

## The Florida Education Fund Grantor Trust Agreement

This GRANTOR TRUST AGREEMENT, is entered into this 1<sup>st</sup> day of June, 2009, by and between The Florida Education Fund, a non-profit corporation created under the laws of Florida and determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 (the "Code"), as amended, as an organization described in Section 501(c)(3) thereof (the "Grantor"), and Barclays Global Investors, N.A., a national banking association (the "Trustee").

WHEREAS, the Grantor has appointed State Board of Administration of Florida ("SBA") as investment manager with discretionary authority to invest assets of the Grantor in accordance with the Amended and Restated Trust Agreement ("SBA Contract No. 006-113).

1. This Trust shall be called "The Florida Education Fund".
2. The purpose of this Trust shall be to enable the Grantor to provide for the management of a portion of its funds by the Trustee in accordance with investment guidelines and objectives communicated in writing by the Grantor and accepted by the Trustee from time to time (the "Guidelines", attached hereto as Exhibit A).
3. The Trust's principal shall consist of cash, securities and other property acceptable to the Trustee that the Grantor may from time to time transfer to the Trust.
4. The income and principal of the Trust shall be held and administered by the Trustee solely for the benefit of the Grantor. The Trustee shall make distributions of income and principal to the Grantor in accordance with the Grantor's written directions. Any income not distributed shall be accumulated and added to the principal of the Trust. The Trustee shall have no duty or responsibility with respect to the use or application of distributions that it makes to the Grantor at its direction.
5. The Trustee shall have full power and authority to invest and reinvest the assets of the Trust in investments of any kind in accordance with the Guidelines. Subject to the Guidelines, the Trustee shall have full power and authority with respect to any and all property at any time received or held in the Trust to do all such acts, take all such proceedings and exercise all such rights and privileges, whether herein specifically referred to or not, as could be done, taken or exercised by the absolute

SBA Contract #00-63

owner thereof, including, without in any way limiting or impairing the generality of the foregoing, the following powers and authority:

- a. To retain the same for such period of time as it deems appropriate;
- b. To invest the assets of the Trust, including in any collective, common or pooled trust fund ("Collective Fund") operated or maintained by the Trustee or any affiliate thereof; provided, however, that notwithstanding any provision of the Trust Agreement which restricts the activity of the Trustee, to the extent that property is transferred hereunder to such Collective Fund, the terms and conditions of the instruments establishing such Collective Fund shall solely govern the investment duties, responsibilities and powers of the trustee of such Collective Fund;
- c. To sell the same, at either public or private sale, at such time or times and on such terms and conditions as to credit or otherwise as it may deem appropriate;
- d. To consent to or participate in any plan for the reorganization, consolidation or merger of any corporation any security of which is held in the Trust, to pay any and all calls and assessments imposed upon the owners of such securities as a condition of their participating therein, and to consent to any contract, lease, mortgage, purchase or sale of property, by or between such corporation and any other corporation or person;
- e. To exercise or dispose of any right it may have as the holder of any security, to convert the same into another or to acquire any additional security or securities, to make any payments, to exchange any security or to do any other act with reference thereto;
- f. To renew, modify or extend the time of payment of any obligation due or becoming due;
- g. To purchase, sell, execute, hold, grant, permit to expire, exercise and generally deal in any manner with contracts for the future delivery of financial instruments or other property and options of any kind;
- h. To compromise, arbitrate or otherwise adjust or settle claims in favor of or against the Trust and to deliver or accept in either total or partial satisfaction of any indebtedness or other obligation any property, and to continue to hold any property so received for such period of time as the Trustee may deem appropriate;
- i. To exchange any property for other property upon such terms and conditions as the Trustee may deem proper, and to give or receive money to effect equality in price;

- j. To foreclose any obligation by judicial proceeding or otherwise;
  - k. To sue or defend in connection with any and all securities or property at any time received or held in the Trust and to charge against the Trust all reasonable expenses and attorney's fees in connection therewith;
  - l. To deposit any security with any protective or reorganization committee, and to delegate to such committee such power and authority with relation thereto as it may deem proper, and to agree to pay and to pay out of the Trust such portion of the expenses and compensation of such committee as the Trustee may deem proper;
  - m. To execute and deliver any proxies or powers of attorney to such person or persons as the Trustee may deem proper, granting to such persons such power and authority with relation to any property or securities at any time held in the Trust as it may deem proper;
  - n. To appoint agents as may be reasonably necessary;
  - o. To hold such portion of the Trust as may reasonably be necessary for ordinary administration and for the disbursement of funds in cash, without liability for interest, by depositing the same in short-term securities or deposits which bear a reasonable rate of interest in a bank or similar financial institution supervised by the United States or a state, notwithstanding that the bank or financial institution is the Trustee;
  - p. To lend, including through a Collective Fund, any securities held to brokers, dealers or other borrowers and to permit the loaned securities to be transferred into the name and custody and be voted by the borrower or others;
  - q. To do all acts, whether or not expressly authorized, which it may deem necessary or proper for the protection of the property held hereunder and generally to exercise any of the powers of an owner with respect to any property held by it.
6. The Grantor understands and agrees that, from time to time, the Trustee may make recommendations to purchase or sell, and may purchase or sell securities in which an affiliate of the Trustee underwrites, deals and/or makes a market and/or an affiliate of the Trustee may perform or seek to perform investment banking services for issuers of such securities. The Grantor also understands and agrees that any such purchase or sales may be made for the Trust if viewed as advisable by the Trustee in light of Guidelines. The Trustee may not engage in transactions hereunder with affiliates except to the extent permitted by law.

The Grantor further understands and agrees that, from time to time, the Trustee may trade with an affiliated broker-dealer to the extent permitted by law.

7. All persons other than the Grantor dealing with the Trustee are released from inquiring into the decision or authority of the Trustee and from seeing to the proper application of any monies paid or securities or other property delivered to the Trustee.
8. The Grantor shall certify to the Trustee the names of a person or persons who exercise control over the Trust, including those persons authorized to sign this Trust Agreement and instructions on its behalf, and the current contact information for the foregoing person(s). Such certification may be in the form of a certificate of incumbency, certified board resolution, or other documentation acceptable to the Trustee in its sole discretion.
9. The Grantor hereby designates the SBA as its authorized person or persons with power to act on behalf of the Grantor with respect to this Grantor Trust Agreement and shall certify in writing to the Trustee the names and specimen signatures of such person or persons and the current contact information for the foregoing person(s). The Trustee shall be fully protected in acting upon any instruction or document reasonably believed by it to be genuine and to be presented or signed by the person or persons duly authorized to do so.
10. To help the United States government fight the funding of terrorism and money laundering activities, United States federal law requires all financial institutions to obtain, verify, and record information that identifies each company that opens an account. In this regard, when a client seeks to open an account, the Trustee will ask for a completed form W-9, which includes the name, address, Tax ID/Employer ID number of such client (or any other registration number issued in the jurisdiction of location or incorporation) and other information that will allow the Trustee to identify the client. The Trustee will also ask for legal documents that establish the identity of the client and may ask for information and documentation regarding source of funds to be invested. The Trustee also reserves the right to ask for more information on the individuals who are beneficial owners of the client, exercise control over the Trust, or are signatories to this Agreement as well as for the Trust being established with the Trustee. At a minimum the Trustee will ask for the names of these individuals but may also ask for address, date of birth, and other information that will allow the Trustee to identify the signatories. The Trustee may also request such other information as may be necessary to comply with applicable law. Furthermore, the Trustee may verify any of the aforementioned information using third-party sources.

The Grantor represents, warrants and covenants (1) that it has provided the Trustee with the identity of any Politically Exposed Persons (as that term is defined below) who either own or have a controlling interest in the Trust's assets and (2) that it has disclosed to the Trustee if (a) the Grantor is located in any of the Jurisdictions (as that term is defined below), (b) the Grantor is owned or controlled by another entity located or incorporated in any of the Jurisdictions, (c) the Grantor has a trading interest or significant business activity in any of the Jurisdictions or (d) the Grantor's owners and/or controllers and those who are authorized to place trades on behalf of the Trust have any of the Jurisdictions as their country of nationality, residency or birth. The Grantor agrees to notify the Trustee immediately if any of the above representations, warranties or covenants are no longer true or have changed.

For the purposes of this Agreement, a Politically Exposed Person is defined as an individual (including his or her parents, spouse or partner, and children and their spouses or partners) who has or has had a high political profile or holds or has held a senior public office position. Jurisdictions include any of the following countries: Iran, Iraq, Syria, Myanmar, North Korea, Liberia, Sudan, Belarus, Democratic Republic of Congo, Ivory Coast, Lebanon, Sierra Leone, Somalia, Uzbekistan, Cuba, and Zimbabwe.

11. The Trustee may consult with legal counsel of its choice, including counsel for the Grantor or the Trustee, upon any question or matter arising hereunder and shall be fully protected in acting in good faith upon advice of such counsel.
12. The Trustee shall not be required to furnish any bond or surety.
13. The powers given to the Trustee in this Trust Agreement and any additional powers conferred by law shall be exercised by the Trustee solely in its fiduciary capacity. In exercising its powers hereunder, the Trustee shall be subject to the rules and regulations of the U.S. Comptroller of the Currency, including, but not limited to, 12 C.F.R. Part 9. For the avoidance of doubt, the Grantor and the Trustee acknowledge that, under such rules and regulations, the Trustee has exclusive management over any Collective Fund and the provisions of this Trust Agreement shall have no effect on the terms of any document or instrument governing such Collective Fund.
14. The Grantor hereby acknowledges, represents, warrants and agrees that (i) the Grantor is exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code, and (ii) the Grantor has the power and authority under applicable law and the documents or instruments governing the Grantor to appoint the Trustee to hold certain assets of the Grantor, and (iii) the Trust may invest in financial futures contracts on an unleveraged basis. The

Grantor agrees to notify the Trustee immediately if it has reason to believe that the foregoing may cease to be true.

15. The Trustee shall provide a statement of all receipts and disbursements and a valued list of assets of this Trust to the SBA, on behalf of the Grantor, monthly. The Grantor may approve or disapprove such statement within ninety (90) days of its receipt and if no written objections are received from the Grantor within said ninety (90) day period, such statement of account shall be deemed approved. The Trustee shall provide to the Grantor or its delegate such additional information with respect to the Trust assets as is available in its ordinary business records and necessary for the Grantor to file the annual information returns, annual reports or other reports required of the Grantor.
16. This Trust shall be revocable at any time by action of the Grantor and in the event of revocation the ownership of all cash, bonds, securities, and any other property held in trust under this Trust Agreement shall revert immediately to the Grantor and such cash, securities, and other property shall be delivered promptly to the Grantor. Upon revocation, the Trustee shall make an appropriate accounting to the Grantor.
17. This Grantor Trust Agreement and all information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties (including, without limitation, to employees of either party or their respective affiliates) except to the extent that such persons utilize such information in the performance of their duties with respect to this Grantor Trust Agreement or except as required by law or as agreed between the parties. Subject to any applicable law, notwithstanding anything contrary herein, the Trustee may disclose client information to its employees, agents or affiliates pursuant to its internal record-keeping or data collection rules or policies. The Trustee acknowledges that the Grantor and the SBA as investment manager are bound by the provisions of the Florida Public Records Law, chapter 119, Florida Statutes, and that documents and other records by Grantor and the SBA, unless exempt by applicable law, are open to public inspection. In the event that the Grantor and/or the SBA are required by law (any statute, governmental rule or regulation, or judicial or governmental order, judgment or decree) to disclose to the public ("Open Records Laws") any information regarding the investments, identity, performance, or value of any BGI fund, or confidential or proprietary business information relating to the services or products of the Trustee or any Trustee fund ("Confidential Information"), the Grantor and/or the SBA will give prior written notice of such requirement and prior written notice of any request for disclosure under such Open Records Laws to the Trustee and any relevant Trustee fund, and shall permit the Manager and the Trustee fund a reasonable period of time to seek a protective order prohibiting or limiting such disclosure. Furthermore, the Trustee and any relevant Trustee fund shall have the right not to disclose further to the Grantor and/or the SBA the types of Confidential

Information that the Grantor is required by law to disclose. To the extent that the Grantor is permitted to recognize or treat any Confidential Information as trade secrets, sensitive commercial information or any similar information type which is beyond the reach of any Open Records Laws, the Grantor shall recognize and treat the Confidential Information as such and shall not disclose the Confidential Information to the public. The Trustee is also hereby authorized (which may be withdrawn at any time upon written notice from the Grantor to the Trustee) after the date of initial funding to publicly disclose that it has been awarded a mandate to provide investment management services to the Trust.

The Grantor shall promptly notify the Trustee in writing of any known unauthorized, negligent or inadvertent use or disclosure of confidential information and cooperate with the Trustee to prevent disclosure of confidential information. The Grantor further acknowledges and understands that the use or disclosure of confidential information in any manner inconsistent with this paragraph may cause the Trustee and/or the Collective Funds irreparable damage.

18. This Grantor Trust Agreement may be amended by the Grantor in writing at any time provided that no amendment shall increase the duties of the Trustee without its written consent.

19. No waiver of any provision of this Grantor Trust Agreement shall be effective unless the same shall be in writing by the party so waiving, and then such waiver shall be effective only in the specific instance and for the specific purpose for which given. No failure to exercise and no delay in exercising, on the part of the Grantor or Trustee, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof.

20. The Trustee may at any time resign by written notice to the Grantor, and such resignation shall take effect at the expiration of thirty (30) days from the date of such notice. Upon such resignation, the Grantor may appoint a successor Trustee. Upon resignation, the Trustee shall make an appropriate accounting to the Grantor. A successor Trustee shall not be personally liable for any act or omission of any predecessor. Any successor Trustee may act in the same manner as though originally named the Trustee hereunder.

21. The Trustee agrees to reimburse the Grantor for, and to hold the Grantor and each entity having an interest in the Grantor's assets harmless from, all liabilities, claims, losses, costs, and expenses arising from, or in connection with, the account (including reasonable attorneys' fees and expenses) which are judicially determined to result from the Trustee's willful misconduct, lack of good faith, or negligence, or, from the actions or inactions of, or by, the Trustee in violation of its duties hereunder or for which it would otherwise be legally liable under applicable law. The agreement and obligation of the Trustee

under this provision shall survive the termination of this Agreement. Federal and state securities laws may impose liabilities under certain circumstances on investment advisers, managers or fiduciaries who act in good faith, and nothing herein shall constitute a waiver or limitation of any right that the Grantor may have under any such federal or state securities laws.

22. Notwithstanding any other provision of this Grantor Trust Agreement, neither the Trustee nor its officers, directors, affiliates and employees shall be liable for any loss to the Trust and/or Grantor caused directly or indirectly by circumstances beyond the Trustee's reasonable control, including, but not limited to, government restrictions, exchange or market rulings, actions affecting securities or commodity exchanges including suspensions of trading or extensions of trading hours, acts of civil or military authority, national emergencies, labor difficulties, fires, earthquakes, floods or other catastrophes, acts of God, wars, acts of terrorism, riots or failures of communication or power supply.

23. The Trustee shall be entitled to reasonable compensation for its services hereunder in accordance with the Fee Schedule attached hereto as Exhibit B.

24. All notices, instructions and communications with respect to matters contemplated by this Trust shall be in writing and shall be delivered by mail, facsimile, through electronic means or any other mutually agreed telecommunication method.

25. The Grantor acknowledges that it has received, through one or more separate writings from the Trustee certain disclosures whereby the Trustee is making disclosure of material facts and the Grantor hereby provides its consent as may be required under applicable law for the Trustee to engage in the following activities, including through any Collective Fund in which the Trust participates:

- (a) To trade through or with an affiliated broker-dealer;
- (b) To acquire securities issued during the existence of an underwriting or selling syndicate in which a U.S. affiliate of the Trustee is a member of such underwriting or selling syndicate;
- (c) To lend securities (including but not limited exchange-traded funds managed by an affiliate of the Trustee, as acquired in accordance with applicable law) to one or more borrowers (each a "Borrower"), and to be compensated therefor; to lend securities through a common electronic platform in which the Trustee has an equity interest; and to lend securities to a Borrower that is an affiliate of the Trustee;



- (d) To lend mortgage backed securities;
- (e) To the extent provided for in the Guidelines, buy, hold and sell (long or short) shares of open-end investment companies registered under the Investment Company Act of 1940, including exchange-traded funds and mutual funds, managed by an affiliate of the Trustee;
- (f) To buy and sell securities in the Trustee's cross-trading program, including as part of any transition services performed for the Trust; and
- (g) To buy, hold and sell shares of common stock of an affiliate of the Trustee.

26. With respect to any transition services to be performed by the Trustee, the Grantor agrees to be bound by the attached Appendix A.

27. If any provision of this Grantor Trust Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision, and the Grantor Trust Agreement shall be construed and enforced as if such provision had not been included.

28. This Grantor Trust Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

29. To the extent that Grantor's assets are invested in a common trust fund or collective investment fund maintained by the Trustee, the validity of this Trust and the construction of its terms shall be governed by the laws of the United States and, to the extent not preempted, by the laws of State of California.

30. This Grantor Trust Agreement and the exhibits represent the entire understanding of the parties hereto and supersede all prior written or oral agreements with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Grantor Trust Agreement to be executed by their respective officers thereto duly authorized as of the day and year first above written.

**The Florida Education Fund**

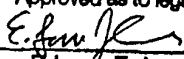
By 

Name Lawrence Morehouse Title President & CEO

**State Board of Administration of Florida, for the sole and limited purposes of Sections 9 herein**

By

Name Kevin Sigrest for Ash Title Ash Williams  
Executive Director & CIO

Approved as to legality:  
By:   
E. Lantz Taylor  
Assistant General Counsel

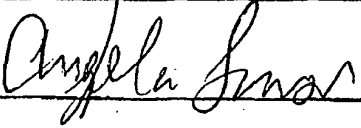
The undersigned, Barclays Global Investors, N.A., hereby accepts the foregoing appointment as Trustee and acknowledges it is a fiduciary with respect to the Trust insofar as the assets subject to its management are concerned.

**Barclays Global Investors, N.A. as Trustee**

By

**BILL CHINERY**  
Managing Director

Name \_\_\_\_\_ Title \_\_\_\_\_

By   
Name Angela Samson Title Principal

**EXHIBIT A****INVESTMENT GUIDELINES**

To expand on Paragraph Two of the Grantor Trust Agreement between The Florida Education Fund (the "Grantor") and Barclays Global Investors, N.A. (the "Trustee"), the investment objectives can best be met by investing a portion of its assets in the following common trust fund(s):

**Russell 3000 Index Fund B**

The Russell 3000 Index Fund B shall be invested and reinvested in a portfolio of equity securities with the objective of approximating as closely as practicable the capitalization weighted total rate of return of the segment of the United States market for publicly traded equity securities represented by the 3000 largest capitalized companies. The criterion for the selection of investments shall be the Russell 3000 Index. When deemed appropriate by the Trustee, the Trustee may invest a portion of the Russell 3000 Index Fund B in stock index futures contracts for the purpose of acting as a temporary substitute for investment in equity securities. The Russell 3000 Index Fund B will not engage in speculative futures transactions.

**U.S. Debt Index Fund B**

The U.S. Debt Index Fund B shall be invested and reinvested primarily in a portfolio of debt securities with the objective of approximating as closely as practicable the total rate of return of the market for debt securities as defined by the Barclays Capital Aggregate Bond Index. For purposes of this Fund "debt securities" shall include obligations issued or guaranteed by the United States government, its agencies or instrumentalities; investment grade obligations of United States corporations and dollar denominated debt obligations of other issuers included in the Index; mortgage-backed securities issued or guaranteed by the United States government or its agencies or instrumentalities; commercial mortgage-backed securities; and, investment grade asset-backed securities. When deemed appropriate by the Trustee, the Trustee may invest a portion of the U.S. Debt Index Fund B in interest rate futures contracts for the purpose of acting as a temporary substitute for investment in debt securities. The U.S. Debt Index Fund B will not engage in speculative futures transactions.

**EXHIBIT B****FEE AGREEMENT**

To expand on Paragraph Twenty-Three of the Grantor Trust Agreement, between The Florida Education Fund (the "Grantor") and Barclays Global Investors, N.A. (the "Trustee"), this schedule sets forth the fees to be applied to the Trust's investment in the common trust fund(s), as follows:

**Russell 3000 Index Fund B**

Balance .035%

**U.S. Debt Index Fund B**

Balance .035%

Fees are calculated and billed quarterly in arrears by averaging an Account's three month-end market values and applying 25% of the annual fee schedule. When assets are held for a partial quarter(s) as a result of an initial contribution to or a final withdrawal from an Account, the quarter-end market value will be calculated using a time-weighted method. The quarter-end market value shall be: (1) decreased on a pro rata basis by any contribution to the Account made during the calendar quarter and, (2) increased on a pro rata basis by any withdrawal made from the Account during the calendar quarter.

In accordance with Section 9 of this Grantor Trust Agreement, this Fee Schedule shall also serve as standing authorization for the Trustee to accept investment direction from the Grantor's account representatives at State Board of Administration of Florida ("Representatives"). Such directions as the Trustee may receive from the Representatives shall be subject to the Trust's overall investment strategy and may include purchase and sale directives, wire instructions, and such other instructions as may be necessary or appropriate to manage the account. This authorization shall continue until revoked in writing by the Grantor or the Trustee.

Payment is due to the Trustee within thirty (30) days after receipt of invoice unless other arrangements are made. If payment of fees is not received within one-hundred and eighty (180) days of quarter-end, fees will automatically be redeemed from the Account.

## Appendix A

### Transition Management Assignments

From time to time, the Grantor may authorize the Trustee to provide transition management ("Transition Assignment(s)") for a portfolio of assets of the Grantor (the "Portfolio") when the Grantor is modifying or changing the Grantor's existing investment strategy, adding or removing investment managers, or is otherwise liquidating or restructuring the Portfolio. The Grantor will commence a Transition Assignment with the Trustee by executing a Letter of Authorization ("Letter"), which describes the terms of a specific Transition Assignment, identifies the current manager of the Portfolio ("Legacy Manager"), and identifies the intended future manager ("Target Manager") of the Portfolio that will be restructured during the Transition Assignment ("Target Strategy"). This Appendix A, the underlying Agreement, and Letter will govern Transition Assignments performed by the Trustee.

### Domicile and Delivery

Portfolio assets may be held in restructuring accounts ("Restructuring Accounts") domiciled either at an external custodian (the "Custodian" identified in the Letter) or at the Trustee. The Grantor authorizes the Trustee to open and close Restructuring Accounts domiciled at the Trustee and the Grantor will direct the Custodian to open and close Restructuring Accounts domiciled at the Custodian in connection with a Transition Assignment.

For a Restructuring Account domiciled either at the Trustee or at the Custodian, the Grantor agrees that: (1) Any external Legacy Manager currently managing the Portfolio will not have access to the Portfolio after the Custodian has delivered a Verified Asset List (as defined below) to the Trustee; (2) The Trustee will take responsibility of the Portfolio on the close of business on the date the Trustee has received a signed copy of the Letter from the Grantor and, if an external manager is the Legacy Manager, the Verified Asset List from the Custodian; (3) The Trustee shall have no obligations or liability with respect to any account that the Trustee is unable to close after the Restructuring is completed; and (4) Any cash balances and securities due to the Restructuring as the result of corporate actions, interest, or other similar occurrences will be invested as soon as practicable.

The Grantor directs any Custodian or any external manager of Portfolio assets (a "Legacy Manager" or "Target Manager" (identified in the Letter)), to: (1) provide the Trustee with any information the Trustee may reasonably request in order to provide services during the Transition Assignment including, without limitation, a Verified Asset List (as defined below) from the Custodian, and Verified Buy List (as defined

below) from the Target Manager, that in each case are verified respectively by the Custodian or the Target Manager as complete and accurate; and (2) follow instructions of the Trustee, including, without limitation, instructions to deliver (or assist in the delivery of) or make available, as the case may be, the Portfolio's assets to the Trustee for restructuring or liquidation, and to settle securities trades.

**For Restructuring Accounts domiciled with the Trustee**, the Grantor acknowledges and agrees that: (1) Third-party expenses (including, but not limited to, custodial and fund accounting fees) and any transition fees that the Grantor has agreed to pay the Trustee with respect to the Transition Assignment will accrue in the Restructuring Accounts and may reduce the amount of assets in the Portfolio under transition; (2) The Trustee, in its sole discretion, may place securities in the Restructuring Accounts out on loan in accordance with the Agreement; (3) After the Transition Assignment is complete and all related balances are zero, the Trustee is authorized to close the Restructuring Account and its associated client account, as necessary; and (4) If amounts owed to the Restructuring Account are less than fees accruing in the Restructuring Account, the Trustee may determine to close the Restructuring Account before such amounts are collected.

#### **Portfolio Verification**

For Transition Assignments for which the Trustee is not the Legacy Manager of the Portfolio, the Trustee will rely solely upon the Custodian's electronic verification of the assets in the Portfolio (the "Verified Asset List") in a form acceptable to the Trustee without independent verification. Likewise, for Transition Assignments for which the Trustee is not the Target Manager, the Trustee will rely solely upon electronic verification by the Target Manager of a verified buy list ("Verified Buy List") for such manager's Target Strategy in a form acceptable to the Trustee without independent verification. The Verified Asset List and Verified Buy List (collectively "Verified Lists") are required to ensure that assets in the Portfolio and the Target Strategy to be constructed are accurate and complete. The Grantor acknowledges and agrees that: (1) The Trustee is not responsible for any errors or omissions that arise from inaccuracies in the Verified Lists and/or any Custodian's or Target Manager's failure to verify, or erroneous verification of, any asset list, buy list or partial list provided; (2) The Trustee will not be liable for any losses directly or indirectly resulting from any Custodian's or the Target Manager's acts or omissions; and (3) All securities delivered or otherwise made available to the Trustee in Transition Assignments must be in marketable form, free of liens, encumbrances or other restrictions on sale. If any of the assets in the Portfolio are not immediately available, it will be the responsibility of the Custodian to notify the Trustee in writing when such securities are available for delivery and sale.

The Trustee may determine from time to time in connection with Transition Assignments that one or more securities on a Verified List is subject to a regulatory or other purchase restriction (each, an "Identified Security"). If the Trustee notifies the Grantor of an Identified Security in a Verified Asset List, then the Grantor will arrange for cash to be delivered in lieu of any such Identified Security. If the Trustee notifies the Grantor or Target Manager of an Identified Security on a Verified Buy List, the Trustee reserves the right to deliver cash in lieu of any such Identified Security.

### **Restructuring Process**

Once the Portfolio's securities are contributed to the Restructuring Account, the Trustee will first identify and retain any Portfolio securities that are acceptable in-kind candidates for the Target Strategy. Next, the remaining securities will be crossed, if applicable, and/or sold and the proceeds will be used to purchase additional securities for the Target Strategy.

In performing Transition Assignments, the Trustee may purchase or sell assets in the Portfolio through the Trustee's passive cross-trading program (the "Crossing Program") — a cross-trade of securities with index or model-driven funds or (to the extent permissible) other accounts that are undergoing transition assignments. In accordance with the Trustee's Non-ERISA Internal Crossing procedures, a description of which is attached hereto as Appendix A-1, the Grantor authorizes the Trustee to engage in internal cross trades with funds maintained or trustee'd by the Trustee or its affiliates for non-ERISA clients. The Grantor acknowledges that it has been informed of the Trustee's internal cross-trading system and techniques.

### **Trading through Affiliated Broker-Dealer**

Assets not sold or purchased through the Crossing Program may be liquidated or purchased by the Trustee through broker-dealers and/or through automated trading Plans. The Grantor directs the Trustee to place all agency trades for securities with the Trustee's affiliated broker-dealer, Barclays Global Investors Services ("BGIS"), except in instances in which the Trustee has determined that the trades may be constrained by liquidity. BGIS is a wholly owned subsidiary of the Trustee. BGIS will receive commissions from the Grantor for trades that BGIS executes in Transition Assignments. BGIS itself may purchase clearing or other brokerage services from third parties and/or affiliates with some or all of the commission that BGIS receives. The Grantor acknowledges that BGIS may acquire securities issued during the existence of an underwriting or selling syndicate in which an affiliate of the Trustee and BGIS is a member.

**Non-US Securities Trading**

For Transition Assignments that involve the trading of non-US securities, the Trustee, in its discretion, may direct the trades of local currency balances and U.S. dollars in order to facilitate the settlement of trading executed in local currencies.

**Acknowledgements**

Transition Assignments will be traded on a best efforts basis. Some issues in the Portfolio may be difficult to trade in adverse market conditions, and in the event of such market conditions, securities prices and volume can be expected to be quite volatile. The Trustee may trade in one day or take a time extensive approach to trading in an attempt to minimize transaction and market impact costs although transaction costs may be higher in certain market conditions. The Grantor acknowledges that during Transition Assignments the Grantor will not receive proper exposure to the Target Strategy.



## Appendix A-1

### Non-ERISA Crossing Disclosure

As part of its investment management business, Barclays Global Investors ("BGI") may be hired as a "trading advisor" to manage the transition of assets into or out of both BGI and third party-managed funds. To reduce transaction costs in connection with transitions and other account trading, BGI conducts an internal cross (the "non-ERISA cross") between the accounts and funds (collectively, "non ERISA accounts") it manages that are not regulated under ERISA, matching sell orders from certain accounts with purchase orders from other accounts, thereby avoiding brokers' commissions for such crosses (other than third-party transfer or custodial movement charges). This activity is generally available only to accounts with potential crossing activity greater than \$10 million. This activity occurs separate from and subsequent to internal cross trades (the "ERISA cross") among ERISA-regulated accounts in accordance with Prohibited Transaction Exemption ("PTE") 92-11 granted by the Department of Labor. Participation in the non-ERISA cross does not affect a qualified non-ERISA account's eligibility to participate in the ERISA cross.

In addition to "Index" or "Model Driven" accounts and "Large Plan Restructuring Accounts" (as defined in PTE 92-11) that may participate, non-ERISA restructuring accounts that do not qualify for crossing under PTE 92-11 may also participate in the non-ERISA cross. Accounts managed by BGI's non-US affiliates may also participate in both the ERISA (if qualified under PTE 92-11) and non-ERISA crossing programs.

Index or model driven strategies must have a qualifying triggering event to participate. These triggering events include:

- The accumulation of cash in an account in connection with a dividend or other corporate action or coupon payments.
- Changes in the composition or weighting of a third party-provided index against which an account is managed.
- Changes in the model-prescribed portfolio of a model-driven fund.
- Cash contributions to or withdrawals from an account by a client or by another account that owns it.

Triggering events are deemed effective for three business days prior to and three business days after they have occurred, relative to the effective date. Non-ERISA restructuring accounts are not subject to the triggering event restrictions.

BGI seeks advance written approval of BGI's non-ERISA cross-trading from fiduciaries of non-ERISA accounts, and BGI gives written reports to the account fiduciaries of the transaction results of such cross-trading. All cross-trade transactions are priced at the closing price on the trade date. BGI does not receive compensation for non-ERISA cross trading.