

# GLOBAL MASTER SECURITIES LENDING AGREEMENT

(VERSION: JANUARY 2010)

## 2010 UK TAX ADDENDUM

We hereby agree that the attached Global Master Securities Lending Agreement dated [date] (the *Agreement*) shall as from the date of this Addendum be subject to the following and supplemental terms:-

### 1. APPLICATION OF THIS ADDENDUM

1.1 Paragraphs 2 to 8 of this Addendum shall apply in relation to any payment made by Borrower under paragraph 6.2 or by Lender under paragraph 6.3 where:

- (a) Borrower, in relation to any payment made under paragraph 6.2, or Lender, in relation to any payment made under paragraph 6.3, is either UK resident or makes such payment in the course of a trade carried on in the UK through a branch or agency; and
- (b) the Loaned Securities or Non-Cash Collateral (as the case may be) are Overseas Securities, Net Paying UK Securities, REIT Shares or PAIF Shares.

1.2 Paragraph 9 (reverse charge) of this Addendum shall apply where:

- (a) the Parties have specified in the Schedule to this Addendum that paragraph 9 is applicable;
- (b) Lender, in relation to any payment made under paragraph 6.2, or Borrower, in relation to any payment made under paragraph 6.3, is a UK Recipient;
- (c) Borrower, in relation to any payment made under paragraph 6.2, or Lender, in relation to any payment made under paragraph 6.3, is not UK resident and does not make such payment in the course of a trade carried on in the UK through a branch or agency; and
- (d) the Loaned Securities or Non-Cash Collateral (as the case may be) are Overseas Securities.

### 2. DISAPPLICATION OF GROSS-UP

2.1 Except as otherwise agreed, Borrower shall not be obliged to pay an additional amount under paragraph 12.2(d) in respect of any payment made under paragraph 6.2.

2.2 When determining whether any deduction or withholding is required under paragraph 12.1, Borrower, in relation to any payment made under paragraph 6.2, and Lender, in relation to any payment made under paragraph 6.3 shall (in each case acting reasonably) take account of:

- (a) any warranties made by the other Party under this Addendum; and

- (b) any relevant documentation, warranty, certification or notice provided by the other Party.

### **3. APPLICATION OF WARRANTIES**

The Parties shall specify in the Schedule to this Addendum which (if any) of paragraphs 4 to 7 below shall apply in relation to Borrower and Lender and where or to the extent that no such specification is made it shall be assumed that such paragraphs do not apply in relation to Borrower and/or Lender, as the case may be.

### **4. MANUFACTURED PAYMENTS: OVERSEAS SECURITIES**

Lender, in relation to any Loan of Overseas Securities, and Borrower, in relation to any Non-Cash Collateral in the form of Overseas Securities, warrants to the other Party on a continuing basis that, unless otherwise notified:

- (a) the person beneficially entitled to any payment made under, as the case may be, paragraph 6.2 or 6.3 in respect of such Overseas Securities, is a Non-UK Recipient; or
- (b) any payment under, as the case may be, paragraph 6.2 or 6.3 in respect of such Overseas Securities is either paid to or for the benefit of a Registered Pension Scheme or linked solely to Pension Business at the time the payment is made.

### **5. MANUFACTURED PAYMENTS: NET PAYING UK SECURITIES**

Lender, in relation to any Loan of Net Paying UK Securities, and Borrower, in relation to any Non-Cash Collateral in the form of any Net Paying UK Securities provided, warrants to the other Party on a continuing basis that, unless otherwise notified:

- (a) the person beneficially entitled to any payment made under, as the case may be, paragraph 6.2 or 6.3 in respect of such Net Paying UK Securities is either:
  - (i) a UK resident company; or
  - (ii) a non-UK resident company carrying on a trade in the UK through a permanent establishment which is required to bring any such payment made to it into account in computing its chargeable profits for UK corporation tax purposes; or
- (b) the person beneficially entitled to any payment made under, as the case may be, paragraph 6.2 or 6.3 in respect of such Net Paying UK Securities is a partnership each member of which is company mentioned in (a)(i) or (ii) above; or
- (c) the recipient of any payment made under, as the case may be, paragraph 6.2 or 6.3 in respect of such Net Paying UK Securities is either:
  - (i) an ISA Manager or a PEP Manager, or the nominee of such a person, who receives such payment in respect of investments under the plan; or

- (ii) a scheme administrator of a Registered Pension Scheme.

#### **6. MANUFACTURED PAYMENTS: REIT SHARES**

Lender, in relation to any Loan of any REIT Shares, and Borrower, in relation to any Non-Cash Collateral in the form of any REIT Shares, warrants to the other Party on a continuing basis that, unless otherwise notified:

- (d) the person beneficially entitled to any payment made under, as the case may be, paragraph 6.2 or 6.3 in respect of such shares, and is either:
  - (i) a UK resident company; or
  - (ii) a non-UK resident company carrying on a trade in the UK through a permanent establishment which is required to bring any such payment made to it into account in computing its chargeable profits for UK corporation tax purposes; or
- (e) the recipient of any payment made under, as the case may be, paragraph 6.2 or 6.3 in respect of such shares is a partnership each member of which is a company mentioned in (a)(i) or (ii) above; or
- (f) the recipient of any payment made under, as the case may be, paragraph 6.2 or 6.3 in respect of such shares is either a scheme administrator of a Registered Pension Scheme or an ISA Manager or a PEP Manager and (in each case) any such payment is applied for the purposes of the scheme, account or plan in respect of which the recipient has duties.

#### **7. MANUFACTURED PAYMENTS: PAIF SHARES**

Lender, in relation to any Loan of any PAIF Shares, and Borrower, in relation to any Non-Cash Collateral in the form of any PAIF Shares, warrants to the other Party on a continuing basis that, unless otherwise notified, the warranties in paragraphs 5 and 6 of this Addendum shall apply in relation to any payment made under, as the case may be, paragraph 6.2 or 6.3 in respect of such shares as if such paragraphs referred to PAIF Shares.

#### **8. AUKI/AUKCA STATUS**

8.1 Borrower undertakes to notify Lender if it is or becomes or ceases to be an AUKI or an AUKCA.

8.2 Lender undertakes to notify Borrower if it is or becomes or ceases to be an AUKI or an AUKCA.

#### **9. REVERSE CHARGE**

Where this paragraph 9 applies, Borrower, in relation to any payment made under paragraph 6.2, or Lender, in relation to any payment made under paragraph 6.3, agrees that it will upon written demand of the other Party deliver to such other Party any form or document and provide such other cooperation and assistance as may (in

either case) reasonably be required so that the recipient of such payment does not have to account for income tax on the receipt under a reverse charge mechanism or can account for such income tax at a reduced rate (so long as the completion, execution or submission of such form or document, or the provision of such cooperation or assistance, would not materially prejudice the legal or commercial position of the Party in receipt of such demand). Any such form or document shall be accurate and completed in a manner reasonably satisfactory to such other Party and shall be executed and delivered with any reasonably required certification by such date as is agreed between the Parties or, failing such agreement, as soon as reasonably practicable.

## **10. INTERPRETATION**

10.1 In this Addendum the following definitions shall apply:

***AUKCA*** means an approved United Kingdom collecting agent for the purposes of Regulation 2(1) the MOD Regs;

***AUKI*** means an approved United Kingdom intermediary for the purposes of Regulation 2(1) the MOD Regs;

***ISA Manager*** means the account manager of an account within the meaning of regulation 4(1) of the Individual Savings Account Regulations 1998;

***ITA 2007*** means the Income Tax Act 2007;

***MOD Regs*** means the Income Tax (Manufactured Overseas Dividends) Regulations 1993;

***Net Paying UK Securities*** means securities (including any loan stock or any similar security, but excluding any shares) of the UK government or a local authority (or other public authority) in the UK or a UK resident company or other UK resident body, where such securities are neither gilt-edged securities nor other securities on which interest is payable without deduction of UK income tax;

***Non-UK Recipient*** means a person who is not a UK Recipient;

***Overseas Securities*** has the meaning given to that term in section 567 ITA 2007, but shall exclude any Securities or Collateral that represent loan relationships for the purposes of Regulation 2B of the MOD Regs;

***Pension Business*** means pension business for the purposes of section 438 of the Income and Corporation Taxes Act 1988;

***PEP Manager*** means the plan manager of a plan within the meaning of regulation 4(1) of the Personal Equity Plan Regulations 1989;

***PAIF Shares*** means shares in an open-ended investment company to which Part 4A of the Authorised Investment Funds (Tax) Regulations 2006 applies;

**REIT Shares** means shares in either a company (i) to which Part 4 of the Finance Act 2006 applies in respect of profits of C (tax-exempt) or (ii) which is the principal company of a group to which Part 4 of Finance Act 2006 applies in respect of profits of G (property rental business);

**Registered Pension Scheme** means a registered pension scheme for the purposes of Part 4 of the Finance Act 2004; and

**UK Recipient** means a person who is either UK resident or is non-UK resident but receives a payment under paragraph 6 for the purposes of a trade carried on by that person through a branch or agency in the UK.

10.2 Terms to which a defined meaning is given in the Agreement have the same meanings in this Addendum.

10.3 Unless otherwise specified, references to paragraphs in this Addendum are to paragraphs in the Agreement.

10.4 Any reference to a provision of law includes references to that provision as amended, consolidated or re-enacted.

Signed by )  
)  
Duly authorised for and on )  
behalf of )

Signed by )  
)  
Duly authorised for and on )  
behalf of )

## **SCHEDULE**

### **1. LENDER WARRANTIES**

In relation to Lender:

- (a) paragraph 4(a) of this Addendum [shall/shall not]\* apply;
- (b) paragraph 4(b) of this Addendum [shall/shall not]\* apply;
- (c) paragraph 5 of this Addendum [shall/shall not]\* apply;
- (d) paragraph 6 of this Addendum [shall/shall not]\* apply; and
- (e) paragraph 7 of this Addendum [shall/shall not]\* apply.

### **2. BORROWER WARRANTIES**

In relation to Borrower:

- (a) paragraph 4(a) of this Addendum [shall/shall not]\* apply;
- (b) paragraph 4(b) of this Addendum [shall/shall not]\* apply;
- (c) paragraph 5 of this Addendum [shall/shall not]\* apply;
- (d) paragraph 6 of this Addendum [shall/shall not]\* apply; and
- (e) paragraph 7 of this Addendum [shall/shall not]\* apply.

### **3. REVERSE CHARGE**

The Parties agree that paragraph 9 of this Addendum [shall/shall not]\* apply.

*\* delete as appropriate*