

**FIRST AMENDMENT TO  
SECURITIES LENDING AUTHORIZATION AGREEMENT**  
Between BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM ("BCERS"), and  
THE NORTHERN TRUST COMPANY,  
Dated 1/22/15

**WHEREAS:**

- I. Reference is made to the securities lending authorization agreement between The Northern Trust Company (the "Agent") and BCERS (the "Lender"), dated September 7, 2000, as amended from time to time (the "Agreement").
- II. In addition to the provisions contained in the Agreement, the Agent and the Lender wish to amend the Agreement, as set out in this agreement (the "Amendment Agreement").

**NOW THEREFORE**, in consideration of the mutual agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- A) **Disclosure and Confidentiality.** Pursuant to Clause 14.1 of the Agreement, Section 11 of the Agreement is hereby amended and restated as follows:
  11. **Disclosure and Confidentiality.** Lender authorizes Agent to disclose, to any Borrower who at any time so requests, (1) Lender's name; (2) the fact that Lender has authorized Agent to lend its Securities to the Borrower; (3) the fact that specific Securities loaned to the Borrower are owned by Lender; (4) any publicly available financial information concerning Lender in Agent's possession; and (5) any other information the Agent reasonably believes is necessary to effectuate the transactions contemplated herein, including tax I.D. numbers. Lender also authorizes Agent to disclose to any collateral reinvestment counter-party or broker-dealer any information Agent reasonably believes is necessary to effectuate collateral reinvestment in accordance with Schedule B. Before disclosing any information described in this Section 11 to a Borrower or counter-party or broker-dealer, as applicable, who has requested it, Agent shall obtain from the Borrower or counter-party or broker-dealer as applicable, as a condition for such disclosure, a written agreement (which may be the Borrowing Agreement) requiring that such information be held in confidence.
- B) **Miscellaneous.** Pursuant to Clause 14.1 of the Agreement, a new Section 14.6 is hereby added to the Agreement as follows:
  - 14.6 Agent uses the services of EquiLend, a joint venture in which Agent has an indirect ownership interest, as further described in the EquiLend Annex attached hereto. EquiLend provides Agent with certain services and data analysis tools and Agent may purchase or license data or analytic tools from EquiLend. No Participating Lender will be required to pay any additional fees relating to any such services or tools provided by EquiLend to Agent.

- C) **Indemnity.** Pursuant to Clause 14.1 of the Agreement, Section 16 of the Agreement is hereby amended and restated as follows:

**16. Indemnification.**

16.1 Agent shall indemnify, defend and hold Lender harmless from and against any losses, damages, costs and expenses (other than special, incidental, indirect or consequential losses, damages, costs or expenses) Lender may incur if Agent is unable to recover Borrowed Securities and distributions made during the term of the Loan or Loans with respect to those Securities as a result of:

(i) Agent's failure to make a reasoned determination of the creditworthiness of a Borrower through adequate analysis of all material, public information available to Agent's credit committee before lending a security as provided in section 2 of this Agreement and during the term of the Loan or Loans a Filing occurs;

(ii) Agent's failure to demand adequate and appropriate Collateral on a prompt and timely basis as provided in section 4 hereof, perfect a security interest or obtain rights equivalent thereto in the Collateral, maintain control of the Collateral as provided in this Agreement or make a reasoned determination of the quality and suitability of Collateral investments through adequate analysis of all material, public information available to Agent's applicable committee; or

(iii) Agent's failure otherwise to perform its duties and responsibilities under this Agreement in accordance with the terms of this Agreement or applicable law.

16.2 Irrespective of the applicability of paragraph 16.1, in the event of a Default by a Borrower that is not a Sale-Related Default, Agent shall (1) credit Lender's Account with the amount of distributions made with respect to the Borrowed Securities of Lender that are due and payable by the Borrower on or before the date of Default but not so paid and (2) transfer into Lender's Account replacement Securities that are Equivalent Securities by purchasing such securities in the principal market in which such securities are traded; except that Agent may, at its option, in lieu of replacing some part or all of the Borrowed Securities, credit Lender's Account with an amount equal to the Market Value on the Default Date of Borrowed Securities not replaced, which amount shall be satisfiable at Agent's option in cash, or by a transfer to Lender's Account of Collateral securities valued as of the Default Date, or by a combination of both cash and Collateral securities so valued.

16.3 Irrespective of the applicability of paragraph 16.1, in the event a Borrower fails to return Borrowed Securities upon termination of a Loan, and such failure constitutes a Sale-Related Default, Agent shall, in accordance with Agent's Investment Manager Guidelines then in effect, in lieu of the indemnification provided in paragraph 16.2, (a) waive any overdraft charges arising from any investment made for Lender's account in anticipation of timely

receipt of the proceeds, (b) credit Lender's account with interest at the Lender's applicable short-term investment rate on the sale proceeds not reinvested up to the date such proceeds are credited to the Account, (c) credit Lender with the amounts of any distributions made with respect to such Borrowed Securities that have not otherwise been received by the Lender and (d) indemnify Lender from and against any Buy-in Costs or other direct expenses for which Lender would otherwise be liable as a result of the failure of the sale to settle in a timely fashion.

16.4 For purposes of this section 16, the following definitions shall apply.

16.4.1 "Buy-in Costs" shall mean out-of-pocket expenses incurred by Lender in connection with the failed settlement of a sale of Lender's Securities that are on loan hereunder at the time of sale, as a result of the purchase of substitute securities at a higher price by the buyer's broker in accordance with applicable exchange rules.

16.4.2 "Default" shall mean (a) a Filing, or (b) any other failure by a Borrower to return Borrowed Securities within the time period allowed by the relevant Borrowing Agreement after demand by Agent, except such a failure that is waived by Agent or cured by the Borrower within one business day of the Borrower after the Default Date.

16.4.3 "Default Date" shall mean, with respect to any Default, the earliest date on which the Agent is entitled under the provisions of the applicable Borrowing Agreement to treat the relevant Loan or Loans to the Borrower as having terminated.

16.4.4 "Investment Manager Guidelines" shall mean the rules and procedures established by Agent governing the conduct of securities transactions in its custodial accounts and the required communications between Agent and its custodial clients and their investment managers regarding those transactions.

16.4.5 "Sale-Related Default" shall mean a Default by a Borrower in returning Borrowed Securities that have been recalled by Agent due to a sale of such securities by Lender or an investment agent of Lender.

16.5 In the event a Collateral Deficiency (or other loss of principal value of Collateral) exists at the same time as a Borrower Default, Agent shall have the right to set off the unpaid amount of any obligation of Lender to Agent arising under this Agreement arising from the Collateral Deficiency (or other loss of principal value of Collateral) against any obligation of Agent to Lender arising under this section 16. Any payment by Agent under paragraph 16.2 and/or 16.3 shall be applied toward the discharge of Agent's obligation (if any) to Lender under paragraph 16.1. Agent shall be subrogated to, and Lender shall be deemed to have transferred to the Agent, all of Lender's corresponding rights against a

Borrower (and against any guarantor of the Borrower) and in the Collateral and its proceeds to the extent of any payment, transfer or credit made pursuant to this section 16.

- D) **Fees.** Pursuant to Clause 14.1 of the Agreement, Schedule C of the Agreement is hereby amended and restated as follows:

**SCHEDULE C  
FEES**

**Effective as of March 1, 2015**

The Agent shall be entitled to receive the following fees for services provided under the Agreement. The fees below are expressed as a percentage of Lender's Net Revenue (as defined in paragraph 7.1 of the Agreement).

- 30% Loans of U.S. Government and Agency Securities
- 30% Loans of U.S. Corporate Equity and Fixed Income Securities
- 30% Loans of non-U.S. Sovereign Fixed Income and non-U.S. Corporate Fixed Income Securities
- 30% Loans of non-U.S. Corporate Equity Securities

E) **EquiLend Annex.** Pursuant to Clause 14.1 of the Agreement, the EquiLend Annex is hereby added to the Agreement:

**EQUILEND ANNEX**  
**To Securities Lending Authorization Agreement**  
**(the "Agreement")**

This Annex sets forth the rights of any ERISA plan or trust (a "Plan") executing the Agreement as Lender with respect to transactions with EquiLend and other services provided by EquiLend to The Northern Trust Company ("Northern"), in connection with Northern's securities lending business.

EquiLend is a joint venture of various securities lending agents and securities borrowers, in which Northern Trust has an equity interest.<sup>1</sup> EquiLend provides two main services, an electronic trading platform (the "Platform") and a data and market analysis tool ("DataLend").

The Platform was launched on June 25, 2002 and provides standard electronic methods for communicating securities available for borrowing, negotiating loans, and exchanging information needed to administer those loans. The Platform is intended to create operational efficiencies and reduce the potential risks of lending transactions by streamlining the trading, processing and monitoring of securities lending transactions. EquiLend is not itself a principal in any transaction but rather facilitates securities lending transactions between borrowers and agent lenders by providing access and connectivity between potential borrowers and agent lenders. Unless a client has elected not to participate, all securities lending clients of Northern participate in the Platform.

DataLend is a market analysis data tool which was launched in January 2013. It is designed to allow its users to view and analyze a broad range of transaction information including securities lending and borrowing data, reports, graphical interfaces and other benchmarking tools. To generate these tools, data from lending clients' securities lending transactions (conducted both on and off the Platform) is submitted to EquiLend by users of DataLend, including Northern Trust (however, this data does not disclose the identity of any lending clients engaged in these transactions). Access to this DataLend information is intended to enhance agent lenders' ability to evaluate the securities lending marketplace when making securities lending decisions on behalf of clients. Unless a client has elected not to participate, all securities lending clients of Northern participate in DataLend.

The services and products offered by EquiLend (including the Platform and DataLend) may be offered either directly to Northern clients or to Northern for the benefit of its clients. No securities lending client is charged any additional fee for any EquiLend services or products used by Northern; rather any fees charged by EquiLend, including fees for participation in the Platform and DataLend, are paid by Northern.

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<sup>1</sup> EquiLend is a subsidiary of EquiLend Holdings L.L.C., which is a holding company owned by BlackRock Asset Management International Inc., Credit Suisse First Boston Next Fund, Inc., The Goldman Sachs Group, Inc., J.P. Morgan Clearing Corp., J.P. Morgan Strategic Securities Lending Corp., Merrill Lynch L.P. Holdings, Inc., Strategic Investments I, Inc. (Morgan Stanley), Northern Trust Corporation, SSB Investments, Inc. (State Street), and UBS Americas, Inc.

- F) Except as hereby specifically amended, the Agreement as heretofore set forth shall remain in full force and effect.
- G) This Amendment Agreement will be governed by, and construed in accordance with laws governing the Agreement.
- H) The terms of this Amendment Agreement shall be effective as of March 1, 2015.

Executed in two originals

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

By: Steven J. Gray  
 Name: Steven J. Gray  
 Title: Chairman  
 Date: 1/22/15

AGREED TO AND ACCEPTED BY:  
 THE NORTHERN TRUST COMPANY

By: [Signature]  
 Name: George Trapp  
 Title: Senior Vice President  
 Date: 2/5/15

APPROVED AS TO LEGAL FORM ONLY  
[Signature]  
 BAY COUNTY CORPORATION COUNSEL  
 DATE: 1/22/15

