

identical to the borrowed securities (or the equivalent thereof in the event of reorganization, recapitalization or merger of the issuer of the borrowed securities) to the Client Plan (and/or CIF, as applicable) within: (A) The customary delivery period for such securities, (B) five (5) business days, or (C) the time negotiated for such delivery by the Client Plan (and/or CIF, as applicable) and the borrower, whichever is lesser. With respect to a Commingled Index Fund or a Commingled Model-Driven Fund in which a Client Plan (and/or CIF, as applicable) invests, termination is pursuant to the procedure, as set forth, below, in section II(q) of this exemption;

(2) If any event of default occurs (*e.g.*, a loan is terminated and the borrower fails to return the borrowed securities or the equivalent thereof within the time described, above, in section II(c)(1) of this exemption), to the extent that (A) liquidation of the pledged collateral, or (B) additional cash received from the SSB Group or the Clearing Broker, as applicable, does not provide sufficient funds on a timely basis, a Client Plan (and/or CIF, as applicable), including a Commingled Index Fund, or a Commingled Model-Driven Fund in which a Client Plan (and/or CIF, as applicable) invests, will have the right under the terms of the Loan Agreement to purchase securities identical to the borrowed securities (or their equivalent as discussed above) and may apply the collateral to the payment of the purchase price, any other obligations of the borrower under the agreement, and any expenses associated with the sale and/or purchase. If the collateral is insufficient to accomplish such purchase, State Street will indemnify the Client Plan (and/or CIF, as applicable), including a Client Plan (and/or CIF, as applicable) invested in a Commingled Index Fund or Commingled Model-Driven Fund, pursuant to section II(g) of this exemption;

(d) Each Client Plan (and/or CIF, as applicable), including a Commingled Index Fund or Commingled Model-Driven Fund in which a Client Plan (and/or CIF, as applicable) invests will receive from the SSB Group or the Clearing Broker, as applicable, (either by physical delivery, or by book entry in a securities depository, wire transfer or similar means) by the close of business on or before the day the loaned securities are delivered to the SSB Group or the Clearing Broker, as applicable, collateral consisting of U.S. currency, securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, an

irrevocable bank letter of credit issued by a person other than State Street, the Clearing Broker, or an affiliate thereof, or any combination thereof, or other collateral permitted under PTE 81-6 (as amended from time to time or, alternatively, any superseding class exemption that may be issued to cover securities lending by employee benefit plans). The collateral will be held on behalf of such Client Plan (and/or CIF, as applicable) in a manner that causes such collateral to be (i) segregated from and not commingled with the general assets of State Street, the Clearing Broker, or any of their affiliates, and (ii) identifiable and reachable by such Client Plan (and/or CIF, as applicable);

(e) The market value of the collateral (or in the case of a letter of credit the stated amount) must, as of the close of business on the preceding business day, initially equal at least 102 percent (102%) of the market value of the loaned securities. If the market value of the collateral, on the close of trading on a business day, is less than 100 percent (100%) (or such greater percentage as agreed to by the parties) of the market value of the loaned securities at the close of business on that day, the SSB Group or the Clearing Broker, as applicable, is required to deliver by the close of business on the following business day sufficient additional collateral such that the market value of the collateral will again equal at least 102 percent (102%). The applicable Loan Agreement will give Client Plans (and/or CIFs, as applicable), including a Commingled Index Fund or Commingled Model-Driven Fund in which a Client Plan (and/or CIF, as applicable) invests, a continuing security interest in, title to, or the rights of a secured creditor with respect to the collateral and a lien on the collateral. GSL will monitor the level of the collateral daily;

(f) All GSL's procedures regarding securities lending activities will at a minimum conform to PTE 81-6 and PTE 82-63 (as amended from time to time or, alternatively, any superseding class exemption that may be issued to cover securities lending by employee benefit plans);

(g) State Street will agree to indemnify and hold harmless each lending Client Plan (and/or CIF, as applicable) (including the sponsor and fiduciaries of each such Client Plan (and/or CIF, as applicable), and any Client Plan (and/or CIF, as applicable) invested in a Commingled Index Fund or Commingled Model-Driven Fund) against any and all damages, losses, liabilities, costs, and expenses (including attorneys' fees) which such

Client Plan (and/or CIF, as applicable) may incur or suffer directly arising out of the lending of the securities to the SSB Group or the Clearing Broker, as applicable; provided that this condition does not require State Street to indemnify a Client Plan (and/or CIF, as applicable) against any potential investment losses associated with the investment of cash collateral received by such Client Plan (and/or CIF, as applicable) in connection with such securities lending transactions;

(h) Each Client Plan (and/or CIF, as applicable), including a Commingled Index Fund or Commingled Model-Driven Fund in which a Client Plan (and/or CIF, as applicable) invests, will receive the equivalent of all distributions made to holders of the borrowed securities during the term of any loan, including, but not limited to, cash dividends, interest payments, shares of stock as a result of stock splits and rights to purchase additional securities, or other distributions;

(i) Each Client Plan (and/or CIF, as applicable), including a Client Plan (and/or CIF, as applicable) invested in a Commingled Index Fund or Commingled Model-Driven Fund, will receive prior to any approval of the lending of securities to the SSB Group or the Clearing Broker, as applicable, a copy of the Notice of Proposed Exemption (the Notice), a copy of the final exemption, a copy of PTE 97-63, and a copy of the Notice of Proposed Exemption related to PTE 97-63 (the Previous Notice);

(j) Only Client Plans with total assets having an aggregate market value of at least \$50 million will be permitted to lend securities to the SSB Group or to the Clearing Broker, as applicable; provided, however that—

(1) In the case of two or more Client Plans which are maintained by the same employer, controlled group of corporations or employee organization, whose assets are commingled for investment purposes in a single master trust or any other entity the assets of which are "plan assets" under 29 CFR 2510.3-101 (the Plan Asset Regulation), which entity is engaged in a securities lending arrangement with GSL, the foregoing \$50 million requirement shall be deemed satisfied, if such trust or other entity has aggregate assets which are in excess of \$50 million; provided that if the fiduciary responsible for making the investment decision on behalf of such master trust or other entity is not the employer or an affiliate of the employer, such fiduciary has total assets under its management and control, exclusive of the \$50 million threshold amount attributable to Client