

# DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT

## BETWEEN

- (1) [REDACTED] and [REDACTED]  
(2) BlackRock Investment Management (UK) Limited.

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**DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT**  
**("Agreement")**

BETWEEN

- (1) [REDACTED] (the "Customer") whose address is at [REDACTED]; and
- (2) **BlackRock Investment Management (UK) Limited** (the "Manager") whose registered office is at 33 King William Street, London EC4R 9AS

in respect of [REDACTED] or such part thereof as is entrusted from time to time by the Customer to the Manager under the terms of this Agreement (the "Fund").

**PART A – PROVISION OF INVESTMENT MANAGEMENT SERVICES**

**1 Regulatory and Corporate Status**

- (a) The Manager is authorised and regulated by the Financial Services Authority (the "FSA") of 25 The North Colonnade, Canary Wharf, London E14 5HS in the conduct of its investment business. Except where otherwise indicated, words or phrases defined in the FSA's Handbook of Rules and Guidance (the "FSA Rules") or in the Financial Services and Markets Act 2000 ("FSMA") shall have the same meanings in this Agreement.
- (b) For the purposes of the FSA Rules and based on information obtained in respect of the Customer, the Customer will be treated by the Manager as a professional client.
- (c) The Manager is a subsidiary of BlackRock, Inc.. BlackRock, Inc. is the ultimate holding company of the companies in the BlackRock Group (the "BlackRock Group").
- (d) Unless the context otherwise requires, any reference to legislation, a statute or a statutory provision shall include such legislation, statute or provision as is from time to time modified or re-enacted or consolidated so far as such modification or re-enactment or consolidation applies or is capable of applying to any transactions entered into hereunder. Any reference to a statute or a statutory provision shall also include any subordinate legislation made from time to time under that statute or provision.

**2 Effective Date of Appointment**

- (a) This Agreement will come into force on the date when the Manager receives this Agreement which has been signed by the Manager and the Customer at which date the then current agreement between the parties shall be deemed terminated and replaced by this Agreement (except as regards any accrued rights, indemnities, existing commitments or any contractual provision intended to survive termination).
- (b) For the purpose of the Conduct of Business Sourcebook and the Client Assets Sourcebook of the FSA Rules, the Manager may, notwithstanding paragraph (a)

above and unless instructed by the Customer to the contrary, treat this Agreement (and any subsequent amendments) as setting out their respective Terms of Business.

### **3 Investment Discretion and Other Services**

- (a) The Manager will manage the Fund with a view to achieving the investment objectives and within any investment restrictions set out in Appendix A (the “**Investment Guidelines**”) and will act in good faith and with reasonable skill and care. Subject to the Investment Guidelines, the Manager, normally acting as agent, will have complete discretion for the account of the Customer (and without prior reference to the Customer) to buy, sell, retain, exchange or otherwise deal in investments and other assets, make deposits, subscribe to issues and offers for sale and accept placings, underwritings and sub-underwritings of any investments, advise on or execute transactions (including transactions in, or relating to, unregulated collective investment schemes), effect transactions on any markets, negotiate and execute counterparty and account opening documentation, take all routine or day to day decisions and otherwise act as the Manager judges appropriate in relation to the management of the Fund, but always subject to the applicable obligations of the Manager under the FSA Rules regarding suitability and best execution.
- (b) The Investment Guidelines will not be breached as a result of any events or circumstances outside the reasonable control of the Manager including, but not limited to changes in the price or value of assets of the Fund brought about solely through movements in prices in the market.
- (c) Except as set out in the Investment Guidelines, there are no restrictions on the types of Designated Investments in which the Customer wishes to invest or the markets on which it wishes transactions to be executed. The Investment Guidelines contain information about the Designated Investments and strategies for the Fund and warnings of the risks associated with investment in those Designated Investments or in respect of particular investment strategies.
- (d) If the Customer does not specify any investment objectives, restrictions or limits in the Investment Guidelines, the Manager will assume that the Customer does not intend any to apply and accordingly the Manager may acquire or sell in its discretion, advise in relation to and deal in any investment which it has reasonable grounds for believing are suitable for the Customer.
- (e) In addition to managing the Fund, where requested by the Customer, the Manager may provide other services under this Agreement, to the Customer, or as requested by the Customer, to the Customer’s advisers for the benefit of the Customer, in respect of the Fund or in respect of the scheme or pool of investments of which the Fund forms a part. The Manager is entitled to levy charges, in addition to those specified in this Agreement, for such services. Any such charges will be agreed in advance with the Customer.
- (f) Advice may be given by the Manager in respect of the Fund in such manner as may be agreed with the Customer from time to time or as the Manager thinks fit.

#### **4 Delegation and Use of Agents**

- (a) The Customer consents to the Manager delegating any of its functions (including its discretionary investment management powers and the power to sub-delegate any of its functions) under this Agreement to an Affiliated Company and may provide information about the Customer and the Fund to any such Affiliated Company. In addition, the Customer consents to the Manager delegating any of its functions which do not involve the exercise of its discretionary investment management powers to a person who is not an Affiliated Company. However, the Manager will not delegate: (i) any of its functions which involve the exercise of its discretionary investment management powers to a person who is not an Affiliated Company without giving written notice to the Customer; or (ii) the whole or substantially the whole of its discretionary investment management powers to a person who is not an Affiliated Company without the written consent of the Customer. The Manager's liability to the Customer for all matters delegated under this paragraph 4(a) shall not be affected thereby.
- (b) The Manager may, where reasonable, employ agents (including Affiliated Companies) to perform any administrative, dealing or ancillary services required to enable the Manager to perform its services under this Agreement. The Manager will act in good faith and with reasonable skill and care in the selection, use and monitoring of agents.

#### **5 Banking**

The Outside Custodian is responsible for all banking arrangements in respect of the Fund.

#### **6 Shareholder Activism**

- (a) A copy of the Manager's policy on shareholder activism is available on request. Unless instructed otherwise, the Manager will have due regard to its policy on shareholder activism in managing the Fund and in procuring the exercise of any voting rights attaching to the investments of the Fund. In drawing up this policy, the Manager has set out how it will discharge, in accordance with the Statement of Principles relating to "The Responsibilities of Institutional Shareholders and Agents" drawn up by the Institutional Shareholders' Committee, the responsibilities applicable to agents set out in the Statement of Principles. The Manager will have due regard to any changes to such Statement of Principles from time to time.
- (b) The Manager will procure the exercise of any voting rights attaching to the investments of the Fund in accordance with the Investment Guidelines.

#### **7 Reporting**

- (a) Valuations of the Fund and any other Periodic Statements and confirmations recording the essential details of any transaction(s) will be prepared and sent to the Customer as stated in Appendix B.

#### **8 Dealing, Counterparties and Order Execution Policy**

- (a) The Manager will act in good faith and with reasonable skill and care in its choice and use of counterparties (which for the avoidance of doubt shall include agents such

as brokers through whom a transaction is effected and agents such as counterparties from whom and to whom securities are bought and sold, as the case may be).

- (b) A summary of the Manager's Order Execution Policy (the "Execution Policy Notice") accompanies this Agreement. The Customer hereby confirms that it has read and understood the Execution Policy Notice and agrees to the Manager's Order Execution Policy. In particular, the Customer agrees that the Manager may trade outside of a Regulated Market or Multilateral Trading Facility.
- (c) In effecting transactions for the Fund the Manager will at all times comply with the Manager's Order Execution Policy and in particular will act in the best interests of the Customer and comply with any applicable obligations regarding best execution under the FSA Rules.
- (d) Where the Customer supplements the assets of the Fund, the Manager shall only effect transactions in respect of those assets after having been notified of receipt of those assets by the Outside Custodian.
- (e) Specific instructions, including any set out in the Investment Guidelines, from the Customer in relation to the execution of orders may prevent the Manager from following its Order Execution Policy in relation to such orders in respect of the elements of execution covered by the instructions.
- (f) If any counterparty fails to deliver any necessary documents or to complete any transaction, the Manager will take all reasonable steps on behalf of the Customer to obtain such necessary documents and/or to complete the transaction. All resulting reasonable costs and expenses properly incurred by the Manager shall be paid by the Customer.
- (g) The Manager may aggregate transactions for the Fund with those of other customers and of its employees and of Affiliated Companies and their employees and customers and Own Account Transactions and will allocate such transactions on a basis which is fair and reasonable in the interests of all in accordance with the requirements of the FSA Rules. Where such transactions have been aggregated by the Manager, the Customer agrees that the Manager shall allocate them within 5 Business Days of the transaction ("**Business Day**" for the purposes of this Agreement means 9 a.m. to 5 p.m. London time, Monday to Friday, excluding UK public holidays). In relation to a particular order, aggregation may operate on some occasions to the advantage of the Customer and on other occasions to the Customer's disadvantage. However, it must be unlikely that the aggregation of orders and transactions will work overall to the disadvantage of the Customer before transactions will be aggregated. The Manager may also, where relevant, effect such allocations by calculating the weighted average price in accordance with the FSA Rules.
- (h) The Customer instructs the Manager not to make or book client limit orders (being a specific instruction from the Customer to buy or sell a financial instrument at a specified price limit or better and for a specified size) in respect of shares admitted to trading on a regulated market which are not immediately executed under prevailing market conditions.

- (i) The Customer agrees that it will promptly, upon request, provide the Manager with such information about the Customer or documentation relating to it as the Manager may reasonably require for disclosure to a counterparty or potential counterparty.
- (j) In accordance with normal market practice, the Manager receives from brokers execution services and research in return for paying commission.
- (k) The Manager may effect the buying and selling of assets through electronic crossing networks which enable the Manager to cross stock with those of other customers and other institutional investors, with a view to reducing transaction costs and market impact.

## **9 Material Interests and Disclosures**

- (a) The Manager or an Affiliated Company may without prior reference to the Customer, effect transactions in which the Manager or Affiliated Company or another client of the Manager or an Affiliated Company has, directly or indirectly, a Material Interest or a relationship of any description with another party, which involves or may involve a potential conflict with the Manager's duty to the Customer. The Manager will ensure that such transactions are effected on terms which are not materially less favourable to the Customer than if the conflict or potential conflict had not existed. Conflicts, if any, which the Manager is not able to manage effectively are disclosed in its Conflicts of Interests Policy. A summary of the Manager's Conflicts of Interests Policy is available on request. Neither the Manager nor any Affiliated Company shall be liable to account to the Customer for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Manager's fees, unless otherwise provided, be abated. In the event of any such transaction, however, the Manager will take reasonable steps to ensure fair treatment for the Customer in accordance with the requirements of the FSA Rules.
- (b) The Manager's Conflicts of Interest Policy sets out the types of actual or potential conflicts of interest which affect the Manager's business and provides details of how these are managed.
- (c) The Manager will normally act as the agent of the Customer, who will therefore be bound by its actions under this Agreement. To the extent that any fiduciary or equitable duties arise as a result of the services to be provided hereunder such duties shall not prevent or hinder the Manager, or any Affiliated Company, in effecting transactions with or for the Customer, including programme trades, acting as both market-maker and broker, principal or agent, dealing with other Affiliated Companies and other customers, and generally effecting transactions as provided above, to which the Customer consents accordingly.

**10**

(a)

(b)

(c)



## **11 Liability of Manager**

- (a) The Manager accepts responsibility for loss to the Customer to the extent that such loss is due to the negligence, wilful default or fraud of itself or any delegates appointed pursuant to paragraph 4(a) above or that of its or their employees.
- (b) The Manager will not otherwise be liable for any loss to the Customer.
- (c) No representation or warranty is given by the Manager as to the performance or profitability of the Fund or any part of it or the success of any investment strategy recommended or used by the Manager. Similarly, any benchmark or objective(s) specified in the Investment Guidelines are intended as targets only and not as an assurance or guarantee of performance of the Fund or any part of it.
- (d) Nothing in this Agreement shall exclude or restrict any duty or liability to the Customer which the Manager or the Custodian has under the FSMA, any relevant legislation, or any rules or regulations made under them, or the FSA Rules or, where relevant, the Pensions Act 1995, all as amended from time to time.

## **12 Customer's Warranties and Liabilities**

- (a) The Customer warrants that:
  - (i) it has full power (in accordance with the Customer's constitutive documents or trust deed) to employ the Manager on the terms of this Agreement and to enter into transactions within the scope of this Agreement and has obtained all authorisations and approvals necessary to permit the Manager to do so on its behalf;
  - (ii) neither its entry into this Agreement nor into any such transaction will breach any trust deed, law, rule or regulation applicable to the Customer;
  - (iii) the Fund is free from all liens and charges, and undertakes that no liens or charges will arise from the acts or omissions of the Customer;
  - (iv) any information which it has provided to the Manager in relation to its identity, status, residence and domicile in order to enable the Manager to



comply with its regulatory obligations and for taxation purposes is complete and correct. The Customer agrees to provide any further information properly required by any competent authority; and

- (v) any information or documentation provided by the Customer to the Manager (including any information as to the financial position of the Customer or the Fund) is complete, accurate and not misleading in any material respect.
- (b) The Customer will notify the Manager promptly if there is any material change in any of the information provided by it for the purposes of this Agreement or to its circumstances generally, and will provide such other relevant information as the Manager may from time to time reasonably require in order to fulfil its regulatory and contractual obligations. The Customer acknowledges that a failure to provide such ability of the Manager to provide services under the Agreement and the information may adversely affect the quality of the services that the Manager may provide.
- (c) The Customer undertakes not to deal, except through the Manager, with any of the assets of the Fund nor to authorise anyone else to deal in any of them.
- (d) Except insofar as the same may result from the negligence, wilful default or fraud of the Manager or its employees, or delegates under paragraph 4(a) above or its or their employees, the Customer agrees to indemnify the Manager against all costs, losses, claims and expenses which may be incurred by it or made against it either: (i) as a result of any party claiming to be entitled to investments which form part of the Fund at the time when the Manager first assumes management of the Fund; or (ii) in consequence of any breach by the Customer of this Agreement; or (iii) arising out of any action properly taken by the Manager in accordance with this Agreement.
- (e) The Manager may direct the Outside Custodian to retain a lien or security interest over assets of the Fund to the extent that any costs, losses or claims detailed in this Agreement, for which the Customer is obliged to indemnify the Manager, remain unpaid.

### **13 Instructions and Other Communications**

- (a) Instructions in respect of the Fund (other than instructions to amend this Agreement, to which paragraph 14 applies) shall be given in accordance with Appendix E as may be amended from time to time in writing by the Customer.
- (b) The Manager shall acknowledge instructions by acting upon them unless the Customer is promptly advised that the Manager believes such action may not be practicable or might involve any party in a breach of any law, rule or regulation.
- (c) The Manager and the Customer may otherwise communicate in writing (by letter or by electronic means such as fax or e-mail) or by telephone, except when it is required to communicate in writing by this Agreement. Any such notice or communication in writing may be given as follows:
  - (i) by posting (by first class or, where appropriate, by air mail) and will be deemed delivered (in the case of first class mail) one Business Day after posting and (in the case of air mail) seven Business Days after posting. Proof

that the notice or communication was correctly addressed and was posted first class or, where appropriate, air mail will be sufficient proof of delivery;

- (ii) by delivering it and will be deemed delivered upon delivery. Proof that it was delivered to the correct address will be sufficient proof of delivery;
  - (iii) by sending it by telex, facsimile transmission or any other instantaneous electronic transmission and will be deemed delivered upon transmission. Proof that it was transmitted to the correct number or destination and the proper answer back was received (in the case of telex) will be sufficient proof of delivery; or
  - (iv) by sending it by electronic mail. Proof that it was sent to the correct electronic mail address will be sufficient proof of delivery within one Business Day of transmission.
- (d) The Manager may rely and act on any instruction or communication which purports to have been given (and is reasonably accepted as having been given) by or on behalf of any person notified by the Customer from time to time as being authorised to instruct or communicate with the Manager in respect of the Fund and, subject to Appendix E, by whatever means transmitted and, unless the Manager shall have received written notice to the contrary, whether or not the authority of any such person shall have been terminated. The Manager and any delegates or agents appointed pursuant to paragraphs 4(a)–(b) above, shall not be liable for any actions taken or omitted to be taken in good faith pursuant to any instruction or communication (or any instruction or communication purporting to be such or believed to be such by any such entity or entities) received from the Customer.
- (e) The Customer acknowledges that instructions or communications conveyed by electronic methods such as facsimile or e-mail are not secure forms of communication and may accordingly give rise to higher risks of manipulation or attempted fraud. The Customer acknowledges that the Manager will not encrypt or digitally sign any information transferred by internet e-mail. Facsimiles and e-mails may also be of poor quality and be corrupted in transit and thus unclear, or indeed, may be lost in transit and not arrive at their destination. The Customer agrees to indemnify the Manager and any delegates or agents appointed pursuant to paragraphs 4(a)–(c) above, from and against all losses, costs, actions, proceedings, claims and demands which may be incurred by or brought or made against any such entity or entities, arising directly or indirectly from its or their having acted upon any such facsimile or e-mail communication(s) or (where so authorised by Appendix E) any such facsimile or e-mail instruction(s).
- (f) The contact details for each of the Manager, the Custodian and the Customer are as stated in Appendix G or, in respect of the Customer's contact details, as separately notified by the Customer to the Manager and the Custodian for the purposes of this Agreement.
- (g) Telephone conversations between the Manager (or, where relevant, the Custodian) and the Customer may, and where required by the FSA Rules will, be recorded.

## **14 Amendments**

Any amendment proposed by a party to be made to this Agreement shall be notified in writing to the other parties. Any such amendment shall in the case of the Customer take effect on the date agreed with the Manager. The Manager shall give 10 Business Days' notice before providing any service on amended terms unless it is impracticable to do so.

## **15 Complaints and Compensation**

- (a) All formal complaints should in the first instance be made in writing to the Manager at the address stated in Appendix F and marked for the attention of the compliance officer. Subsequently, the Customer may have a right to complain directly to the Financial Ombudsman Service. A copy of the Manager's complaints handling procedure is available on request and will otherwise be provided in accordance with the FSA Rules.
- (b) The Manager confirms that a statement is available to the Customer describing the Customer's rights to compensation, if any, in the event that the Manager is unable to meet its liabilities. Such statement includes information on whether or not compensation may be available under the Financial Services Compensation Scheme established under FSMA or any other compensation scheme or schemes, the level and extent of cover under each scheme and how further information can be obtained.

## **16 Termination of Agreement**

- (a) The Customer may terminate this Agreement at any time by written instruction to the Manager.
- (b) The Manager may terminate this Agreement on three months' written notice to the Customer or may do so with immediate effect by written notice to the Customer if so required by any competent regulatory authority. Further, if the Customer commits a material breach of the terms of this Agreement, becomes insolvent or the subject of any winding up order, or if any liquidator or administrator is appointed or the Customer otherwise becomes the subject of any equivalent procedures under similar law, the Manager reserves the right to terminate this Agreement immediately and to take any such action in relation to the Fund as it may consider necessary.

## **17 Consequences of Termination**

- (a) Termination will be without prejudice to the completion of transactions already initiated which will be completed expeditiously by the Manager.
- (b) Termination will not affect accrued rights, indemnities, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payment. The Customer will pay: (i) the fees of the Manager pro rata to the date of termination; and (ii) any additional expenses necessarily incurred by the Manager in terminating this Agreement and will bear any losses necessarily realised in settling or concluding outstanding obligations.
- (c) On termination, the Manager may or may direct the Outside Custodian, to retain and/or realise such assets as may be required to settle transactions already initiated and to pay any outstanding liabilities of the Customer including any fees which may

be outstanding. If there is a dispute as to the payment of fees to the Manager, the Customer may require the disputed amount to be held in an escrow account pending resolution of the dispute.

## **18 Confidentiality and Disclosure**

- (a) Neither the Manager nor any Affiliated Company is obliged to disclose to the Customer or to take into consideration information either:
  - (i) the disclosure of which by it to the Customer would or might be a breach of duty or confidence to any other person; or
  - (ii) which comes to the notice of an employee, officer or agent of the Manager or of an Affiliated Company, but properly does not come to the actual notice of an individual managing the Fund.
- (b) The parties to this Agreement will at all times keep confidential all information of a confidential nature acquired in consequence of it, except that they may disclose such information:
  - (i) where they may be entitled or bound to disclose it by law or regulation or where requested by regulatory or fiscal authorities or any court of competent jurisdiction;
  - (ii) to their professional advisers where reasonably necessary for the performance of their professional services;
  - (iii) The Manager may disclose information relating to the Customer and/or the Fund to its Affiliated Companies, to any of its delegates and other agents under this Agreement, to any market counterparty or any broker (in accordance with market practice) in relation to transactions undertaken for the Fund, and, where relevant, to the Outside Custodian, in all cases only to assist or enable the proper performance of its services under this Agreement; or
  - (iv) to counterparties where disclosure is reasonable for the purpose of effecting transactions in connection with this Agreement or of establishing a dealing relationship with a view to such transactions.

## **19 Assignment**

This Agreement is personal to the Customer and shall not be capable of assignment by the Customer or of being transferred by it. The Manager may transfer its functions as investment manager, including all its rights and duties under this Agreement to an Affiliated Company which can properly perform those functions subject to written notice to the Customer.

## **20 The Contracts (Rights of Third Parties) Act 1999**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **21 Governing Law and Dispute Resolution**

- (a) This Agreement will be governed by and construed in accordance with English law.
- (b) Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration, which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English.

## **22 Force Majeure**

No party to this Agreement shall be liable for any failure or delay in performing any of its obligations under or pursuant to this Agreement, and any such failure or delay in performing its obligations will not constitute a breach of this Agreement, if such failure or delay is due to any cause whatsoever outside its reasonable control and it shall be entitled to a reasonable extension of the time for performing such obligations as a result of such cause. Events outside a party's reasonable control shall include without limitation: acts of God; any change to the law, order or regulation of a governmental, supranational or regulatory body; currency restrictions, devaluations and fluctuations; any act of terrorism; market conditions affecting the execution or settlement of transactions or the value of assets; failure or breakdown in communications not reasonably within the party's control; and the failure of any relevant exchange or clearing house and shall include any event or circumstances that the party is unable, using reasonable skill and care, to avoid. This paragraph is without prejudice to the Customer's liability to any counterparty or broker for any transaction effected by the Manager for the Fund pursuant to this Agreement.

## **23 Additional Provisions**

- (a) This Agreement, including its appendices (as amended from time to time) constitutes the entire agreement of the parties with respect to the management of the Fund and supersedes and extinguishes all prior understandings, arrangements, agreements, representations, proposals or communications between the parties, whether written or oral.
- (b) The Manager's authority under this Agreement is given by the Customer on behalf of its successors in title as well as of itself.
- (c) The Manager shall have no authority or responsibility to take any action with regard to any claim or potential claim in any bankruptcy proceedings, class action securities litigation or other litigation or legal proceedings affecting assets held at any time within the Fund (together, "Proceedings"), including, without limitation, to file proofs of claim or other documents, or to investigate, initiate or monitor Proceedings.
- (d) The illegality, invalidity or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of this Agreement nor the legality, validity or enforceability of any other provision.

## 24 Freedom of Information

- (a) The Customer shall immediately notify the Manager in the event that it:
- (i) receives a request for information under section 8 of the Freedom of Information Act 2000 or the Freedom of Information (Scotland) Act 2002 (together the "FOIs") which covers information relating to the Agreement, to the Manager or the services provided by the Manager (a "Relevant Request");
  - (ii) responds to the Relevant Request;
  - (iii) receives a complaint in relation to the handling of a Relevant Request;
  - (iv) becomes aware that an application has been made to the Information Commissioner for a decision in relation to a Relevant Request;
  - (v) becomes aware that the Information Commissioner has served any notice on the Customer under Part IV of the relevant FOI in relation to a Relevant Request;
  - (vi) becomes aware that an appeal has been made to the Information Tribunal or a court in relation to a Relevant Request; or
  - (vii) becomes aware that confidential information relating to the Manager or the services provided under the Agreement has been or is about to be disclosed to a third party without the Manager's express written permission;
- and in each case shall provide the Manager with such details as may reasonably be requested by the Manager.
- (b) The Customer shall immediately upon receipt of a Relevant Request give notice to the Manager of the nature of the Relevant Request and give the Manager a reasonable opportunity to comment on whether an exemption from the requirement to disclose may be applicable so that the Customer is able to take due regard to any such comments before making its response.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

■

[Redacted]

[Redacted]

- (d) The Customer shall give the Manager not less than 28 days prior written notice of any proposed change of Outside Custodian and shall include in that notice the details required by Appendix F in respect of the proposed Outside Custodian.
- (e) The Manager will be responsible for carrying out all foreign exchange transactions and providing the Outside Custodian with details of such transactions.
- (f) The Outside Custodian will be responsible for placing cash balances on deposit.

IN WITNESS WHEREOF, authorised signatories of each party have signed this Agreement

[Redacted]

[Redacted]

Authorised signatory for and on behalf of  
**BlackRock Investment Management (UK) Limited**

[Redacted]

Authorised signatory for and on behalf of  
**BlackRock Investment Management (UK) Limited**

[Redacted]

[Redacted]

Authorised signatory for and on behalf of

[Redacted]

Date 5.11.08

[Redacted]

[Redacted]

## APPENDIX A

### INVESTMENT GUIDELINES

#### 1. INVESTMENT OBJECTIVE(S)

The target is to seek to outperform the return on the Benchmark set out below by [REDACTED] annualised over a rolling three-year period on the basis of the investment restrictions set out in this Agreement (or subsequently amended in accordance with this Agreement).

The active risk of the Fund (also known as tracking error) is a numerical measure of the Fund's risk relative to the Benchmark. Active risk is defined as the standard deviation of the relative return and the convention is to compute it from quarterly observations and then convert it to an annualised figure by multiplying it by the square root of twelve. (In a normal distribution two-thirds of the observations will fall within one standard deviation of the average. So if the expected standard deviation was [REDACTED] and the expected average was [REDACTED] then one-sixth of the observations will be more than [REDACTED] greater than the average and one-sixth will be more than [REDACTED] below the average.) Active risk can be either ex post (measuring the actual standard deviation of the excess returns achieved by the Manager) or ex ante (using a statistical model to estimate the likely outcome).

The Manager will measure the ex ante active risk in the Fund using BARRA (or such other tool as may be advised to the Customer in writing) each quarter based on the Fund on the last business day of the previous quarter.

Within ten business days of becoming aware that the measured ex ante active risk exceeds [REDACTED] the Manager will notify the Customer and discuss with the Customer the reasons for that position and agree with the Customer, the steps, if any, to be taken or which have been taken to correct it.

This objective will be treated as a target only and should not be considered as an assurance or guarantee of performance of the Fund or any part of it.

#### 2. BENCHMARK

The Benchmark is the WM Local Authority Universe Average (ex-Property) index.

#### 3. BASE CURRENCY OF FUND

The base currency for the Fund is Sterling.

#### 4. INVESTMENT RESTRICTIONS

The Customer's attention is drawn to the risk warnings and notifications given in paragraph 24 of this Agreement. The Customer shall be responsible for ensuring that the investment restrictions set out below comply at all times with the provisions of the *Local Government Pension Scheme (Management and Investment of Funds) (Amendment) Regulations 2003*, insofar as these Regulations (or any subsequent Regulations) apply to the Fund.



**(a) Geographic / Market / Asset Class / Sector**

There are no restrictions.

**(b) Specific company restrictions**

There are no restrictions.

**(c) Maximum value of any one Investment**

There are no restrictions on the maximum value of any one investment (for example, the amount or percentage of any one company's market capitalisation to be held):

**(d) Amount or percentage of the Fund**

There are the following restrictions on the amount or percentage of the Fund which any one investment or any particular kind of investment may constitute:

No more than ■■■ of the Market Value of the Fund shall be held in any single investment.

No more than ■■■ of the Market Value of the Fund shall be comprised of cash deposits held with any single bank, institution or person, other than the National Savings and Investments Bank.

**(e) In-House Funds**

The Manager will not purchase units or shares in Collective Investment Schemes which are not In-House Funds.

Unless the Customer is a UK registered charity or occupational pension scheme or has obtained a special exemption from the HM Revenue & Customs, investment in the Manager's UK unauthorised unit trusts is prohibited.

There are the following restrictions on the use of In-House Funds:

No more than ■■■ of the Market Value of the Fund shall be held in Collective Investment Schemes managed by any one body.

**(f) Derivatives**

The Manager may not deal in Derivatives (including Options, Futures and Contracts for Differences).

**(g) Contingent Liability Investments**

The Manager:

- (i) may not effect Contingent Liability Investments; and

- (ii) may not effect Contingent Liability Investments not traded on or under the rules of a Recognised or Designated Investment Exchange

**(h) Partly Paid Securities**

The Manager may not acquire partly paid securities.

**(i) Voting Rights**

The Manager may not at its discretion except when otherwise directed in any specific case exercise or procure the exercise of any voting rights or other powers and discretions conferred on the registered holder or the beneficial owner of any securities in the Fund.

Notwithstanding the preceding paragraph, the Manager may not procure the exercise of any voting rights attaching to the Fund's holdings of In-House Funds except with this agreement or on the specific instructions of the Customer but may count such holdings for the purpose of constituting a quorum at a general meeting of any In-House Fund or Connected Investment Trust.

**(j) Underwriting**

The Manager may commit the Customer to underwrite or sub-underwrite any issue or offer for sale of investments subject to the following restrictions:

No more than [REDACTED] of the Market Value of the Fund may be committed to underwriting or sub-underwriting contracts.

No more than [REDACTED] of the Market Value of the Fund may be committed to any single underwriting or sub-underwriting contract.

**(k) Supplementing the Fund**

The Manager shall not, without the Customer's prior consent, have power to commit the Customer to supplement the Fund either by borrowing on the Customer's behalf or by committing the Customer to a contract which may require the Customer to supplement such assets.

**(l) Deposits**

The Manager is authorised to hold money market deposits in BlackRock Investment Management (UK) Limited designated client bank accounts. The Customer consents to any such deposits being made with those approved banks which meet the Manager's criteria for such deposit takers from time to time.

**(m) Stocklending**

The Manager does not engage in stocklending. Any arrangements in respect of stocklending shall be dealt with by way of separate agreement between the Custodian and the Customer.

**(n) Warrants, New Issues, Placings, Underwriting and Stabilisation**

Unless otherwise prohibited, the Manager may at its discretion, effect transactions in Warrants, apply for new issues, accept placings or underwriting commitments on behalf of the Customer in relation to any issue or offer for sale of securities, or effect transactions on the Customer's behalf including investments subject to stabilisation.

**(o) Tax - Potential Trading**

The Customer: (i) confirms that it is aware that there is a risk that certain derivative and currency forward transactions permitted by these Investment Guidelines may be considered to be "trading" for tax purposes; and (ii) shall accept responsibility for any resulting tax or other liability.

**(p) Unlisted Securities**

The Manager shall invest no more than [REDACTED] of the Market Value of the Fund in the securities of unlisted companies.

**(q) Insurance Contracts**

No more than [REDACTED] of the Market Value of the Portfolio shall be invested in any single insurance contract.

**5. RISK WARNINGS**

- (a) The value of the Fund's investments and the income from them may fall as well as rise and an investor may not get back the amount originally invested.
- (b) Insofar as investments are made involving exposure to a currency other than the base currency of the Fund, changes in rates of exchange may cause the value of the investment to go up or down.
- (c) Where the Manager is permitted to undertake transactions in securities, or in an investment trust savings scheme dealing in securities, where either:
  - (A) the securities are listed investment entities or investment trusts where the issuer uses or proposes to use gearing as an investment strategy; or
  - (B) the securities invest or propose to invest in listed investment entities or investment trusts where the issuer uses or proposes to use gearing as an investment strategy,

the Customer is warned that the strategy which the issuer of securities uses or proposes to use may result in:

- (i) movements in the price of the securities being more volatile than the movements in the price of underlying investments;
- (ii) the investment being subject to sudden and large falls in value; and
- (iii) the Customer getting back nothing at all if there is a sufficiently large fall in value in the investment.

- (d) Where permitted by the Investment Guidelines, and subject to any restrictions therein and to appropriate risk warnings having been provided to the Customer, the Manager may: (i) effect transactions in Derivatives including Contingent Liability Investments; (ii) settle or close out such transactions without further reference to the Customer; and (iii) cause the Custodian to debit the Fund with any sums required to pay or supplement any deposit or margin in support of any such transaction.

Where an investment decision is taken by the Manager to roll over an instrument (that is, upon expiry of a short term instrument such as a certificate of deposit, to replace it with an equivalent instrument), there may be a short period where the Fund appears to have exposure to both the expiring and the replacement security. For the avoidance of doubt: (i) the Investment Guidelines will not be breached as a result of any such temporary overlapping exposure; and (ii) only the replacement security will be considered for the purposes of applying any investment restriction.

## **APPENDIX B**

### **PERIODIC STATEMENTS, CONFIRMATION OF TRANSACTIONS AND PERFORMANCE MEASUREMENT**

1. The Manager will supply the Customer, and/or such persons as the Customer may reasonably direct, with:
  - (a) monthly statements of account;
  - (b) a quarterly schedule of transactions;
  - (c) dividend tax vouchers;
  - (d) quarterly statements of the contents and valuation of the Fund at the beginning and end of the period covered by the statement in the currency of account specified in Appendix A. Investments traded through the London Stock Exchange Electronic Trading Service (SETS) will be valued using SETS prices. All other investments will, wherever possible, be valued on a middle-market basis. The values of investments will normally be calculated using Extel prices or, where these are not available or applicable, using other reputable quoted sources. Additional valuations will be available on request; and
  - (e) reports drawn up as at the end of each period of account. The periods of account for the Fund are quarterly expiring on 31 March, 30 June, 30 September and 31 December. The reports will contain a measure of Fund performance.
2. The Custodian will supply the Customer with dividend tax vouchers and statements of account.
3. In accordance with the Customer's request, the Manager shall not supply confirmations of transactions.
4. The Manager will assist the Customer to fulfil any obligations to disclose shareholdings under Part 22 of the Companies Act 2006 or similar overseas legislation or Chapter 5 of the FSA's Disclosure and Transparency Sourcebook (DTR). The Manager only has knowledge of the Fund and cannot assist in relation to other assets.
5. Performance shall be measured quarterly based on data supplied by the Manager. The Customer will pay for performance measurement where it appoints a performance measurement agency such as Combined Actuarial Performance Services ("CAPS") or WM Performance Services.

## APPENDIX C

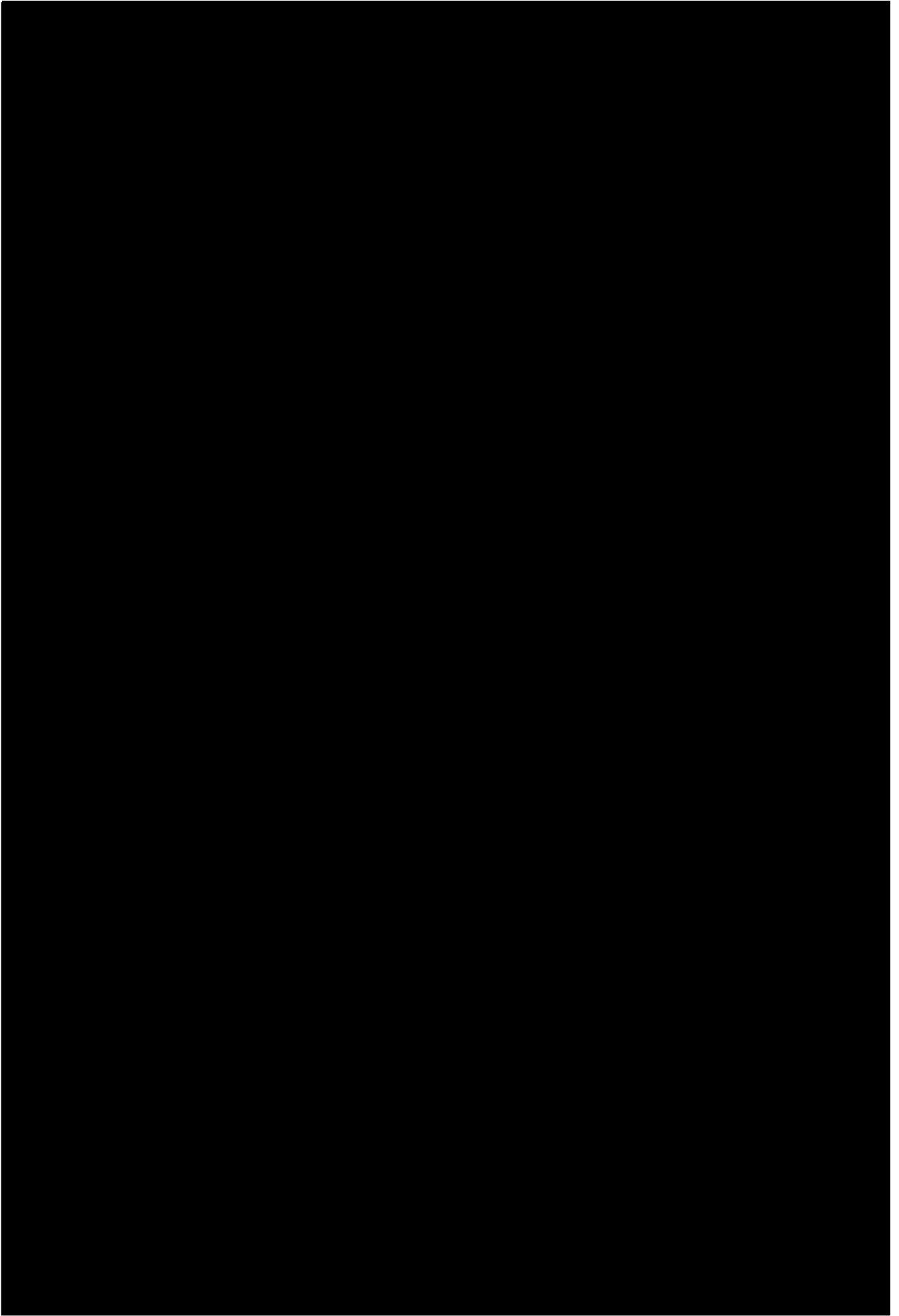
### TAX STATUS OF CUSTOMER

1. The Manager shall not take or omit to take any action which to the actual knowledge of the individual taking or omitting to take such action would prejudice the tax position of the Customer as stated below. Subject thereto, the Customer and any professional tax adviser of the Customer remain responsible for the management of the Customer's affairs for tax purposes.

#### Occupational Pension Schemes

2. The Customer warrants that the Fund is a Registered Pension Scheme within the meaning given in the Finance Act 2004 and its IRSPSS number is SF49/10602. Consequently the Fund is wholly exempt from capital gains tax or corporation tax otherwise than by reason of residence.
3. The Customer warrants that it will inform the Manager immediately in writing if the Fund ceases to be a Registered Pension Scheme.
4. The exemption from tax on capital gains of certain unit trusts in which it is intended to invest the Fund depends on all the investors being exempt persons. The consequences of such a unit trust having any unitholders who are not exempt persons are very severe and can include the withdrawal by HM Revenue & Customs of the unit trust's exemption from tax on capital gains for all years of assessment in which a non-exempt person held units.
5. The Customer warrants that it is an exempt person and by this Agreement expressly authorises the Manager to invest the monies of the Fund in those unit trusts. Under the trust deeds of these unit trusts each unitholder undertakes to indemnify the unit trust for any tax liability to which the unit trust or other unitholders becomes subject as a result of the indemnifying unitholder not being an exempt person. The Customer warrants that it will sign a Form of Authority in respect of each unit trust where applicable concerning its tax status as an exempt person.

**APPENDIX D**



**APPENDIX E**

**AUTHORISED SIGNATORIES AND BANK DETAILS**

**1. INSTRUCTIONS IN RESPECT OF TRANSFERS OF CASH OR OTHER ASSETS FROM THE FUND**

For instructions in respect of transfers of cash or other assets from the Fund, the Manager shall only act upon written instructions signed by any two of the following:-

Name	Position	Signature

Facsimile and e-mail instructions (if permitted by items 4 and 5 below respectively) shall not be acceptable for transfers of cash or other assets of the Fund except in respect of transfers to the bank account specified in item 3 below.

**2. OTHER INSTRUCTIONS**

For instructions other than instructions in respect of item 1 above, the Manager may act on the written instructions or oral instructions (except where written instructions are specifically required) of any one of the following:-

Name	Position	Signature



3. BANK ACCOUNT DETAILS

Bank account to which monies are to be transferred

A large black rectangular box redacting the bank account details.

4. INSTRUCTIONS BY FAX

Can the Manager accept instructions by fax?

Yes

☒

No

☐

5. INSTRUCTIONS BY E-MAIL

Can the Manager accept instructions by e-mail?

Yes

☒

No

☐

**APPENDIX F**

**ADDRESSES FOR CORRESPONDENCE**

**1. CUSTOMER**

(a) Address:

[REDACTED]

(b) Telephone number:

[REDACTED]

■ Facsimile number:

[REDACTED]

(d) E-mail:

[REDACTED]

**2. MANAGER**

(a) Address:

[REDACTED]

(b) Telephone number:

[REDACTED]

(c) Facsimile number:

[REDACTED]

(d) E-mail:

[REDACTED]

**3. OUTSIDE CUSTODIAN**

(a) Address:

[REDACTED]

(b) Telephone number:

[REDACTED]

(c) Facsimile number:

[REDACTED]

(d) E-mail:

[REDACTED]

## **APPENDIX G**

### **DATA PROTECTION NOTICE**

The privacy of personal information relating to the Manager's customers is very important. Other than as expressly set out below, the Manager confirms that the Customer's personal information will not be disclosed, transferred or sold to any third party for any purpose.

Personal information which is either provided by the Customer, or which is relevant to this Agreement and obtained by the Manager from other sources will be processed for the purposes of providing and administering the products or services contemplated by this Agreement. The processing may continue after the termination of this Agreement.

The Customer's personal information may, in connection with these purposes, be processed by or transferred or disclosed to any other company in the BlackRock Group or the BNY Group, relevant stock exchanges, regulators and professional advisers and any third party which the Manager engages for the purpose of supporting the financial products and services the Manager provides to the Customer. Such transfers or disclosures may be to any country in which the BlackRock Group or the BNY Group has an office. The Customer may at any time request from the Manager further information about the companies in the BlackRock Group or the BNY Group and the countries in which they operate.

By entering into this Agreement, the Customer consents to its personal information being processed, transferred or disclosed for the purposes described above.

Also, the Customer's personal information may, subject to its consent, be processed by the Manager or any other company in the BlackRock Group for the following additional purposes:- evaluating the Customer's potential financial needs, conducting market research or providing the Customer with marketing materials regarding other services and products of the Manager or any other company in the BlackRock Group. By entering into this Agreement, the Customer confirms its wish for its personal information to be processed for these additional purposes. If the Customer ceases to wish its personal information to be processed in this way, it may notify the Manager. So far as this Agreement or the Manager or any other company in the BlackRock Group is concerned, there are no consequences of the Customer withholding its consent in relation to processing for these additional purposes.

The Customer may at any time request from the Manager a copy of the personal information it holds about the Customer. The Manager will correct any errors in the personal information of which it is notified. Any requests the Customer may have relating to its personal information should be addressed to the Data Protection Compliance Officer of the Manager at the address set out elsewhere in this Agreement.

The Customer undertakes to ensure that its employees, officers or representatives who become the Manager's data subjects as a result of the Agreement are aware of the provisions of this Appendix.