

**THE BANK OF NEW YORK MELLON SA/NV**  
**SUPPLEMENTARY LENDINGLITE**  
**TERMS AND CONDITIONS**

# 1. APPLICATION

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

# 2. INTERPRETATION

(a) Capitalised Terms used herein but not defined that shall have the meaning given to them under the Agreement.

# 3. SPECIAL RESOLUTION REGIMES:

(a) The Client agrees that the Lending Agent may, in order to comply with certain statutory special resolution regimes (“SRRs”):

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

The parties further agree that:

- (i) the terms of each relevant Resolution Stay Protocol, as defined below, are incorporated by reference into and form part of this Agreement;
  - (ii) this Agreement shall be deemed a “Protocol Covered Agreement” for all purposes under each relevant Resolution Stay Protocol as so incorporated; and
  - (iii) for the purposes of incorporating each relevant Resolution Stay Protocol, each party shall be deemed to be an Adhering Party or Module Adhering Party, as applicable, and each party that has specified in a letter of adherence to a Resolution Stay Protocol that it is a Regulated Entity for the purposes of such Resolution Stay Protocol shall also be deemed to be a Regulated Entity for the purposes of such Resolution Stay Protocol and this Agreement.
- (b) For this purpose, the term “Resolution Stay Protocol” means (i) the ISDA 2018 US Resolution Stay Protocol (as published by the International Swaps and Derivatives Association, Inc. (“ISDA”) on July 31, 2018) and (ii) each Jurisdictional Module to, and supplementing, the ISDA Resolution Stay Jurisdictional Modular Protocol, as applicable, in each case to which both

parties have adhered (directly or through an agent) on or prior to the date hereof. In the event of any inconsistency between the terms of this Agreement and the terms of any relevant Resolution Stay Protocol, the terms of the relevant Resolution Stay Protocol shall prevail.

- (c) The Lending Agent operates the Programme on a pooled basis. Consequently, if a Borrower defaults, the Lending Agent will act in accordance with the applicable SRR when closing out transactions entered into with a Borrower on behalf of all clients participating in a pooled loan. Therefore, all clients, including any clients not technically subject to the applicable SRR, will in practice be treated in the same manner, in terms of timing and close-out procedures, as all clients in the pool.

## 4. DATA

- (a) The Bank of New York Mellon Corporation, the corporate parent of the Lending Agent, is a global financial organisation that provides services to clients through its affiliates and subsidiaries in multiple jurisdictions (the “**BNY Mellon Group**”). The BNY Mellon Group may centralise functions, including audit, accounting, risk, credit, legal, compliance, operations, sales and marketing, administration, product communication, relationship management, information technology and the storage, maintenance, compilation, processing and analysis of customer-related data (which includes Personal Data), and other functions (the “**Centralised Functions**”) in one or more affiliates, subsidiaries and third-party service providers. Solely in connection with the Centralised Functions, (i) the Client consents to the disclosure of, and authorises the Lending Agent to disclose, information regarding Client and its accounts (“**Customer-Related Data**”) to the BNY Mellon Group and to its third-party service providers who are subject to confidentiality obligations with respect to such information and (ii) the Lending Agent may store the names and business addresses of Client’s employees on the systems or in the records of the BNY Mellon Group or its service providers. In addition, the BNY Mellon Group may aggregate Customer-Related Data with other data collected and/or calculated by the BNY Mellon Group, and the BNY Mellon Group will own all such aggregated data, provided that the BNY Mellon Group shall not distribute the aggregated data in a format that identifies Customer-Related Data with the Client. The Client is authorised to consent to the foregoing and confirms that the disclosure to and storage by the BNY Mellon Group of such information does not violate any relevant data protection legislation. In addition, the Lending Agent may disclose Customer-Related Data as required by law or at the request of any governmental or regulatory authority.
- (b) For the purposes of these terms and conditions, “**Data Protection Laws**” means all applicable laws and regulations relating to the processing of Personal Data, including The General Data Protection Regulation (EU) 2016/679 (“**GDPR**”) and all Member State laws, rules, regulations and regulatory guidance supplementing the GDPR and any laws relating to the processing of Personal Data enacted in the United Kingdom, including the GDPR as incorporated into the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 (“**UK GDPR**”) and the UK Data Protection Act.
- (c) To the extent applicable, the parties acknowledge and agree that they are separate and independent Controllers in relation to any information relating to an identified or identifiable natural person (“**Personal Data**”) processed pursuant to the relationship between the Client and the Lending Agent and shall each comply with their respective obligations under applicable Data Protection Laws. It is not intended that either party shall act as a Processor to the other party in respect of any Personal Data. “**Controller**” and “**Processor**” have the meanings set out in the GDPR or UK GDPR, as applicable.

- (d) The Client shall ensure that any Personal Data that it provides to the Lending Agent has been obtained in compliance with applicable Data Protection Laws, and shall take such steps as are required, including the giving of information, making of notices and obtaining of valid consents, to ensure that the Lending Agent is entitled to process such Personal Data as set out in these terms and conditions and the Lending Agent's privacy notice.
- (e) The Lending Agent's privacy notice is contained at <https://www.bnymellon.com/us/en/data-privacy.jsp>, receipt of which is hereby acknowledged by the Client, and shall apply to the Lending Agent's use, storage, and disclosure of Personal Data pursuant to these terms and conditions. The Client acknowledges that the Lending Agent may make amendments to its privacy notice by posting a revised version at the abovementioned website link (or such other link as the Lending Agent may advise from time to time).

The Client acknowledges that the Lending Agent and BNYM may be obliged to provide information concerning the Client, the Accounts or this Agreement to market or regulatory authorities, courts and government agencies, including but not limited to the ECB, NBB and the FSMA and the Brussels and other stock exchanges (and their successors), and to law enforcement authorities, including outside of Belgium. The Client hereby authorises the Lending Agent and BNYM to disclose the information to such market, regulatory, court and government agencies, or law enforcement authorities, or otherwise as required by applicable laws, rules, regulations or court or administrative order in jurisdictions where the Lending Agent or BNYM and any Affiliates do business, and in particular to disclose the identity of the Client or, if the Client is acting on behalf of others, the identity of such others (to the extent known by the Lending Agent).

In particular, the Lending Agent is required to provide information to the Central Point of Contact organised by the NBB. More information about his obligation is available here: <https://www.bnymellon.com/emea/en/regulatory-resources.html#5AML>.

## 5. REGULATORY MATTERS

For the purpose hereof, the following words shall have the meanings set forth below:

**"Belgian Fungible Securities Rules"** shall mean:

- (a) with respect to Belgian public debt securities, the Law of January 2, 1991 on the Market of Public Debt Securities and the Instruments of Monetary Policy, Articles 3 to 12;
- (b) with respect to Treasury Paper issued by companies established in Belgium and Deposit Certificates issued by banks established in Belgium, the Law of July 22, 1991 on Treasury Paper and Deposit Certificates, Article 7, paragraph 1;
- (c) with respect to dematerialised shares or bonds issued by Belgian limited liability companies, articles 5:30 et seq., 6:29 et seq., or 7:35 et seq. of the Belgian Companies & Associations Code; and
- (d) with respect to all other negotiable financial instruments, Belgian as well as foreign, listed in article 2, 1° of the Law of 2 August 2002 on the supervision of the financial sector and on financial services, the Belgian Royal Decree 62.

**"Client Asset Rules"** means the client assets protection rules applicable to the Lending Agent in Belgium when providing services of safekeeping and administration of financial instruments for the account of clients;

“**ECB**” means the European Central Bank which regulates and supervises The Bank of New York Mellon SA/NV together with the NBB as a significant credit institution under the European Single Supervisory Mechanism.

“**Financial Instrument**” has the meaning ascribed to it in MiFID II.

“**Royal Decree 62**” shall mean the Belgian Coordinated Royal Decree N° 62 of 10 November 1967 on the deposit of fungible financial instruments and the settlement of transactions in these instruments, as amended from time to time.

- (a) The Bank of New York Mellon SA/NV is regulated and supervised by the ECB together with the NBB, as a significant credit institution under the European Single Supervisory System. The Bank of New York Mellon SA/NV is further supervised by the FSMA with regard to certain conduct of business rules (in particular where it provides investment services). Details about the extent of our regulation by such authorities are available from us on request.
- (b) The Lending Agent will treat the Client as a professional client for the purposes of the rules promulgated by the Applicable Laws. The Client has the right to request to be treated as a retail client (and benefit from a higher level of protection); however, the Lending Agent is not obliged to consent to such a request.
- (c) Risk Analysis. As you have been classified as a Professional Client in accordance with Applicable Laws the Lending Agent assumes you have the necessary experience and knowledge in order to understand the risks in relation to the securities lending activity that the Lending Agent has been instructed to undertake.
- (d) The Client acknowledges that where a liability in one currency is to be matched by an asset in a different currency, or where an investment transaction relates to an investment denominated in a currency other than sterling, a movement of exchange rates may have a separate effect, favourable or unfavourable, on the gain or loss which would otherwise be experienced on the investment.
- (e) In accordance with regulatory requirements, the Lending Agent has taken reasonable steps to identify conflicts of interest that exist, or may exist, between the Lending Agent and our clients or between one client and another. The Lending Agent has in place a policy to ensure that any conflicts of interest that may occur between the interests our clients, or ourselves and a client, has been identified and is being managed according to the regulatory requirements. The policy sets out the types of actual or potential conflict which may impact the relationship between the Lending Agent and its clients and provides details of how these are managed. Should the Client require additional information around this policy it should contact the Compliance Officer of the Lending Agent at the address in this Agreement.
- (f) The custody agreement between the Client and the applicable Bank of New York Mellon entity (the “**Custodian**”) as custodian and any successors and assigns, as amended (the “**Custody Agreement**”) governs the holding of the Client’s assets by the Custodian. Programme Securities (including equivalent Programme Securities and any distributions or similar) transferred to the Lending Agent pursuant to this Agreement, as well as cash and non-cash Collateral which the Lending Agent may receive on behalf of the Client in connection with its lending of the Client’s securities may be held for the Client by the Lending Agent under the terms of this Agreement (including the terms set out in Schedule 3) and will not therefore be held under the Custody Agreement.
- (g) Except as stated in paragraph (i) below, cash received by the Lending Agent and held on the Client’s behalf in connection with this Agreement is held by the Lending Agent as banker under applicable Belgian rules.

- (h) In the event that the Lending Agent is required in a particular market to open a cash account on behalf of the Client in the Client's name, the Client authorises the Lending Agent to give, on behalf of the Client, all such instructions to the relevant subcustodian in a particular market, as are necessary and required to fulfil the requirements of this Agreement.
- (i) Where the Lending Agent holds any of the Client's Securities, it will act as custodian and will safekeep such Securities in accordance with the terms of this Agreement and will for that purpose open one or more securities accounts for the custody and safekeeping of the Securities, in accordance with the terms of this Agreement.
- (j) The Client agrees that the Client's Securities held with the Lending Agent shall be subject to the provisions of the Belgian Fungible Securities Rules. In accordance with the Belgian Fungible Securities Rules, all Securities of any issue shall be treated as fungible with all other Securities of the same issue held by the Lending Agent. Therefore, the Client shall have no right to any specific Securities of an issue but shall instead be entitled, subject to applicable laws and regulations and to the terms of this Agreement, to direct the Lending Agent to transfer or deliver an amount of Securities of such issue that is equivalent, i.e. that has the same class, denomination and issue, to the amount of such Securities credited to an account, without regard to the certificate numbers (or other identifying information) of the Securities originally deposited, and the Lending Agent's obligation to the Client with respect to such Securities shall be limited to effecting such transfer or delivery.
- (k) Any of the Client's securities held with Sub-custodians shall be held subject to the terms and conditions of the relevant subcustodian agreement. Any of the Client's securities held in Settlement Systems shall be held in accordance with, and subject to, the agreements, rules, regulations and conditions imposed by such Settlement Systems. Depending on the relevant agreements, rules, laws, regulations, local market practices and conditions Securities held by the Lending Agent with Sub-custodians or Settlement Systems may be held on a fungible or non-fungible basis. Where Securities are held outside of Belgium or any EEA Member State, the Client acknowledges that settlement, legal and regulatory requirements and local market practices relating to the separate identification and protection of these Securities may apply that are different from Belgian law or the laws of the relevant EEA Member State, and that the Client's rights over the Securities may consequently differ.
- (l) Securities held for the Client hereunder shall be segregated on the Lending Agent's books and records from the Lending Agent's own property and from the property of other clients of the Lending Agent. The Lending Agent will identify the Client's securities in its books and records as being beneficially owned by the Client or, if the Client has advised the Lending Agent that it is acting on behalf of others, by such others.
- (m) The Client's securities may be held by the Lending Agent in an omnibus securities account with or by a subcustodian or Settlement System along with the securities of other customers of the Lending Agent and will be treated as fungible with all other securities of the same issue held in such account by the Lending Agent with such subcustodian or Settlement System. This means that the Client's redelivery rights in respect of the securities are not in respect of the assets actually deposited by the Lending Agent from time to time but rather in respect of securities of the same number, class, denomination and issue as those securities originally deposited by the Lending Agent from time to time. Such subcustodian or Settlement System may then hold the Client's securities in an omnibus account with a third party that it engages ("third party"). If the subcustodian or Settlement System defaulted, and held less securities than it should for the benefit of all of its custody clients, there may be a shortfall. Any shortfall may then have to be shared pro rata among all clients whose securities are held by that subcustodian or Settlement System and the Client may

not receive its full entitlement. As a result, in the event of the default of such a subcustodian or Settlement System, there is a risk that not all securities deposited by the Lending Agent with the subcustodian or Settlement System will be returned to the Lending Agent where there is a shortfall at the subcustodian or Settlement System. In addition, in certain markets, it may not be possible under national law for securities belonging to the Client and held by a subcustodian, Settlement System or third party to be separately identifiable from the proprietary securities of that subcustodian, Settlement System or third party (or the Lending Agent, where the Lending Agent is a client of the relevant subcustodian, Settlement System or third party).

- (n) In connection with the settlement of trades operated within an omnibus account structure, the Lending Agent may use or authorise any subcustodian to use, the Client's securities for the account of another customer of the Lending Agent and vice versa. This shall be the only permitted use of the Client's securities, and the Lending Agent may not and shall not use the Client's securities for its own account or for the account of a subcustodian or Settlement System.
- (o) Where the Client's securities are held outside of Belgium (or, if different, outside of the jurisdiction in which the Client is established), different settlement, legal and regulatory requirements and different practices relating to the separate identification of those securities may apply which are different to those in Belgium or the Client's jurisdiction (as the case may be).
- (p) The Lending Agent is a member of the Belgian deposit guarantee scheme. However, as the Lending Agent is licensed as an assimilated settlement institution in accordance with the NBB Law of 22 February 1998, deposits held at the Lending Agent are not eligible for protection. More information is available at <http://fondsdegarantie.belgium.be>.
- (q) The following statements are required in accordance with the Applicable Laws and apply specifically to the extent that the Lending Agent invests or reinvests the cash Collateral in Approved Investments:
  - (i) **Risk Analysis.** The Lending Agent expects the Client to understand the risks associated with the investments and investment strategy that the Lending Agent may pursue hereunder because the Client is a professional client but the Client should ask the Lending Agent if it requires any information in this respect;
  - (ii) **Order execution policy.** If the Lending Agent executes Client orders it does so in accordance with its execution policy, available at <https://www.bnymellon.com/emea/en/regulatory-information.jsp> and as the same may be amended, supplemented or restated from time to time. By signing this Agreement, the Client consents to the execution policy and expressly consents to its orders being executed outside EU regulated markets and multilateral trading facilities, where to do so is in accordance with the execution policy;
  - (iii) **Aggregation.** The Lending Agent may aggregate transactions with transactions for its own account and/or transactions for other clients subject to the Applicable Laws which require that the Lending Agent can only do so if it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated. However, the Client is notified that the effect of aggregation may work to its disadvantage in relation to a particular order.
- (r) In accordance with (i) Article 15 of the Securities Financing Transactions Regulation and the industry information statement published by AFME, FIA, ICMA, ISDA, ISLA and SIFMA on 13 May 2016, and (ii) Article 15 of the UK Securities Financing Transactions Regulation and the industry information statement published by AFME, FIA, ICMA, ISDA, ISLA and SIFMA on

May 2021 (the “**Information Statements**”) (available at <https://www.bnymellon.com/emea/en/regulatory-resources.html#sftr>), the Lending Agent will send copies of the Information Statements on behalf of the Client and accept copies of the Information Statements from Borrowers on the Client’s behalf. Copies of the Information Statements received from the Borrowers(s) will be available upon request.

(s) **Risk Disclosure – Lending Agent Security Interests and Liens and Third Party Security Interests and Liens**

For any liens or security interests that apply over Accounts please consult the body of this Agreement.

In addition, certain depositories (including Settlement Systems and Sub-custodians (including tri-party collateral agents) may have a lien or other security interest or rights of set-off or retention and sale in respect of your securities and entitlements credited to any account(s) held with such depository or subcustodian in relation to claims for payments of obligations owed to such depository or subcustodian. Such lien or other security interest or rights of set-off or retention and sale shall be limited to debts arising for the provision of custody and administration to clients, unless such lien or other security interest or rights of set-off or retention and sale is required by applicable law, or where required under the terms of rules of that depository.

(t) The Central Securities Depositories Regulation (“**CSDR**”).

The CSDR settlement discipline regime has introduced cash penalties (both credits and debits) for settlement fails in transactions in securities settling via a European Economic Area Central Securities Depository. More information on The Bank of New York Mellon’s treatment of CSDR cash penalties credits and debits arising from loan and loan return instructions is available at: <https://www.bnymellon.com/emea/en/insights/all-insights/central-securities-depositories-regulation.html>.

(u) Pursuant to the Belgian rules implementing Directive (EU) 2018/843 of 30 May 2018 (5th Anti-Money Laundering Directive) and certain reporting requirements under Belgian law, The Bank of New York Mellon SA/NV is legally required to disclose information regarding Client to a central point of contact register organised by the National Bank of Belgium. Further information on the disclosure obligations under the 5th Anti-Money Laundering Directive and the central point of contact register are made available on the following website: <https://www.bnymellon.com/emea/en/regulatory-resources.jsp#5AMLD>, and Client agrees to review such information (and any future amendments thereto) when published on such website and consents to the disclosure of the information as set out in therein.

## 6. CUSTODY TERMS

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

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



Where the Lending Agent provides services in respect of Financial Instruments in relation to the Programme, those services will be delivered pursuant to and be governed by the terms of the Agreement as supplemented and amended by this Schedule 3 (which shall be referred to herein as the “**Agreement**”).

## I. Definitions

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

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

due skill, care and diligence that may be reasonably expected of a professional custodian engaged in activities which are similar to those performed by the Lending Agent under this Agreement;

- (p) “**Sub-custodian**” means a bank or financial institution appointed to act as a sub-custodian of the Lending Agent from time to time, excluding a Settlement System;
- (q) “**Written Instructions**” means written communications actually received by the Lending Agent by S.W.I.F.T., letter, facsimile or other method or system specified by the Lending Agent as available for use in connection with the services hereunder.

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

## II. Establishment of Accounts

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

## III. Safekeeping of Securities

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

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

- (b) Legal title to the Securities in the Securities Accounts shall be registered or recorded in any relevant record of legal entitlement in accordance with the rules set out in the Client Asset Rules (as amended from time to time). In accordance with such rules, the Lending Agent notifies the Client that the Securities may be registered in the name of:
  - (i) the Client;
  - (ii) a nominee company controlled by the Lending Agent or controlled by an Affiliate (a “**Relevant Nominee Company**”), or a nominee company appointed by a Sub-custodian or a Settlement System on such terms and conditions as any of the foregoing may require; or

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

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

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

## IV. Cash

(a) Cash received by the Lending Agent and held in a Cash Collateral Account for the Client is in connection with this Agreement will be held by the Lending Agent as banker.

## V. Sub-custodians

(a) If Securities are held (directly or indirectly) with a Sub-custodian, Settlement System or delegate which defaults or becomes insolvent, or if the Lending Agent becomes insolvent, the consequences for the Client will depend in part upon the relevant applicable law of the insolvency proceedings (which may not be English or Belgian law), the effects of which are outside the control of the Lending Agent. Where such a default or insolvency occurs, there may be (amongst other risks) delays in settling or transferring Securities and entitlements or, where the Lending Agent, a relevant Sub-custodian, Settlement System or delegate held fewer securities than it should have for the benefit of all of its custody clients, there may be a shortfall. Any such shortfall may have to be shared pro rata among all clients whose securities are held by or at the relevant Sub-custodian, Settlement System or delegate and the Client may not receive its full entitlement. As a result, in the event of such a shortfall, there is a risk that not all Securities deposited by or with the Lending Agent and held directly or indirectly with such Sub-custodian, Settlement System or delegate will be returned to the Lending Agent. In addition, in certain jurisdictions, it may not be possible under applicable local law for Securities belonging to the Client and held by the Lending Agent (directly or indirectly) at a Sub-custodian, Settlement System or delegate to be separately identifiable from the proprietary or other client assets of that Sub-custodian, Settlement System, delegate or the Lending Agent.

(b) The Lending Agent shall hold the Client's securities at the Lending Agent, Settlement Systems and Sub-custodians. The Client's securities may be held only with Sub-custodians which have entered into a subcustodian agreement with the Lending Agent and with Settlement Systems. Sub-custodians may hold the Client's securities in Settlement Systems in which such Sub-custodians participate or are a member.

- (c) Notwithstanding any other provision of this Agreement, but subject to the Lending Agent's obligation to identify Securities in the Securities Accounts pursuant to Clause V of this Section 6 above and without prejudice to the proprietary rights of the Client, in connection with the settlement of securities trades operated within an omnibus account structure, the Lending Agent may use, or authorise any Sub-custodian to use, the Securities credited to the Securities Accounts for the account of another customer and vice versa. However, neither the Securities Accounts nor any omnibus client account of the Lending Agent at a Sub-custodian shall hold Securities which are beneficially owned by the Lending Agent or such Sub-custodian, as the case may be. The Lending Agent may not use the Securities credited to a Securities Account for its own account.
- (d) Where Securities credited to a Securities Account are held outside of the EEA, different settlement, legal and regulatory requirements and different practices may apply to those Securities, including (amongst other things) in relation to the separate identification of those Securities, which are different from those in the EEA.
- (e) Delegation Custody Services by the Lending Agent to Sub-custodians:
- (i) The Lending Agent shall delegate safekeeping of Financial Instruments to Sub-custodians or hold Financial Instruments with Settlement Systems, on the terms of this Clause V of Section 6.
- (ii) The Lending Agent shall exercise the Standard of Care in selecting, appointing, monitoring and using Sub-custodians, by ensuring each Sub-custodian:
- A. has the structures and expertise that are adequate and proportionate to the nature and complexity of the Financial Instruments;
- B. is subject to effective prudential regulation, including minimum capital requirements, and supervision in the jurisdictions concerned and the Sub-custodian is subject to regular due diligence review by the Lending Agent (not less than on an annual basis) to ensure that the Financial Instruments are in its possession;
- C. shall hold in its books and records the Financial Instruments separate from (I) assets belonging to the Lending Agent in a proprietary capacity; (II) assets belonging to the Sub-custodian in a proprietary capacity; and (III) assets belonging to other clients of the Sub-custodian;
- D. has no rights of re-use of the Financial Instruments without the prior consent of the Lending Agent and the Client, subject to Clause V(d) of this Section 6 above;
- E. in respect of the delegation of safekeeping of the Financial Instruments, and further to (C) above, shall not carry out activities that may create conflicts of interest between the Lending Agent (or its nominee), and the Sub-custodian or any other party, unless it has functionally and hierarchically separated the performance of its safekeeping tasks from its other potentially conflicting tasks, and any potential conflicts of interest are properly identified, managed, monitored and disclosed to the Lending Agent, in the course of its normal provision of services.
- (iii) In exercising the Standard of Care, the Lending Agent shall exercise due skill, care and diligence in appointing, selecting, and continuing to use Sub-custodians in each relevant market in light of the customary or established rules, practices and procedures then prevailing in each such country and monitoring that they remain suitable to provide the services for which they are engaged.

- (iv) The Lending Agent shall provide on a regular basis (and not less frequently than annually) and upon reasonable request, details of any Sub-custodian appointed and when reasonably requested by the Client, information on the criteria used to select such Sub-custodian and the steps envisaged by the Lending Agent to monitor the activities carried out by the Sub-custodian. The Lending Agent reserves the right to add, replace or remove Sub-custodians at any time without requiring any form of prior agreement or consent from the Lending Agent or the Client.
- (v) The Lending Agent represents and warrants that it has implemented policies and procedures that comply in all material respects with standard industry practices with respect to the Lending Agent's oversight of its Sub-custodians, including the review of their respective financial condition as reflected in their published financial statements and from other publicly available financial information. The Lending Agent shall update those policies and procedures from time to time so that they remain in all material respects in compliance with standard industry practices.
- (vi) The Lending Agent shall require the Sub-custodian to notify the Lending Agent of any events materially affecting the provision of services by the Sub-custodian to the Lending Agent, and provided that the Lending Agent has received notice of such event from the Sub-custodian, the Lending Agent shall notify the Client as soon as is reasonably practicable under the circumstances. The Lending Agent shall have no liability for failing to notify the Client of any such event where the Lending Agent has not been notified by the Sub-custodian of any such event.
- (vii) The Lending Agent shall discuss with the Client from time to time, upon the Client's request, the Lending Agent's oversight processes.
- (viii) The Lending Agent shall maintain and update from time-to-time business continuation and disaster recovery plans with respect to the services which the Lending Agent determines are in line with standard industry practice.

## VII. Statements, Reporting and Access to Books and Records

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

## 7. CONTRACTUAL RECOGNITION OF BAIL-IN

Notwithstanding and to the exclusion of any other term of this Agreement or any other agreements, arrangements, or understanding between the Lending Agent and the Client,

the Client acknowledges and accepts that a BRRD Liability arising under the Agreement may be subject to the exercise of Bail-in Powers by the Relevant Resolution Authority, and acknowledges, accepts, and agrees to be bound by:

- (a) the effect of the exercise of Bail-in Powers by the Relevant Resolution Authority in relation to any BRRD Liability of the Lending Agent to the Client under the Agreement, that (without limitation) may include and result in any of the following, or some combination thereof:
  - (i) the reduction of all, or a portion, of the BRRD Liability or outstanding amounts due thereon;
  - (ii) the conversion of all, or a portion, of the BRRD Liability into shares, other securities or other obligations of the Lending Agent or another person, and the issue to or conferral on the Client of such shares, securities or obligations;
  - (iii) the cancellation of the BRRD Liability; and
  - (iv) the amendment or alteration of any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period; and
- (b) the variation of the terms of the Agreement as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority.

For the purposes of this clause 20, the following terms shall have the meanings set forth below:

**“Bail-In Legislation”** means the law of 25 April 2014 on the status and supervision of credit institutions, and any other law or regulation relating to the transposition of BRRD under Belgian law.

**“Bail-in Powers”** means any write-down, conversion, transfer, modification or suspension power existing from time to time under, and exercised in compliance with, any law or regulation in effect in Belgium, relating to the transposition of BRRD, including but not limited to the Bail-In Legislation and Regulation (EU) No 806/2014 and the instruments, rules and standards created thereunder, pursuant to which:

- (a) any obligation of a bank or investment firm or affiliate of a bank or investment firm can be reduced, cancelled, modified or converted into shares, other securities or other obligations of such entity or any other person (or suspended for a temporary period); and
- (b) any right in a contract governing an obligation of a bank or investment firm or affiliate of a bank or investment firm may be deemed to have been exercised.

**“BRRD”** means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

**“BRRD Liability”** means a liability in respect of which the relevant Bail-in Powers in the applicable Bail-in Legislation may be exercised.

**“Relevant Resolution Authority”** means the resolution authority with the ability to exercise any Bail-in Powers in relation to the Lending Agent.