
- (B) This Clause shall take effect notwithstanding the frustration or other termination of this Agreement.
- (C) No action shall be brought upon any issue between the Parties under or in connection with this Agreement until the same has been submitted to arbitration pursuant hereto and an award made.

25. TIME

Time shall be of the essence of the Agreement.

26. RECORDING

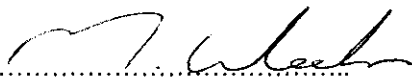
The parties agree that each may electronically record all telephonic conversations between them.

27. GOVERNING LAW

This Agreement is governed by, and shall be construed in accordance with, English Law.

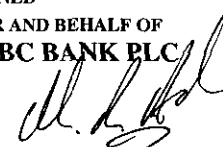
IN WITNESS WHEREOF this Agreement has been executed on behalf of the Parties hereto the day and year first before written.

SIGNED  
FOR AND BEHALF OF  
GOLDMAN SACHS INTERNATIONAL

  
.....  
Authorised Signatory

.....  
Authorised Signatory

SIGNED  
FOR AND BEHALF OF  
HSBC BANK PLC

  
.....  
Authorised Signatory

.....  
Authorised Signatory

## SCHEDULE

### COLLATERAL

#### 1. Types

Collateral acceptable under this Agreement may include the following or otherwise, as agreed between the Parties from time to time whether transferable by delivery or within a book entry transfer system.

- (A) British Government stock and other stock registered at Bank of England which is transferable through the CGO to the Lender or its Nominee against an Assured Payment, hereinbefore referred to as CGO Collateral.
- (B)
  - (i) British Government stock and Sterling Issues by foreign governments (transferable through the CGO), in the form of an enfaced transfer deed or a long term collateral certificate or overnight collateral chit issued by the CGO accompanied (in each case) by an executed unenfaced transfer deed;
  - (ii) Corporation and Commonwealth Stock in the form of registered stock or allotment letters duly renounced;
  - (iii) UK Government Treasury Bills;
  - (iv) US Government Treasury Bills;
  - (v) Bankers' Acceptances;
  - (vi) Sterling Certificates of Deposit;
  - (vii) Foreign Currency Certificates of Deposit;
  - (viii) Local Authority Bonds;
  - (ix) Local Authority Bills;
  - (x) Letters of Credit;
  - (xi) Bonds or Equities in registrable form or allotment letters duly renounced;
  - (xii) Bonds or Equities in bearer form;
- (C) Cash.

#### 2. Valuation of Collateral

Collateral provided in accordance with this Agreement shall be evaluated by reference to the following, or by such means as the Parties may from time to time agree:-

- (A) in respect of Collateral types A and B(i), the current CGO value calculated by reference to the middle market price of each stock as determined from time to time by the Bank of England, adjusted to include the accrued interest thereon (the CGO Reference Price);
- (B) in respect of Collateral types B(ii) to (ix), (xi) and (xii) the Reference Price thereof;
- (C) in respect of Collateral type B(x) the value specified therein.

3. Margin

(A) The Margin unless otherwise agreed between the Parties shall be:-

- (i) in the case of collateral types A, B(i) to (x), and C: 5 % (for Certificates of Deposit the Margin shall be the accumulated interest thereon); or
- (ii) in the case of Collateral types B(xi) and (xii) 5 %.

If the Value of the borrowed Securities includes any Margin over the mid market price of the borrowed Securities this shall be taken into account in determining the Margin applicable.

(B) Basis of Margin Maintenance:

- (i) Clause 6(H) (transaction by transaction margining) shall not apply.
- (ii) Clause 6(I) (global margining) shall apply.
- (ii) Clause 6(J) (netting of margin where one party both a Borrower and a Lender) shall not apply.

(C) Clause 6(L) (minimum period after demand for transferring Cash Collateral or Equivalent Collateral) shall be Same Business Day

Agency

- Clause 16 may not apply to Party A
  - Clause 16 may apply to Party B
-

**Appendix A**

**List of principals**

**West Yorkshire Pension Fund  
HSBC Bank Pension Trust (UK) Limited**



0394 1222 6

OSL1

Version: DECEMBER 1995

DATED \_\_\_\_\_

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**OVERSEAS SECURITIES LENDER'S AGREEMENT**

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Clifford Chance,  
200 Aldersgate Street  
London, EC1A 4JJ

Ref: TJH





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**THIS AGREEMENT** is made the \_\_\_\_\_ day of \_\_\_\_\_, 2004

**BETWEEN:-**

- (1) Royal Trust Corporation of Canada, a company incorporated under the laws of Canada whose registered office is at Royal Trust Tower, 77 King Street, West, 35<sup>th</sup> Floor, Toronto, Ontario, Canada, M5W 1P9; and
- (2) Goldman Sachs International, an unlimited company incorporated under the laws of England whose registered office is at Peterborough Court, 133 Fleet Street, London EC4A 2BB, England.

**WHEREAS:-**

1. The Parties hereto are desirous of agreeing a procedure whereby either one of them (the "**Lender**") will make available to the other of them (the "**Borrower**") from time to time Securities (as hereinafter defined) in order to enable the Borrower; subject to any Inland Revenue provisions then in force, to fulfil a contract to sell such Securities or to on-lend such Securities to a third party to enable such party to fulfil a contract to sell such Securities, whether or not as part of a chain of arrangements to enable the final party in such chain to fulfil a contract to sell such Securities or to replace an existing loan of Securities to such third party, or for other purposes.
2. All transactions carried out under this Agreement will be effected in accordance with the Rules (as hereinafter defined) **TOGETHER WITH** current market practices, customs and conventions.

**NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED AS FOLLOWS:**

1. INTERPRETATION

(A) In this Agreement:-

"**Act of Insolvency**" means in relation to either Party

- (i) its making a general assignment for the benefit of, or entering into a reorganization, arrangement, or composition with creditors, or

- (ii) its admitting in writing that it is unable to pay its debts as they become due, or
- (iii) its seeking, consenting to or acquiescing in the appointment of any trustee, administrator, receiver or liquidator or analogous officer of it or any material part of its property, or;
- (iv) the presentation or filing of a petition in respect of it (other than by the other Party to this Agreement in respect of any obligation under this Agreement) in any court or before any agency alleging or for the bankruptcy, winding-up or insolvency of such Party (or any analogous proceeding) or seeking any reorganization, arrangement, composition, re-adjustment, administration, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such petition (except in the case of a petition for winding-up or any analogous proceeding in respect of which no such 30 day period shall apply), not having been stayed or dismissed within 30 days of its filing;
- (v) the appointment of a receiver, administrator, liquidator or trustee or analogous officer of such party over all or any material part of such party's property; or
- (vi) the convening of any meeting of its creditors for the purpose of considering a voluntary arrangement as referred to in Section 3 of the Insolvency Act 1986 (or any analogous proceeding;

**"Agent"**

shall have the same meaning given in Clause 14;

**"Alternative Collateral"**

means Collateral of a Value equal to the Collateral delivered pursuant to Clause 6 and provided by way of substitution for Collateral originally delivered or previously substituted in accordance with the provisions of Clauses 6(F) or 6(G);

**"Appropriate Tax Vouchers"** means:-

- (i) either such tax vouchers and/or certificates as shall enable the recipient to claim and receive from any relevant tax authority, in respect of interest, dividends, distribution and/or other amounts (including for the avoidance of doubt any manufactured payment) relating to particular Securities, all and any repayment of tax or benefit of tax credit to which the Lender would have been entitled but for the loan of Securities in accordance with this Agreement and/or to which the Lender is entitled in respect of tax withheld and accounted for in respect of any manufactured payment; or such tax vouchers and/or certificates as are provided by the Borrower which evidence an amount of overseas tax deducted which shall enable the recipient to claim and receive from any relevant tax authority all and any repayment of tax from the UK Inland Revenue or benefits of tax credit in the jurisdiction of the recipient's residence; and
- (ii) such vouchers and/or certificates in respect of interest, dividends, distributions and/or other amounts relating to particular Collateral;

**"Approved UK Collecting Agent"**

means a person who is approved as such for the purposes of the Rules of the UK Inland Revenue relating to stocklending and manufactured interest and dividends;

**"Approved Intermediary"**

means a person who is approved as such for the purposes of the Rules of UK Inland Revenue relating to stocklending and manufactured interest and dividends;

**"Assured Payment"**

means a payment obligation of a Settlement Bank arising (under the Assured Payment Agreement) as a result of a transfer of stock or other securities to a CGO stock account of a member of the CGO for whom that Settlement Bank is acting;

**"Assured Payment Agreement"**

means an agreement dated 24 October 1986 between the Bank of England and all other banks which are for the time being acting as Settlement Banks in relation to the CGO regulating the obligations of such banks to make payments in respect of transfers of securities through the CGO as supplemented and amended from time to time;

**"Base Currency"**

has the meaning given in the Schedule hereto;

**"Bid Price"**

in relation to Equivalent Securities or Equivalent Collateral means the best available bid price thereof on the most appropriate market in a standard size;

**"Bid Value"**

Subject to Clause 8(E) means:-

- (a) in relation to Equivalent Collateral at a particular time:-
  - (i) in relation to Collateral Types B(x) and C (more specifically referred to in the Schedule) the Value thereof as calculated in accordance with such Schedule;
  - (ii) in relation to all other types of Collateral (more specifically referred to in the Schedule) the amount which would be received on a sale of such Collateral at the Bid Price thereof at such times less all costs, fees and expenses that would be incurred in connection with selling or otherwise realising such Equivalent Collateral, calculated on the assumption that the aggregate thereof is the least that could reasonably be expected to be paid in order to carry out such sale or realisation and adding thereto the amount of any interest, dividends, distributions or other amounts paid to the Lender and in respect of which equivalent amounts have not been paid to the Borrower in

accordance with Clause 6(G) prior to such time in respect of such Equivalent Collateral or the original Collateral held gross of all and any tax deducted or paid in respect thereof;

and

- (b) in relation to Equivalent Securities at a particular time the amount which would be received on a sale of such Equivalent Securities at the Bid Price thereof at such time less all costs, fees and expenses that would be incurred in connection therewith, calculated on the assumption that the aggregate thereof is the least that could reasonably be expected to be paid in order to carry out the transaction;

**"Borrower"**

with respect to a particular loan of Securities means the Borrower as referred to in Recital 1 of this Agreement;

**"Borrowing Request"**

means a request made (by telephone or otherwise) by the Borrower to the Lender pursuant to Clause 2(A) specifying the description, title and amount of the Securities required by the Borrower, the proposed Settlement Date and duration of such loan and the date, time, mode and place of delivery which shall, where relevant, include the bank agent clearing or settlement system and account to which delivery of the Securities is to be made;

**"Business Day"**

means a day on which banks and securities markets are open for business generally in London and, in relation to the delivery or redelivery of any of the following in relation to any loan, in the place(s) where the relevant Securities, Equivalent Securities, Collateral (including Cash Collateral) or Equivalent Collateral are to be delivered;

**"Cash Collateral"**

means Collateral that takes the form of a deposit of currency;

<b>"Central Gilts Office"</b>	means the computer based system managed by the Bank or "CGO" of England to facilitate the book-entry transfer of gilt-edged securities;
<b>"CGO Collateral"</b>	Shall have the meaning specified in paragraph A of the Schedule;
<b>"CGO Rules"</b>	means the requirements of the CGO for the time being in force as defined in the membership agreement regulating membership of the CGO;
<b>"Close of Business"</b>	means the time at which banks close in the business centre in which payment is to be made or Collateral is to be delivered;
<b>"Collateral"</b>	means such securities or financial instruments or deposits of currency as are referred to in the Schedule hereto or any combination thereof which are delivered by the Borrower to the Lender in accordance with this Agreement and shall include the certificates and other documents of or evidencing title and transfer in respect of the foregoing (as appropriate), and shall include Alternative Collateral;
<b>"Defaulting Party"</b>	shall have the meaning given in Clause 12;
<b>"Equivalent Collateral" or "Collateral equivalent to"</b>	in relation to any Collateral provided under this Agreement means securities, cash or other property, as the case may be, of an identical type, nominal value, description and amount to particular Collateral so provided and shall include the certificates and other documents of or evidencing title and transfer in respect of the foregoing (as appropriate). If and to the extent that such Collateral consists of securities that are partly paid or have been converted, subdivided, consolidated, redeemed, made the subject of a takeover, capitalisation issue, rights issue or event similar to any of the foregoing, the expression shall have the following meaning:

- (a) in the case of conversion, subdivision or consolidation the securities into which the relevant Collateral has been converted, subdivided or consolidated **PROVIDED THAT**, if appropriate, notice has been given in accordance with Clause 4(B)(vi);
- (b) in the case of redemption, a sum of money equivalent to the proceeds of the redemption;
- (c) in the case of a takeover, a sum of money or securities, being the consideration or alternative consideration of which the Borrower has given notice to the Lender in accordance with Clause 4(B)(vi);
- (d) in the case of a call on partly paid securities, the paid-up securities **PROVIDED THAT** the Borrower shall have paid to the Lender an amount of money equal to the sum due in respect of the call;
- (e) in the case of a capitalisation issue, the relevant Collateral **TOGETHER WITH** the securities allotted by way of a bonus thereon;
- (f) in the case of a rights issue, the relevant Collateral **TOGETHER WITH** the securities allotted thereon, **PROVIDED THAT** the Borrower has given notice to the Lender in accordance with Clause 4(B)(vi), and has paid to the Lender all and any sums due in respect hereof;



- (g) in the event that a payment or delivery of Income is made in respect of the relevant Collateral in the form of securities or a certificate which may at a future date be exchanged for securities or in the event of an option to take Income in the form of securities or a certificate which may at a future date be exchanged for securities, notice has been given to the Borrower in accordance with Clause 4(B)(vi) the relevant Collateral **TOGETHER WITH** securities or a certificate equivalent to those allotted;
- (h) in the case of any event similar to any of the foregoing, the relevant Collateral **TOGETHER WITH** or replaced by a sum of money or securities equivalent to that received in respect of such Collateral resulting from such event;

For the avoidance of doubt, in the case of Banker's Acceptances (Collateral type B(v)), Equivalent Collateral must bear dates, acceptances and endorsements (if any) by the same entities as the bill to which it is intended to be equivalent and for the purposes of this definition, securities are equivalent to other securities where they are of an identical type, nominal value, description and amount and such term shall include the certificate and other documents of or evidencing title and transfer in respect of the foregoing (as appropriate);

**"Equivalent Securities"**

means securities of an identical type, nominal value, description and amount to particular Securities borrowed and such term shall include the certificates and other documents of or evidencing title and transfer in respect of the foregoing (as appropriate). If and to the extent that such Securities are partly paid or have been converted, subdivided, consolidated, redeemed, made the subject of a takeover, capitalisation issue, rights issue or event similar to any of the foregoing, the expression shall have the following meaning:

- (a) in the case of conversion, subdivision or consolidation the securities into which the borrowed Securities have been converted, subdivided or consolidated **PROVIDED THAT** if appropriate, notice has been given in accordance with Clause 4(B)(vi);
- (b) in the case of redemption, a sum of money equivalent to the proceeds of the redemption;
- (c) in the case of a takeover, a sum of money or securities, being the consideration or alternative consideration of which the Lender has given notice to the Borrower in accordance with Clause 4(B)(vi);
- (d) in the case of a call on partly paid securities, the paid-up securities **PROVIDED THAT** the Lender shall have paid to the Borrower an amount of money equal to the sum due in respect of the call;
- (e) in the case of a capitalization issue, the borrowed Securities **TOGETHER WITH** the securities allotted by way of a bonus thereon;
- (f) in the case of a rights issue, the borrowed Securities **TOGETHER WITH** the securities allotted thereon, **PROVIDED THAT** the Lender has given notice to the Borrower in accordance with Clause 4(B)(vi), and has paid to the Borrower all and any sums due in respect thereof;
- (g) in the event that a payment or delivery of Income is made in respect of the borrowed Securities in the form of securities or a certificate which may at a future date be exchanged for securities or in the event of an option to take Income in the form of securities or a certificate which may at a future date be exchanged for securities, notice has been given to the Borrower in accordance with Clause

4(B)(vi) the borrowed Securities **TOGETHER WITH** securities or a certificate equivalent to those allotted;

- (h) in the case of any event similar to any of the foregoing, the borrowed Securities **TOGETHER WITH** or replaced by a sum of money or securities equivalent to that received in respect of such borrowed Securities resulting from such event;

For the purposes of this definition securities are equivalent to other securities where they are of an identical type, nominal value, description and amount and such term shall include the certificate and other documents of or evidencing title and transfer in respect of the foregoing (as appropriate);

**"Event of Default"**

has the meaning given in Clause 12;

**"Income"**

any interest, dividends or other distributions of any kind whatsoever with respect to any Securities or Collateral;

**"Income Payment Date"**

with respect to any Securities or Collateral means the date on which Income is paid in respect of such Securities or Collateral, or, in the case of registered Securities or Collateral, the date by reference to which particular registered holders are identified as being entitled to payment of Income;

**"Lender"**

with respect to a particular loan of Securities means the Lender as referred to in Recital 1 of this Agreement;

**"Manufactured Dividend"**

shall have the meaning given in Clause 4(B)(ii);

**"Margin"**

shall have the meaning specified in the Schedule hereto;

<b>"Nominee"</b>	means an agent or a nominee appointed by either Party and approved (if appropriate) as such by the Inland Revenue to accept delivery of, hold or deliver Securities, Equivalent Securities, Collateral and/or Equivalent Collateral on its behalf whose appointment has been notified to the other Party;
<b>"Non-Defaulting Party"</b>	shall have the meaning given in Clause 12;
<b>"Offer Price"</b>	in relation to Equivalent Securities or Equivalent Collateral means the best available offer price thereof on the most appropriate market in a standard size;
<b>"Offer Value"</b>	Subject to Clause 8(E) means:- <ul style="list-style-type: none"> <li>(a) in relation to Collateral equivalent to Collateral types B (ix) and C (more specifically referred to in the Schedule hereto) the Value thereof as calculated in accordance with such Schedule; and</li> <li>(b) in relation to Equivalent Securities or Collateral equivalent to all other types of Collateral (more specifically referred to in the Schedule hereto) the amount it would cost to buy such Equivalent Securities or Equivalent Collateral at the Offer Price thereof at such time together with all costs, fees and expenses that would be incurred in connection therewith, calculated on the assumption that the aggregate thereof is the least that could reasonably be expected to be paid in order to carry out the transaction;</li> </ul>
<b>"Parties"</b>	means the Lender and the Borrower and "Party" shall be construed accordingly;
<b>"Performance Date"</b>	shall have the meaning given in Clause 8;
<b>"Principal"</b>	shall have the meaning given in Clause 14;

**"Reference Price"**

means;

- (a) in relation to the valuation of Securities, Equivalent Securities, Collateral and/or Collateral equivalent to types B (ii), (viii), (xi) and (xii) (more specifically referred to in the Schedule hereto) such price as is equal to the mid market quotation of such Securities, Equivalent Securities, Collateral and/or Equivalent Collateral as derived from a reputable pricing information service (such as the services provided by Reuters, Exel Statistical Services and Telerate) reasonably chosen in good faith by the Lender or if unavailable the market value thereof as derived from the prices or rates bid by a reputable dealer for the relevant instrument reasonably chosen in good faith by the Lender in each case at Close of Business on the previous Business Day;
- (b) in relation to the valuation of Collateral and/or Collateral equivalent to Collateral types A and B(i) (more specifically referred to in the Schedule hereto), the CGO Reference Price of such Securities, Equivalent Securities, Collateral and/or Equivalent Collateral then current as determined in accordance with the CGO Rules from time to time in force.
- (c) in relation to the valuation of Collateral and/or Collateral equivalent to Collateral types B(iii), (iv), (v), (vi), (vii) and (ix), (more specifically referred to in the Schedule hereto) the market value thereof as derived from the rates bid by Barclays Bank PLC for such instruments or, in the absence of such a bid, the average of the rates bid by two leading market makers for such instruments at Close of Business on the previous Business Day;

**"Relevant Payment Date"**

shall have the meaning given in Clause 4(B)(i);

**"Rules"**

means the rules for the time being of the Stock Exchange (where either Party is a member of the Stock Exchange) and/or any other regulatory authority whose rules and regulations shall from time to time affect the activities of the Parties pursuant to this Agreement including but not limited to the stocklending regulations and guidance notes relating to both stocklending and manufactured interest and dividends for the time being in force of the Commissioners of the Inland Revenue and any associated procedures required pursuant thereto (**PROVIDED THAT** in an Event of Default, where either Party is a member of the Stock Exchange, the Rules and Regulations of the Stock Exchange shall prevail);

**"Securities"**

means Overseas Securities as defined in the Income Tax (Stock Lending) Regulations 1989 (S.I. 1989 No. 1299) (as amended by the Income Tax (Stock Lending) (Amendment) Regulations 1990 (S.I. 1990 No. 2552) and 1993 (S.I. 1993 No. 2003)) or any statutory modification or re-enactment thereof for the time being in force which the Borrower is entitled to borrow from the Lender in accordance with the Rules and which are the subject of a loan pursuant to this Agreement and such term shall include the certificates and other documents of title in respect of the foregoing;

**"Settlement Bank"**

means a settlement member of the CHAPS and Town Clearing systems who has entered into contractual arrangements with the CGO to provide Assured Payment facilities for members of the CGO;

**"Settlement Date"**

means the date upon which Securities are or are to be transferred to the Borrower in accordance with this Agreement;

**"Stock Exchange"**

means the London Stock Exchange Limited;

**"Value"** at any particular time means in respect of Securities and Equivalent Securities, the Reference Price thereof then current and in respect of Collateral and/or Equivalent Collateral such worth as determined in accordance with the Schedule hereto.

- (B) All headings appear for convenience only and shall not affect the interpretation hereof.
- (C) Notwithstanding the use of expressions such as "borrow", "lend", "Collateral", "Margin", "redeliver", etc. which are used to reflect terminology used in the market for transactions of the kind provided for in this Agreement, title to Securities "borrowed" or "lent" and "Collateral" provided in accordance with this Agreement shall pass from one Party to another as provided for in this Agreement, the Party obtaining such title being obliged to redeliver Equivalent Securities or Equivalent Collateral as the case may be.
- (D) For the purposes of Clauses 6(H)-6(K) and 8(C)-8(E) of this Agreement or otherwise where a conversion into the Base Currency is required, all prices, sums or values (including any Value, Offer Value and Bid Value) of Securities, Equivalent Securities, Collateral or Equivalent Collateral (including Cash Collateral) stated in currencies other than the Base Currency shall be converted into the Base Currency at the spot rate of exchange at the relevant time in the London interbank market for the purchase of the Base Currency with the currency concerned.
- (E) Where at any time there is in existence any other agreement between the Parties the terms of which make provision for the lending of Securities (as defined in this Agreement) as well as other securities the terms of this Agreement shall apply to the lending of such Securities to the exclusion of any other such agreement.

## 2. LOANS OF SECURITIES

- (A) The Lender will lend Securities to the Borrower, and the Borrower will borrow Securities from the Lender in accordance with the terms and conditions of this Agreement and with the Rules **PROVIDED ALWAYS THAT** the Lender shall have received from the Borrower and accepted (by whatever means) a Borrowing Request.
- (B) The Borrower has the right to reduce the amount of Securities referred to in a Borrowing Request **PROVIDED THAT** the Borrower has notified the Lender of such reduction no later than midday London time on the day which is two Business Days prior to the Settlement Date unless otherwise agreed between the Parties and the Lender shall have accepted such reduction (by whatever means).

3. DELIVERY OF SECURITIES

The Lender shall procure the delivery of Securities to the Borrower or deliver such Securities in accordance with the relevant Borrowing Request **TOGETHER WITH** appropriate instruments of transfer duly stamped where necessary and such other instruments as may be requisite to vest title thereto in the Borrower. Such Securities shall be deemed to have been delivered by the Lender to the Borrower on delivery to the Borrower or as it shall direct of the relevant instruments of transfer, or in the case of Securities held by an agent or a clearing or settlement system on the effective instructions to such agent or the operator of such system to hold the Securities absolutely for the Borrower, or by such other means as may be agreed.

4. RIGHTS AND TITLE

(A) The Parties shall execute and deliver all necessary documents and give all necessary instructions to procure that all right, title and interest in:

- (i) any Securities borrowed pursuant to Clause 2;
- (ii) any Equivalent Securities redelivered pursuant to Clause 5;
- (iii) any Collateral delivered pursuant to Clause 6;
- (iv) any Equivalent Collateral redelivered pursuant to Clauses 6 or 7;

shall pass from one Party to the other subject to the terms and conditions mentioned herein and in accordance with the Rules, on delivery or redelivery of the same in accordance with this Agreement, free from all liens, charges and encumbrances. In the case of Securities, Collateral, Equivalent Securities or Equivalent Collateral title to which is registered in a computer based system which provides for the recording and transfer of title to the same by way of book entries, delivery and transfer of title shall take place in accordance with the rules and procedures of such system as in force from time to time. The Party acquiring such right, title and interest shall have no obligation to return or redeliver any of the assets so acquired but, in so far as any Securities are borrowed or any Collateral is delivered to such Party, such Party shall be obliged, subject to the terms of this Agreement, to redeliver Equivalent Securities or Equivalent Collateral as appropriate.

(B) (i) Where Income is paid in relation to any Securities on or by reference to an Income Payment Date on which such Securities are the subject of a loan hereunder, the Borrower shall, on the date of the payment of such Income, or on such other date as the parties may from time to time agree, (the "**Relevant Payment Date**") pay and



deliver a sum of money or property equivalent to the same (with any such endorsements or assignments as shall be customary and appropriate to effect the delivery) to the Lender or its Nominee, irrespective of whether the Borrower received the same. The provisions of sub-paragraphs (ii) to (v) below shall apply in relation hereto.

- (ii) subject to sub-paragraph (iii) below, in the case of any Income comprising a payment, the amount (the "**Manufactured Dividend**") payable by the Borrower shall be equal to the amount of the relevant Income together with an amount equivalent to any deduction, withholding or payment for or on account of tax made by the relevant issuer (or on its behalf) in respect of such Income together with any amount equal to any other tax credit associated with such Income unless a lesser amount is agreed between the Parties or an Appropriate Tax Voucher (together with any further amount which may be agreed between the Parties to be paid) is provided in lieu of such deduction, withholding tax credit or payment.
- (iii) Where either the Borrower, or any person to whom the Borrower has on-lent the Securities, is unable to make payment of the Manufactured Dividend to the Lender without accounting to the Inland Revenue for any amount of relevant tax (as required by Schedule 23A to the Income and Corporation Taxes Act 1988) the Borrower shall pay to the Lender or its nominee, in cash, the Manufactured Dividend less amounts equal to such tax. The Borrower shall at the same time if requested supply Appropriate Tax Vouchers to the Lender.
- (iv) If at any time any Manufactured Dividend falls to be paid and neither of the Parties is an Approved UK Intermediary or an Approved UK Collecting Agent, the Borrower shall procure that the payment is paid through an Approved UK Intermediary or an Approved UK Collecting Agent agreed by the Parties for this purpose, unless the rate of relevant withholding tax in respect of any Income that would have been payable to the Lender but for the loan of the Securities would have been zero and no income tax liability under Section 123 of the Income and Corporation Taxes Act 1988 would have arisen in respect thereof.
- (v) In the event of the Borrower failing to remit either directly or by its Nominee any sum payable pursuant to this Clause, the Borrower hereby undertakes to pay a rate to the Lender (upon demand) on the amount due and outstanding at the rate provided for in Clause 13 hereof. Interest on such sum shall accrue daily commencing on and inclusive of the third Business Day after the Relevant Payment Date, unless otherwise agreed between the Parties.

- (vi) Each Party undertakes that where it holds securities of the same description as any securities borrowed by it or transferred to it by way of collateral at a time when a right to vote arises in respect of such securities, it will use its best endeavours to arrange for the voting rights attached to such securities to be exercised in accordance with the instructions of the lender or Borrower (as the case may be) **PROVIDED ALWAYS THAT** each Party shall use its best endeavours to notify the other of its instructions in writing no later than seven Business Days prior to the date upon which such votes are exercisable or as otherwise agreed between the Parties and that the Party concerned shall not be obliged so to exercise the votes in respect of a number of securities greater than the number so lent or transferred to it. For the avoidance of doubt the Parties agree that subject as hereinbefore provided any voting rights attaching to the relevant Securities, Equivalent Securities, Collateral and/or Equivalent Collateral shall be exercisable by the persons in whose name they are registered or in the case of Securities, Equivalent Securities, Collateral and/or Equivalent Collateral in bearer form, the persons by or on behalf of whom they are held, and not necessarily by the Borrower or the Lender (as the case may be).
- (vii) Where, in respect of any borrowed Securities or any Collateral, any rights relating to conversion, sub-division, consolidation, pre-empting, rights arising under a takeover offer or other rights, including those requiring election by the holder for the time being of such Securities or Collateral, become exercisable prior to the redelivery of Equivalent Securities or Equivalent Collateral, then the Lender or Borrower, as the case may be, may, within a reasonable time before the latest time for the exercise of the right or option give written notice to the other party that on redelivery of Equivalent Securities or Equivalent Collateral, as the case may be, it wishes to receive Equivalent Securities or Equivalent Collateral in such form as will arise if the right is exercised or, in the case of a right which may be exercised in more than one manner, is exercised as is specified in such written notice.
- (viii) Any payment to be made by the Borrower under this Clause shall be made in a manner to be agreed between the Parties.

5. RATES

- (A) In respect of each loan of Securities, the Borrower shall pay to the Lender, in the manner prescribed in sub-Clause (C), sums calculated by applying such rate as shall be agreed between the Parties from time to time to the daily Value of the relevant Securities.
- (B) Where Cash Collateral is deposited with the Lender in respect of any loan of Securities in circumstances where:

- (i) interest is earned by the Lender in respect of such Cash Collateral and that interest is paid to the Lender without deduction of tax, the Lender shall pay to the Borrower, in the manner prescribed in sub-Clause (C), an amount equal to the gross amount of such interest earned. Any such payment due to the Borrower may be set-off against any payment due to the Lender pursuant to sub-Clause (A) hereof if either the Borrower has warranted to the Lender in this Agreement that it is subject to tax in the United Kingdom under Case I of Schedule D in respect of any income arising pursuant to or in connection with the borrowing of Securities hereunder or the Lender has notified the Borrower of the gross amount of such interest or income; and
  - (ii) sub-Clause (B)(i) above does not apply, the Lender shall pay to the Borrower, in the manner presented in sub-Clause (C), sums calculated by applying such rates as shall be agreed between the Parties from time to time to the amount of such Cash Collateral. Any such payment due to the Borrower may be set-off against any payment due to the Lender pursuant to sub-Clause (A) hereof.
- (C) In respect of each loan of Securities, the payments referred to in sub-Clauses (A) and (B) of this Clause shall accrue daily in respect of the period commencing on and inclusive of the Settlement Day and terminating on and exclusive of the Business Day upon which Equivalent Securities are redelivered or Cash Collateral is repaid. Unless otherwise agreed, the sums so accruing in respect of each calendar month shall be paid in arrears by the Borrower to the Lender or to the Borrower by the Lender (as the case may be) not later than the Business Day which is one week after the last Business Day of the calendar month to which such payments relate or such other date as the parties shall from time to time agree. Any payment made pursuant to sub-Clauses (A) and (B) hereof shall be in such currency and shall be paid in such manner and at such place as shall be agreed between the Parties.

## 6. COLLATERAL

- (A) (i) Subject to sub-Clauses (B), (C) and (E) below the Borrower undertakes to deliver Collateral to the Lender (or in accordance with the Lender's instructions) **TOGETHER WITH** appropriate instruments of transfer duly stamped where necessary and such other instruments as may be requisite to vest title thereto in the Lender simultaneously with delivery of the borrowed Securities and in any event no later than Close of Business on the Settlement Date. Collateral may be provided in any of the forms specified in the Schedule hereto (as agreed between the Parties);

- (ii) where Collateral is delivered to the Lender's Nominee any obligation under this Agreement to redeliver or otherwise account for Equivalent Collateral shall be an obligation of the Lender notwithstanding that any such redelivery may be effected in any particular case by the Nominee.
  
- (B) Where CGO Collateral is provided to the Lender or its Nominee by member-to-member delivery or delivery-by-value in accordance with the provisions of the CGO Rules from time to time in force, the obligation of the Lender shall be to redeliver Equivalent Collateral through the CGO to the Borrower in accordance with this Agreement. Any references, (howsoever expressed) in this Agreement, the Rules, and/or any other agreement or communication between the parties to an obligation to redeliver such Equivalent Collateral shall be construed accordingly. If the loan of Securities in respect of which such Collateral was provided has not been discharged when the Collateral is redelivered, the Assured Payment obligation generated on such redelivery shall be deemed to constitute a payment of money which shall be treated as Cash Collateral until the loan is discharged, or further Equivalent Collateral is provided later during that Business Day. This procedure shall continue daily where CGO Collateral is delivered-by-value for as long as the relevant loan remains outstanding.
  
- (C) Where CGO Collateral or other collateral is provided by delivery-by-value to a Lender or its Nominee the Borrower may consolidate such Collateral with other Collateral provided by the same delivery to a third party for whom the Lender or its Nominee is acting.
  
- (D) Where Collateral is provided by delivery-by-value through an alternative book entry transfer system, not being the CGO, the obligation of the Lender shall be to redeliver Equivalent Collateral through such book entry transfer system in accordance with this Agreement. If the loan of Securities in respect of which such Collateral was provided has not been discharged when the Collateral is redelivered, any payment obligation generated within the book entry transfer system on such redelivery shall be deemed to constitute a payment of money which shall be treated as Cash Collateral until the loan is discharged, or further Equivalent Collateral is provided later during that Business Day. This procedure shall continue when Collateral is delivered-by-value for as long as the relevant loan remains outstanding.
  
- (E) Where Cash Collateral is provided the sum of money so deposited may be adjusted in accordance with Clause 6(H). Subject to Clause 6(H)(ii), the Cash Collateral shall be repaid at the same time as Equivalent Securities in respect of the Securities borrowed are redelivered, and the Borrower shall not assign, charge, dispose of or otherwise deal with its rights in respect of the Cash Collateral. If the Borrower fails to comply with its obligations for such redelivery or Equivalent Securities the Lender shall have the right to apply the Cash Collateral by way of set-off in accordance with Clause 8.

- (F) The Borrower may from time to time call for the repayment of Cash Collateral or the redelivery of Collateral equivalent to any Collateral delivered to the Lender prior to the date on which the same would otherwise have been repayable or redeliverable **PROVIDED THAT** at the time of such repayment or redelivery the Borrower shall have delivered or delivers Alternative Collateral acceptable to the Lender.
- (G) (i) Where Collateral (other than Cash Collateral) is delivered in respect of which any Income may become payable, the Borrower shall call for the redelivery of Collateral equivalent to such Collateral in good time to ensure that such Equivalent Collateral may be delivered prior to any such Income becoming payable to the Lender, unless in relation to such Collateral the parties are satisfied before the relevant Collateral is transferred that no tax will be payable to the UK Inland Revenue under Schedule 23A of the Income and Corporation Taxes Act 1988. At the time of such redelivery the Borrower shall deliver Alternative Collateral acceptable to the Lender.
- (ii) Where the Lender receives any Income in circumstances where the Parties are satisfied as set out in Clause 6(G)(i) above, then the Lender shall on the date on which the Lender receives such Income or on such date as the Parties may from time to time agree, pay and deliver a sum of money or property equivalent to such Income (with any such endorsements or assignments as shall be customary and appropriate to effect the delivery) to the Borrower and shall supply Appropriate Tax Vouchers (if any) to the Borrower.
- (H) Unless the Schedule to this Agreement indicates that Clause 6(I) shall apply in lieu of this Clause 6(H), or unless otherwise agreed between the Parties, the Value of the Collateral delivered to or deposited with the Lender or its nominated bank or depository (excluding any Collateral repaid or redelivered under sub-Clauses (H)(ii) or (I)(ii) below (as the case may be) ("**Posted Collateral**")) in respect of any loan of Securities shall bear from day to day and at any time the same proportion to the Value of the Securities borrowed under such loan as the Posted Collateral bore at the commencement of such loan. Accordingly:
- (i) the Value of the Posted Collateral to be delivered or deposited while the loan of Securities continues shall be equal to the Value of the borrowed Securities and the Margin applicable thereto (the "**Required Collateral Value**");
- (ii) if on any Business Day the Value of the Posted Collateral in respect of any loan of Securities exceeds the Required Collateral Value in respect of such loan, the Lender shall (on demand) repay such Cash Collateral and/or redeliver to the Borrower such Equivalent Collateral as will eliminate the excess; and

- (iii) if on any Business Day the Value of the Posted Collateral falls below the Required Collateral Value, the Borrower shall (on demand) provide such further Collateral to the Lender as will eliminate the deficiency.
  
- (I) Subject to Clause 6(J), unless the Schedule to this Agreement indicates that Clause 6(H) shall apply in lieu of this Clause 6(I), or unless otherwise agreed between the Parties:-
  - (i) the aggregate Value of the Posted Collateral in respect of all loans of Securities outstanding under this Agreement shall equal the aggregate of the Required Collateral Values in respect of such loans;
  - (ii) if at any time the aggregate Value of the Posted Collateral in respect of all loans of Securities outstanding under this Agreement exceeds the aggregate of the Required Collateral Values in respect of such loans, the Lender shall (on demand) repay such Cash Collateral and/or redeliver to the Borrower such Equivalent Collateral as will eliminate the excess;
  - (iii) if at any time the aggregate Value of the Posted Collateral in respect of all loans of Securities outstanding under this Agreement falls below the aggregate of Required Collateral Values in respect of all such loans, the Borrower shall (on demand) provide such further Collateral to the Lender as will eliminate the deficiency.
  
- (J) Where Clause 6(I) applies, unless the Schedule to this Agreement indicates that this Clause 6(J) does not apply, if a Party (the "**first Party**") would, but for this Clause 6(J), be required under Clause 6(I) to repay Cash Collateral, redeliver Equivalent Securities or provide further Collateral in circumstances where the other Party (the "**second Party**") would, but for this Clause 6(J), also be required to repay Cash Collateral or provide or redeliver Equivalent Collateral under Clause 6(I), then the Value of the Cash Collateral or Equivalent Collateral deliverable by the first Party ("**X**") shall be set-off against the Value of the Cash Collateral, or Equivalent Collateral or further Collateral deliverable by the second Party ("**Y**") and the only obligation of the parties under Clause 6(I) shall be, where X exceeds Y, an obligation of the first Party, or where Y exceeds X, an obligation of the second Party, to repay Cash Collateral, redeliver Equivalent Collateral or to deliver further Collateral having a Value equal to the difference between X and Y.
  
- (K) Where Cash Collateral is repaid, Equivalent Collateral is redelivered or further Collateral is provided by a Party under Clause 6(I), the parties shall agree to which loan or loans of Securities such repayment, redelivery or further provision is to be attributed and failing agreement it shall be attributed, as determined by the Party making such repayment, redelivery or further provision to the earliest outstanding loan and, in the case of repayment or

redelivery up to the point at which the Value of Collateral in respect of such loan is reduced to zero and, in the case of a further provision up to the point at which the Value of the Collateral in respect of such loan equals the Required Collateral Value in respect of such loan, and then to the next earliest outstanding loan up to the similar point and so on.

- (L) Where any cash Collateral falls to be repaid or Equivalent Collateral to be redelivered or further Collateral to be provided under this Clause 6, it shall be delivered within the minimum period after demand specified in the Schedule or if no appropriate period is there specified within the standard settlement time for delivery of the relevant type of Cash Collateral, Equivalent Collateral or Collateral, as the case may be.

#### 7. REDELIVERY OF EQUIVALENT SECURITIES

- (A) The Borrower undertakes to redeliver Equivalent Securities in accordance with this Agreement and the terms of the relevant Borrowing Request. For the avoidance of doubt any reference herein or in any other agreement or communication between the Parties (howsoever expressed) to an obligation to redeliver or account for or act in relation to borrowed Securities shall accordingly be construed as a reference to an obligation to redeliver or account for or act in relation to Equivalent Securities.
- (B) Subject to Clause 8 hereof and the terms of the relevant Borrowing Request the Lender may call for the redelivery of all or any Equivalent Securities at any time by giving notice on any Business Day of not less than the standard settlement time for such Equivalent Securities on the exchange or in the clearing organisation through which the relevant borrowed Securities were originally delivered. The Borrower shall as hereinafter provided redeliver such Equivalent Securities not later than the expiry of such notice in accordance with the Lender's instructions. Simultaneously with the redelivery of the Equivalent Securities in accordance with such call, the Lender shall (subject to Clause 6(I), if applicable) repay any Cash Collateral and redeliver to the Borrower Collateral equivalent to the Collateral delivered pursuant to Clause 6 in respect of the borrowed Securities. For the avoidance of doubt any reference herein or in any other agreement or communication between the Parties (however expressed) to an obligation to redeliver or account for or act in relation to Collateral shall accordingly be construed as a reference to an obligation to redeliver or account for or act in relation to Equivalent Collateral.
- (C) If the Borrower does not redeliver Equivalent Securities in accordance with such call, the Lender may elect to continue the loan of Securities **PROVIDED THAT** if the Lender does not elect to continue the loan the Lender may by written notice to the Borrower elect to terminate the relevant loan. Upon the expiry of such notice the provisions of Clauses 8(B) to (F) shall apply as if upon the expiry of such notice an Event of Default had occurred in

relation to the Borrower (who shall thus be the Defaulting Party for the purposes of this Agreement) and as if the relevant loan were the only loan outstanding.

- (D) In the event that as a result of the failure of the Borrower to redeliver Equivalent Securities to the Lender in accordance with this Agreement a "buy-in" is exercised against the Lender then provided that reasonable notice has been given to the Borrower of the likelihood of such a "buy-in", the Borrower shall account to the Lender for the total costs and expenses reasonably incurred by the Lender as a result of such "buy-in".
- (E) Subject to the terms of the relevant Borrowing Request, the Borrower shall be entitled at any time to terminate a particular loan of Securities and to redeliver all and any Equivalent Securities due and outstanding to the Lender in accordance with the Lender's instructions. The Lender shall accept such redelivery and simultaneously therewith (subject to Clause 6(I) if applicable) shall repay to the Borrower any Cash Collateral or, as the case may be, redeliver Collateral equivalent to the Collateral provided by the Borrower pursuant to Clause 6 in respect thereof.
- (F) Where a TALISMAN short term certificate (as described in paragraph C of the Schedule) is provided by way of Collateral, the obligation to redeliver Equivalent Collateral is satisfied by the redelivery of the certificate to the Borrower or its expiry as provided for in the Rules applying to such certificate.
- (G) Where a Letter of Credit is provided by way of Collateral, the obligation to redeliver Equivalent Collateral is satisfied by the lender redelivering for cancellation the Letter of Credit so provided, or where the Letter of Credit is provided in respect of more than one loan, by the Lender consenting to a reduction in the value of the Letter of Credit.

8. SET-OFF ETC.

- (A) On the date and time (the "**Performance Date**") that Equivalent Securities are required to be redelivered by the Borrower in accordance with the provisions of this Agreement the Lender shall simultaneously redeliver the Equivalent Collateral and repay any Cash Collateral held (in respect of the Equivalent Securities to be redelivered) to the Borrower. Neither Party shall be obliged to make delivery (or make a payment as the case may be) to the other unless it is satisfied that the other Party will make such delivery (or make an appropriate payment as the case may be) to it simultaneously. If it is not so satisfied (whether because an Event of Default has occurred in respect of the other Party or otherwise) it shall notify the other Party and unless that other Party has made arrangements which are sufficient to assure full delivery (or the appropriate payment as the case may be) to the notifying Party, the notifying Party



shall (provided it is itself in a position, and willing, to perform its own obligations) be entitled to withhold delivery (or payment, as the case may be) to the other Party.

- (B) If an Event of Default occurs in relation to either party, the Parties' delivery and payment obligations (and any other obligations they have under this Agreement) shall be accelerated so as to require performance thereof at the time such Event of Default occurs (the date of which shall be the "**Performance Date**" for the purposes of this clause) and in such event:
- (i) the Relevant Value of the Securities to be delivered (or payment to be made, as the case may be) by each Party shall be established in accordance with Clause 8(C); and
  - (ii) on the basis of the Relevant Values so established, an account shall be taken (as at the Performance Date) of what is due from each Party to the other and (on the basis that each Party's claim against the other in respect of delivery of Equivalent Securities or Equivalent Collateral or any cash payment equals the Relevant Value thereof) the sums due from one Party shall be set-off against the sums due from the other and only the balance of the account shall be payable (by the Party having the claim valued at the lower amount pursuant to the foregoing) and such balance shall be payable on the Performance Date.
- (C) For the purposes of Clause 8(B) the Relevant Value:-
- (i) of any cash payment obligation shall equal its par value (disregarding any amount taken into account under (ii) or (iii) below;
  - (ii) of any securities to be delivered by the Defaulting Party shall, subject to Clause 8(E) below, equal the Offer Value thereof; and
  - (iii) of any securities to be delivered to the Defaulting Party shall, subject to Clause 8(E) below, equal the Bid Value thereof.
- (D) For the purposes of Clause 8(C), but subject to Clause 8(E) below, the Bid Value and Offer Value of any securities shall be calculated as at the Close of Business in the most appropriate market for securities of the relevant description (as determined by the Non-Defaulting Party) on the first Business Day following the Performance Date, or if the relevant Event of Default occurs outside the normal business hours of such market, on the second Business Day following the Performance Date (the "**Default Valuation Time**");
- (E) (i) Where the Non-Defaulting Party has following the occurrence of an Event of Default but prior to the Default Valuation Time purchased securities forming part of the same

issue and being of an identical type and description to those to be delivered by the Defaulting Party and in substantially the same amount as those securities or sold securities forming part of the same issue and being of an identical type and description to those to be delivered by him to the Defaulting Party and in substantially the same amount as those securities, the cost of such purchase or the proceeds of such sale, as the case may be, (taking into account all reasonable costs, fees and expenses that would be incurred in connection therewith) shall be treated as the Offer Value or Bid Value, as the case may be, of the relevant securities for the purposes of this Clause 8.

(ii) Where the amount of any securities sold or purchased as mentioned in (E)(i) above is not in substantially the same amount as those securities to be valued for the purposes of Clause 8(C) the Offer Value or the Bid Value (as the case may be) of those securities shall be ascertained by dividing the net proceeds of sale or cost of purchase by the amount of the securities sold or purchased so as to obtain a net unit price and multiplying that net unit price by the amount of the securities to be valued.

(F) Any reference in this Clause 8 to securities shall include any asset other than cash provided by way of Collateral.

(G) If the Borrower or the Lender for any reason fail to comply with their respective obligations under Clauses 6(F) or 6(G) in respect of redelivery of Equivalent Collateral or repayment of Cash Collateral such failure shall be an Event of Default for the purposes of this Clause 8, and the person failing to comply shall thus be the Defaulting Party.

(H) Subject to and without prejudice to its rights under Clause 8(A) either Party may from time to time in accordance with market practice and in recognition of the practical difficulties in arranging simultaneous delivery of Securities, Collateral and cash transfers waive its right under this Agreement in respect of simultaneous delivery and/or payment **PROVIDED THAT** no such waiver in respect of one transaction shall bind it in respect of any other transaction.

## 9. TAXATION

(A) The Borrower hereby undertakes promptly to pay and account for any transfer or similar duties or taxes chargeable in connection with any transaction effected pursuant to or contemplated by this Agreement, and shall indemnify and keep indemnified the Lender against any liability arising in respect thereof as a result of the Borrower's failure to do so.

- (B) The Borrower shall only make a Borrowing Request where the purpose of the loan meets the requirements of the Rules regarding the conditions that must be fulfilled for Section 129 of the Income and Corporation Taxes Act 1988 (or any statutory modification or re-enactment thereof for the time being in force) to apply to the arrangement concerning the loan, unless the Lender is aware that the transaction is unapproved for the purposes of the Rules of the UK Inland Revenue or such purpose is not met.
- (C) A Party undertakes to notify the other Party if it becomes or ceases to be an Approved UK Intermediary or an Approved UK Collecting Agent.

10. LENDER'S WARRANTIES

Each Party hereby warrants and undertakes to the other on a continuing basis to the intent that such warranties shall survive the completion of any transaction contemplated herein that, where acting as a Lender:

- (A) it is duly authorised and empowered to perform its duties and obligations under this Agreement;
- (B) it is not restricted under the terms of its constitution or in any other manner from lending Securities in accordance with this Agreement or from otherwise performing its obligations hereunder;
- (C) it is absolutely entitled to pass full legal and beneficial ownership of all Securities provided by it hereunder to the Borrower free from all liens, charges and encumbrances;
- (D) where the Schedule to this Agreement specifies that this Clause 10(D) applies, it is not resident in the United Kingdom for tax purposes and either is not carrying on a trade in the United Kingdom through a branch or agency or if it is carrying on such a trade the loan is not entered into in the course of the business of such branch or agency, and it has (i) delivered or caused to be delivered to the Borrower a duly completed and certified Certificate (MOD2) or a photocopy thereof bearing an Inland Revenue acknowledgement and unique number and such certificate or photocopy remains valid or (ii) has taken all necessary steps to enable a specific authorisation to make gross payment of the Manufactured Dividend to be issued by the Inland Revenue.

11. BORROWER'S WARRANTIES

Each Party hereby warrants and undertakes to the other on a continuing basis to the intent that such warranties shall survive the completion of any transaction contemplated herein that, where acting as a Borrower:

- (A) it has all necessary licenses and approvals, and is duly authorised and empowered, to perform its duties and obligations under this Agreement and will do nothing prejudicial to the continuation of such authorisation, licenses or approvals;
- (B) it is not restricted under the terms of its constitution or in any other manner from borrowing Securities in accordance with this Agreement or from otherwise performing its obligations hereunder;
- (C) it is absolutely entitled to pass full legal and beneficial ownership of all Collateral provided by it hereunder to the Lender free from all liens, charges and encumbrances;
- (D) it is acting as principal in respect of this Agreement;
- (E) where the Schedule to this Agreement specifies this Clause 11(E) applies, it is subject to tax in the United Kingdom under Case I of Schedule D in respect of any income arising pursuant to or in connection with the borrowing of Securities hereunder.

12. EVENTS OF DEFAULT

Each of the following events occurring in relation to either Party (the "**Defaulting Party**", the other Party being the "**Non-Defaulting Party**") shall be an Event of Default for the purpose of Clause 8:-

- (A) the Borrower or Lender failing to pay or repay Cash Collateral or deliver or redeliver Collateral or Equivalent Collateral upon the due date, and the Non-Defaulting Party serves written notice on the Defaulting Party;
- (B) the Lender or Borrower failing to comply with its obligations under Clause 6, and the Non-Defaulting Party serves written notice on the Defaulting Party;
- (C) the Borrower failing to comply with Clause 4(B)(i), (ii) or (iii) hereof, and the Non-Defaulting Party serves written notice on the Defaulting Party;

- (D) an Act of Insolvency occurring with respect to the Lender or the Borrower and (except in the case of an Act of Insolvency which is the presentation of a petition for winding up or any analogous proceeding or the appointment of a liquidator or analogous officer of the Defaulting Party in which case no such notice shall be required) the Non-Defaulting Party serves written notice on the Defaulting Party;
- (E) any representations or warranties made by the Lender or the Borrower being incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, and the Non-Defaulting Party serves written notice on the Defaulting Party;
- (F) the Lender or the Borrower admitting to the other that it is unable to, or it intends not to, perform any of its obligations hereunder and/or in respect of any loan hereunder, and the Non-Defaulting Party serves written notice on the Defaulting Party;
- (G) the Lender (if appropriate) or the Borrower being declared in default by the appropriate authority under the Rules or being suspended or expelled from membership of or participation in any securities exchange or association or other self-regulatory organisation, or suspended from dealing in securities by any government agency, and the Non-Defaulting Party serves written notice on the Defaulting Party;
- (H) any of the assets of the Lender or the Borrower or the assets of investors held by or to the order of the Lender or the Borrower being transferred or ordered to be transferred to a trustee by a regulatory authority pursuant to any securities regulating legislation and the Non-Defaulting Party serves written notice on the Defaulting Party; or
- (I) the Lender or the Borrower failing to perform any other of its obligations hereunder and not remedying such failure within 30 days after the Non-Defaulting Party serves written notice requiring it to remedy such failure, and the Non-Defaulting Party serves a further written notice on the Defaulting Party.

Each Party shall notify the other if an Event of Default occurs in relation to it.

### 13. OUTSTANDING PAYMENTS

In the event of either Party failing to remit either directly or by its Nominee sums in accordance with this Agreement such Party hereby undertakes to pay a rate to the other Party upon demand on the net balance due and outstanding of 1% above the Barclays Bank PLC base rate from time to time in force.

14. TRANSACTIONS ENTERED INTO AS AGENT

- (A) Subject to the following provisions of this Clause, the Lender may enter into loans as agent (in such capacity, the "**Agent**") for a third person (a "**Principal**") whether as custodian or investment manager or otherwise (a loan so entered into being referred to in this clause as an "**Agency Transaction**").
- (B) A Lender may enter into an Agency Transaction if, but only if:-
- (i) it specifies that loan as an Agency Transaction at the time when it enters into it;
  - (ii) it enters into that loan on behalf of a single Principal whose identity is disclosed to the Borrower (whether by name or by reference to a code or identifier which the Parties have agreed will be used to refer to a specified Principal) at the time when it enters into the loan; and
  - (iii) it has at the time when the loan is entered into actual authority to enter into the loan and to perform on behalf of that Principal all of that Principal's obligations under the agreement referred to in (D)(ii) below.
- (C) The Lender undertakes that, if it enters as agent into an Agency Transaction, forthwith upon becoming aware:-
- (i) of any event which constitutes an Act of Insolvency with respect to the relevant Principal; or
  - (ii) of any breach of any of the warranties given in Clause 14(E) below or of any event or circumstance which has the result that any such warranty would be untrue if repeated by reference to the current facts;
  - (iii) it will inform the Borrower of that fact and will, if so required by the Borrower, furnish it with such additional information as it may reasonably request.
- (D) (i) Each Agency Transaction shall be a transaction between the relevant Principal and the Borrower and no person other than the relevant Principal and the Borrower shall be a party to or have any rights or obligations under an Agency Transaction. Without limiting the foregoing, the Lender shall not be liable as principal for the performance of an Agency Transaction or for breach of any warranty contained in Clause 10(D) or 11(E) of this Agreement, but this is without prejudice to any liability of the Lender under any other provision of this Clause.

- (ii) All the provisions of the Agreement shall apply separately as between the Borrower and each Principal for whom the Agent has entered into an Agency transaction or Agency Transactions as if each such Principal were a party to a separate agreement with the Borrower in all respects identical with this Agreement other than this paragraph and as if the Principal were Lender in respect of that agreement.

**PROVIDED THAT**

if there occurs in relation to the Agent an Event of Default or an event which would constitute an Event of Default if the Borrower served written notice under any sub-Clause of Clause 12, the Borrower shall be entitled by giving written notice to the Principal (which notice shall be validly given if given to the Lender in accordance with Clause 20) to declare that by reason of that event an Event of Default is to be treated as occurring in relation to the Principal. If the Borrower gives such a notice then an Event of Default shall be treated as occurring in relation to the Principal at the time when the notice is deemed to be given; and if the Principal is neither incorporated nor has established a place of business in Great Britain, the Principal shall for the purposes of the agreement referred to in (D)(ii) be deemed to have appointed as its agent to receive on its behalf service of process in the courts of England the Agent, or if the Agent is neither incorporated nor has established a place of business in the United Kingdom, the person appointed by the Agent for the purposes of this Agreement, or such other person as the Principal may from time to time specify in a written notice given to the other party.

- (iii) The foregoing provisions of this Clause do not affect the operation of the Agreement as between the Borrower and the Lender in respect of any transactions into which the Lender may enter on its own account as principal.

- (E) The Lender warrants to the Borrower that it will, on every occasion on which it enters or purports to enter into a transaction as an Agency Transaction, have been duly authorised to enter into that loan and perform the obligations arising thereunder on behalf of the person whom it specifies as the Principal in respect of that transaction and to perform on behalf of that person all the obligations of that person under the agreement referred to in (D)(ii).

15. TERMINATION OF COURSE OF DEALINGS BY NOTICE

Each Party shall have the right to bring the course of dealing contemplated under this Agreement to an end by giving not less than 15 Business Days' notice in writing to the other Party (which notice shall specify the date of termination) subject to an obligation to ensure that all loans which have been entered into but not discharged at the time such notice is given are duly discharged in accordance with this Agreement and with the Rules.

16. GOVERNING PRACTICES

The Borrower shall use its best endeavours to notify the Lender (in writing) of any changes in legislation or practices governing or affecting the Lender's rights or obligations under this Agreement or the treatment of transactions effected pursuant to or contemplated by this Agreement.

17. OBSERVANCE OF PROCEDURES

Each of the Parties hereto agrees that in taking any action that may be required in accordance with this Agreement it shall observe strictly the procedures and timetable applied by the Rules and, further, shall observe strictly any agreement (oral or otherwise) as to the time for delivery or redelivery of any money, Securities, Equivalent Securities, Collateral or Equivalent Collateral entered into pursuant to this Agreement.

18. SEVERANCE

If any provision of this Agreement is declared by any judicial or other competent authority to be void or otherwise unenforceable, that provision shall be severed from the Agreement and the remaining provisions of this Agreement shall remain in full force and effect. The Agreement shall, however, thereafter be amended by the Parties in such reasonable manner so as to achieve, without illegality, the intention of the Parties with respect to that severed provision.

19. SPECIFIC PERFORMANCE

Each Party agrees that in relation to legal proceedings it will not seek specific performance of the other Party's obligation to deliver or redeliver Securities, Equivalent Securities, Collateral or Equivalent Collateral but without prejudice to any other rights it may have.

20. NOTICES

All notices issued under this agreement shall be in writing (which shall include telex or facsimile messages) and shall be deemed validly delivered if sent by prepaid first class post to or left at the addresses or sent to the telex or facsimile number of the Parties respectively or such other addresses or telex or facsimile numbers as each Party may notify in writing to the other.



21. ASSIGNMENT

Neither Party may charge assign or transfer all or any of its rights or obligations hereunder without the prior consent of the other Party.

22. NON-WAIVER

No failure or delay by either Party to exercise any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege as herein provided.

23. ARBITRATION AND JURISDICTION

- (A) All claims, disputes and matters of conflict between the Parties arising hereunder shall be referred to or submitted for arbitration in London in accordance with English Law before a sole arbitrator to be agreed between the Parties or in default of agreement by an arbitrator to be nominated by the Chairman of the Stock Exchange on the application of either Party, and this Agreement shall be deemed for this purpose to be a submission to arbitration within the Arbitration Acts 1950 and 1979, or any statutory modification or re-enactment thereof for the time being in force.
- (B) This Clause shall take effect notwithstanding the frustration or other termination of this Agreement.
- (C) No action shall be brought upon any issue between the Parties under or in connection with this Agreement until the same has been submitted to arbitration pursuant hereto and an award made.

24. TIME

Time shall be of the essence of the Agreement.

25. RECORDING

The Parties agree that each may electronically record all telephonic conversations between them.

26. GOVERNING LAW

This Agreement is governed by, and shall be construed in accordance with, English Law.

AGREED to and accepted this \_\_\_\_ day of \_\_\_\_\_, 2004:

ROYAL TRUST CORPORATION OF CANADA

Per: *Susan Pike*

Per: *Lynne Hibbert-Logan*

Name: SUSAN PIKE

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

DIRECTOR, GLOBAL SECURITIES LENDING & FINANCE

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

Title: LYNNE HIBBERT-LOGAN  
MANAGER, OPERATIONS

GOLDMAN SACHS INTERNATIONAL

Per: *Mark Weeks*

Per: \_\_\_\_\_

Name: MARK WEEKS

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

Title: MANAGING DIRECTOR

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

