

NOVATION AND AMENDMENT AGREEMENT

THIS AGREEMENT is made the 9th day of JULY 2007

BETWEEN

- (1) **The Mayor and Burgesses of the London Borough of Hounslow** and having its registered office at The Civic Centre, Lampton Road, Hounslow, Middlesex, TW3 4DN (the "Client");
- (2) **Edinburgh Fund Managers Plc (Company Number SC046848)** and having its registered office is at Donaldson House, 97 Haymarket Terrace, Edinburgh EH12 5HD ("Edinburgh"); and
- (3) **Aberdeen Asset Managers Limited (Company Number SC108419)** and having its registered office is at 10 Queen's Terrace, Aberdeen AB10 1YG ("Aberdeen").

WHEREAS:

- (a) By an Investment Management Agreement dated Thirtieth January Nineteen ninety-eight (as amended) made between the Client and Edinburgh (hereinafter referred to as "the Agreement") Edinburgh was appointed as investment manager of the Client.
- (b) Notwithstanding the date or dates hereof, it has been agreed by the parties hereto that upon this Agreement becoming effective at close of business on 9th JULY 2007 (the "Effective Time") and upon the terms and subject to the conditions hereinafter appearing:-
 - (i) Edinburgh shall be fully and completely released from all its obligations and liabilities whatsoever and shall surrender all its rights and benefits whatsoever under the Agreement; and

(ii) Aberdeen shall be entitled to the rights and benefits identical to those which Edinburgh was entitled and shall assume obligations and liabilities identical to those which were assumed by Edinburgh under the Agreement immediately prior to the release and surrender by Edinburgh referred to in paragraph (i) above.

(iii) The amendments to the Agreement contained herein shall become effective.

NOW IT IS HEREBY AGREED AS FOLLOWS:-

1. The Client hereby agrees that, as from the Effective Time, it fully and completely releases Edinburgh from all its obligations and liabilities owed to the Client under the Agreement.
2. Edinburgh hereby agrees that, as from the Effective Time, it fully and completely releases the Client from all its obligations and liabilities owed to Edinburgh under the Agreement except that any fees accrued or due under the Agreement and unpaid for the period up until the Effective Time shall now be payable to Aberdeen.
3. Aberdeen hereby undertakes with the Client as from the Effective Time to perform obligations and assume liabilities identical to those which, prior to the execution of this Agreement, Edinburgh owed to the Client under the Agreement.
4. The Client hereby undertakes with Aberdeen as from the Effective Time to perform obligations and assume liabilities identical to those which, prior to the execution of this Agreement, the Client owed to Edinburgh under the Agreement.
5. It is hereby agreed by Edinburgh and Aberdeen that as from the Effective Time:-
 - (a) Aberdeen shall be entitled to the rights and benefits and shall be subject to the obligations identical to those to which Edinburgh was entitled and was subject under the Agreement save only that Aberdeen shall be entitled thereto and subject thereto in place of Edinburgh; and

- (b) The Client shall be entitled to the rights and benefits and shall be subject to the obligations identical to those to which, prior to the Effective Time, it was entitled and was subject under the Agreement save only that Aberdeen shall be the party against which the Client has those rights and benefits and the party to which such obligations are owed in place of Edinburgh.
6. It is hereby agreed by the Client and Edinburgh that, subject to the terms of this Agreement, as from the Effective Time, Edinburgh shall be released from all obligations under the Agreement.
7. In terms of clause 3(ii) of the Schedule to the Agreement, the Client hereby authorises Aberdeen to acquire or dispose of units or shares in the following In-house Funds:
- Aberdeen Sterling Aggregate Bond Fund
 - Aberdeen Global Spectrum World Bond Fund
 - Aberdeen Index-Linked Bond Fund
 - Aberdeen Global India Opportunities Fund
 - Aberdeen UK Mid Cap Fund
8. The Client and Aberdeen agree to replace clause 2(ii) of the Schedule to the Agreement as follows:
- “No more than 40% of the total market value of the Portfolio may be invested in overseas securities”*
9. Except as hereby amended the terms and conditions of the Agreement are confirmed in their entirety and shall continue in full force and effect.
10. This Agreement shall be subject to and construed in accordance with the Laws of England. Disputes arising herefrom shall be subject to the jurisdiction of the English Courts to which all parties hereby submit.

IN WITNESS WHEREOF these presents typewritten on this and the two preceding pages are executed as follows:

SIGNED by
for and on behalf of the Client
in the presence of:-

MBZLSH

Witness: Hazel Best

Full Name: HAZEL BEST

Address: 2 B. HOUNSLOW

CIVIC CENTRE
LAMPTON ROAD, HOUNSLOW, TW3 4DN

Occupation SOLICITOR

SIGNED by
for and on behalf of Edinburgh
in the presence of:-

[Signature]

Witness: Nicholas Tushy

Full Name:

Address: One Bow Churchyard
London

Occupation Legal Counsel

SIGNED by
for and on behalf of Aberdeen
in the presence of:-

CRH

Witness: Nicholas Tushy

Full Name:

Address: One Bow Churchyard
London

Occupation Legal Counsel

