THE INTERNATIONAL SECURITIES LENDING ASSOCIATION LIMITED
(the "Association")

RULES

Save where the context otherwise requires, defined terms used in these Rules shall have the meanings given to them in the articles of association (the "**Articles**") of the Association as adopted from time to time. Reference to a "clause" is to a clause of these Rules. These Rules should be read in conjunction with the Articles and in the event of any conflict between the Rules and Articles, the terms of the Articles shall prevail.

1. OBJECTIVES

i. To represent the common interests of institutions that are engaged in securities financing, including the lending or borrowing of securities, and other firms that provide services in support of the securities lending markets.

ii. To assist in the orderly, efficient, and competitive development of these markets and to establish agreed standards and guidelines for good working practices.

iii. To provide a forum for the development and exchange of ideas and information.

iv. To liaise with regulators and other agencies to help in the development of appropriate regulatory frameworks for the industry and a mutual understanding of related issues, while engaging in cooperative efforts with other organisations as appropriate.

v. To seek to promote awareness of future challenges and opportunities for the securities lending industry.

vi. To foster superior standards among its members, in respect of practices and management techniques employed in the securities lending industry.

vii. To develop and maintain a legal agreement and related documentation for use in the securities financing and lending industry.

2. MEMBERSHIP

i. Each membership category encompasses member types which either participate directly in securities lending and financing (Full Members) or provide support services to securities lending and financing participants (Associate Members). ISLA Americas (the "ISLA Americas Member") shall be a Full Member, with the additional rights set out in these Rules.

ii. Full Members

Member Types

- Borrowers
- Banks
- Broker Dealers & Prime Brokers
- Agent Lenders
- Direct Lenders
- Beneficial Owners

Full Members have voting rights and are able to nominate a representative from their company for a seat on the Board.

iii. ISLA Americas Member

In addition to its rights as a Full Member, the ISLA Americas Member is able to appoint representatives from the ISLA Americas Board for two seats on the Board.

iv. Associate Members

Member Types

- Law Firms
- Technology platforms
- Exchanges
- Tri-party/collateral agents
- Data providers

Associate Members are firms which provide services to the securities lending industry. They do not have voting rights and are unable to apply to sit on the Board.

ISLA's membership structure is predicated on the business line, (not the legal entity) - so for firms with multiple member types from the above lists, a separate membership will apply for each business.

v. No maximum number, minimum ten.

vi. Any institution that engages as principal or as agent in the lending or borrowing of securities may apply to the Board to become a Full Member of the Association. Any institution that engages as both principal and agent, each shall be deemed to be a Full Member and will be required to subscribe to two separate memberships. A Full Member shall have voting rights and may actively participate in all aspects of the Association as a Member, including attendance at working groups.

vii. Any institution that is able to provide evidence satisfactory to the Board that it is involved in the provision of commercial services to the Full Members in support of their securities lending or borrowing activities may apply to the Board to become an Associate Member of the Association. For this purpose, commercial services may include, but are not restricted to, the provision of legal services, information technology, brokerage, and market data. An Associate Member shall have no voting rights and may attend the Board and its sub-groups as an observer by invitation of the relevant chairperson only.

viii. The Board may agree to enter into reciprocal membership arrangements with other trade associations that have an interest in the securities lending market, where such arrangements are in the interests of the Members. Members of associations that enter into such arrangements are referred to as reciprocal members. The terms of any such reciprocal membership arrangement will be determined and agreed to by the Chief Executive. A reciprocal member shall have no voting rights and may attend the Board and its sub-groups as an observer by invitation of the relevant chairperson only.

ix. Unless otherwise stated in these Rules: (a) any reference to a Full Member shall mean a Member accepted under clause 2(ii) (and shall include the ISLA Americas Member), and any reference to an Associate Member shall mean a member accepted under clause 2(iv) above, (b) any reference to a Member shall mean a Full Member or an Associate Member, as appropriate, and any reference to Members or the Membership shall mean any of the Full Members (including the ISLA Americas Member) and the Associate Members.

x. The making of an application for Membership of the Association shall constitute acceptance of the Rules applicable to membership applications. The Board may delegate the processing of Membership applications to the Chief Executive where applicants clearly fall within the criteria under clause 2(ii), 2(iii) or 2(iv) above.

xi. The Board is entitled to reject any application if: (a) the applicant does not fall within the description in clause 2(ii) or 2(iii) above (where applying to become a Full Member), or clause 2(iv) above (where applying to become an Associate Member); (b) it is aware that at the time of the application the applicant is or at any time in the last 3 years has been insolvent, or in breach of any law or requirement of any regulator, stock exchange, clearing house or market association applicable to it; or (c) in its reasonable opinion the acceptance of the applicant as a Member of the Association is likely to bring the Association into disrepute or otherwise prejudice the objects of the Association.

xii. Member firms must designate a representative and an alternative who will be permitted to act as the Member firm's representative in that person's absence.

xiii. Each representative of a Full Member has the power to appoint an alternate with the same voting rights.

3. SUBSCRIPTIONS

i. 1st January to 31st December is the subscription year which can be changed by simple majority at an Annual General Meeting ("AGM"), or at an Extraordinary General Meeting ("EGM").

ii. There will be a joining fee due from each new Full Member firm and Associate Member firm.

The joining fee may be waived at the Chief Executive's discretion.

iii. There will be an annual subscription fee due from each Full Member and each Associate Member payable in advance of the commencement of each subscription year. Members shall have up to 31 December (being the last day prior to the commencement of the relevant subscription year) to satisfy the payment of their annual subscription fee. Any institutions that are deemed to be both Full Members and Associate Members as per clauses 2(ii) and 2(iv), will be charged a separate Membership fee for each.

iv. The annual subscription and joining fee due from Full Members and Associate Members respectively will be determined by the Board. The Board may decide to determine a lower annual subscription fee for Full Members (beneficial owners) that are engaged in the lending of securities through an agent only.

v. An institution joining during the year will pay a pro-rata amount equivalent to the remaining part of the subscription year, plus the full joining fee. Details of the annual subscription will be included on the Membership application form.

vi. To access the ISLA Netting Opinion services, an organization must be an ISLA Member firm and relevant fees for the service must be paid prior to access to the service being granted. There is no pro- rata amount equivalent for this service.

4. COMPOSITION OF BOARD

i. The Board (not including the Chief Executive) must fairly represent the membership within the industry and is empowered to make decisions other than those requiring approval at an EGM or AGM.

ii. The role of Chairman is limited to a maximum term of 3 years, subject to Rule 4(v) below. A representative may re-stand for the position of Chair provided that (a) there has been a gap of 3 or more years from the time they last occupied the position and the time they wish to re- stand, or (b) in any case where no other nominations are received. The role of Ex-Officio is a non-elected position and will be occupied by the previous outgoing Chair. If, for any reason, the Ex-Officio role is not filled by the outgoing Chair, an additional nomination for Director will be sought if required to maintain the Board number at 9 persons.

iii. In the event of the Chair's resignation, retirement, absence, or removal, a replacement Chair will be appointed by the Board from the existing Directors; the Vice-Chair may stand as a candidate to replace the Chair, subject to fair consideration of all candidates and a majority decision by the Board. Similarly, in the event of the Chair, Vice Chair's and /or Treasurer's resignation, retirement or removal, the Board may appoint replacement(s) from the existing Directors, provided in the case of the Chair, the Treasurer and the Vice Chair they shall have served as a Director for one full term of 3 years. Their positions as Directors will be subject to the normal election procedures at the AGM. Unless otherwise determined by the Board, any Director appointed as a chair of a Board committee must have served as a Director for one full term of 3 years.

iv. No fees are payable to Directors or any other member firm representative.

v. In the event of a representative of a Full Member firm being elected or appointed Chair before the year end due to the resignation or removal of the previous Chair, this period will not count towards the 3-year rule outlined in clause 4 (ii).

vi. The Officers are empowered to appoint Directors if a vacant position on the Board has not been filled through the normal election process (save in respect of any vacancy in respect of an ISLA Americas Director).

vii. In the event of the resignation or removal of an Officer(s) or Director(s), the Board is not obliged to call a by-election to fill the vacant position(s) so long as the Board consists of at least nine Elected Directors (including the Ex-Officio).

5. AMENDMENT OF THE RULES

Without prejudice to the provisions of the Articles, any amendment of the Rules shall require a two thirds majority of the votes cast at a general meeting (in person or by proxy) to be in favour of the proposed amendments.

6. CHIEF EXECUTIVE AND CHIEF EXECUTIVE'S OFFICE

i. The Chief Executive shall be a Director and is responsible for implementing the objectives agreed by the Board in order to achieve the aims of the Association within the budget agreed by the Board.

ii. The Chief Executive is also responsible for the day-to-day administration of the Association, including support for the Board and its sub-committees.

iii. The Chair, the Ex-Officio (if any), the Vice-Chair, the Treasurer and the Chair of the Governance Committee (together with the Chief Executive, the "**Executive Committee**") will meet at least once annually without the Chief Executive to review matters pertaining to the Chief Executive including, inter alia, his/her performance, remuneration and succession. The Chief Executive shall recuse themselves from any meeting of the Board or Executive Committee, if attendance at such meeting by the Chief Executive could give rise to a potential Conflict pursuant to Article 20 of the Articles.

iv. The Chief Executive may appoint other permanent ISLA staff or contract staff (the 'Chief Executive's Office') and determine their remuneration within the budget and to meet the objectives agreed by the Board.

v. The Chief Executive will bring a proposal to the Board each year setting out proposed objectives of the Association for that year and a proposed budget. The Board will then agree objectives and a budget.

vi. The Chief Executive will report to the Board regularly, on a timetable agreed by the Board, on progress against the agreed objectives and budget.

7. FINANCE

i. The Officers have signing authority and signing authority may also be delegated to the Chief Executive and other ISLA staff. A schedule of delegated signing authorities and financial controls will be maintained by the Chief Executive's Office.

ii. Reasonable sundry expenses may be recovered by the Officers, provided the expenditure is agreed in advance by at least 2 other Officers and/or the Chief Executive. All other members are liable for costs incurred on the Association's business, unless agreed in advance by the Board. All such expenditure shall be reported to the Board by the Treasurer or Chief Executive.

iii. The Association has no powers to borrow (save from any affiliate, associate or subsidiary of the Association).

iv. The Treasurer and Chief Executive will make the Association's bank account statements available upon request to the other Directors. No commitment can be undertaken which will exceed cash resources (after deduction of all outstanding liabilities).

v. Any Director incurring charges without prior agreement of the Officers may be liable on those charges.

vi. Assets other than cash may be held by the Association, so long as these have been approved by the Board.

vii. The Treasurer is responsible for ensuring that accurate financial records are maintained; those financial statements are prepared by the accountants appointed at the previous AGM (or EGM); and that those financial statements are distributed among the full membership within 6 months of the year end. The Treasurer may delegate bookkeeping and the preparation of the accounts to the Chief Executive and other ISLA staff.

8. CONFIDENTIALITY

Any advice or recommendations from or decisions made by the Officers or Board under these Rules shall be confidential to the member or members to whom it is given or made unless disclosed by either the Officers or Board to a third party.

9. COMPETITION

i. Notwithstanding any other provisions of these Rules, no restriction contained in these Rules, or accepted by the members in any agreement made under it, shall be contrary to the Competition Act 1998, Articles 101 and 102 of the Treaty on the Functioning of the European Union or any other applicable competition legislation internationally. For the avoidance of doubt, express or implied specific recommendations made pursuant to these Rules shall at all times be compliant with the Competition Act 1998, Articles 101 and 102 of the Treaty on the Functioning of the European Union and/or any other applicable competition legislation.

ii. No member or members to whom any advice is given, or who are informed of recommendations or decisions made by either the Officers or Board, pursuant to the provisions of these Rules shall be under any obligation to act upon such advice, recommendation, or decision.

10. ARTICLES

These Rules are subject to the provisions of the Articles of the Association.