



The Lynde and Harry
BRADLEY FOUNDATION

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Vice President for Finance

**SUPPLEMENT TO THE GLOBALCUSTODY AGREEMENT
HONG KONG – CHINA CONNECT SERVICE**

May 19, 2016

To: The Bank of New York Mellon (**BNY Mellon**)
Re: Hong Kong China Connect Service (**China Connect Service**)

Dear Sir or Madam:

We refer to the global custody agreement entered into between you The Lynde and Harry Bradley Foundation (“Client”) and ourselves as custodian (“BNYM”) dated December 30, 2010, as amended or supplemented from time to time (**CA**). This letter serves as a supplement to the **CA**.

This letter relates to the Hong Kong- China Connect Service which is a trading and clearing service between Shanghai Stock Exchange, China Connect Clearing House, the Stock Exchange of Hong Kong (“SEHK”) and the Hong Kong Stock Exchange’s clearing and nominee company, Hong Kong Securities Clearing Company Ltd. (**HKSCC**). The Service applies to securities (**China Connect Securities**) listed and traded on a China Connect Market via the China Connect Service (as defined in the Rules of the Stock Exchange of Hong Kong). Client has indicated that it wishes to utilise Connect and this letter sets out the terms and conditions upon which BNYM supports and provides access to Connect.

- (a) In respect of the China Connect Securities, BNYM will (and is authorised to) establish maintain and operate an account for Client on its books and records and such account or accounts as required pursuant to the **CA** and maintained for custody and safekeeping by its appointed subcustodian the Hong Kong and Shanghai Banking Corporation Limited (“**Subcustodian**”) for the deposit of such securities (**China Connect Account**).
- (b) In accordance with the requirement for trades of China Connect Securities to be on market, Client agrees and undertakes to ensure that all transfers of China Connect Securities into or out of a China Connect Account that, as Client, we will instruct BNY Mellon to effect (i) will not, unless permitted by the China Securities Regulatory Commission (**CSRC**), be in relation to the trading of China Connect Securities other than through the relevant China Connect Market System (as defined in the Rules of the SEHK); and/or (ii) will only be made on a “no change of beneficial ownership” basis.
- (c) Client instructions issued to BNYM for trades of China Connect Securities through Connect (**Instructions**) must be in the China Connect Service format required by BNYM (as specified in the Service Level Description from time to time) that enables the special process detailed in the Service Level Description and such instructions must be received by BNYM by the

BNYM deadline (as specified in the Service Level Description from time to time). Client shall be responsible for all trade instructions issued to its broker engaged for trades in China Connect Securities and for this Service as provided by BNYM, Client is engaging Hong Kong and Shanghai Banking Corporation Limited and broker affiliate company to act as Client's Broker ("**HSBC Broker**"). The Client must ensure that instructions it provides to BNYM are correct and consistent with the trading instructions it issues to HSBC Broker and Client agrees and acknowledges that it must ensure it has either sufficient funding [in Yuan Renminbi – 'CNH'] (for a purchase of China Connect Securities) or sufficient China Connect Securities (for a sale of China Connect Securities in the China Connect Account and/or Cash Account (defined below) prior to issuing trading instructions.

- (d) Client authorises the Hong Kong and Shanghai Banking Corporation Limited (in its capacity as Subcustodian) to disclose to HSBC Broker the balance of the China Connect Securities in the China Connect Account at such interval and time and via such means as may be agreed from time to time between Subcustodian and HSBC Broker (**Disclosure**). Client further authorises the performance all acts and take all actions (such acts and actions described in this paragraph (d), the **Settlement Tasks**) which either of BNYM or Subcustodian consider in its discretion necessary for completing the settlement of trades of China Connect Securities in the relevant China Connect Account or Accounts executed (or purportedly executed) by HSBC Broker. Client agrees and acknowledges sale trades and transactions shall be carried out on instructions issued to HSBC Broker independent of Instructions of Client to BNYM (purchase trades and transactions will be settled on the basis of Instructions of Client as issued by BNYM to the Sub-Custodian). Such acts and actions shall include but are not limited to generating settlement instructions in respect of the trades, effecting the transfer of the relevant China Connect Securities of a trade into or out of relevant China Connect Account, on a delivery versus payment basis (i.e HSBC offered synthetic delivery versus payment) or making credits into the cash account(s) denominated in Yuan Renminbi – 'CNH' which Client maintains with BNYM or Subcustodian and which are designated for use in respect of the China Connect Account (**Cash Account**) for trades on delivery versus payment basis (i.e HSBC offered synthetic delivery versus payment) As envisaged by this Service purchases of China Connect Securities will settle on T+ 1 and sales will settle on Trade Date.
- (e) Client acknowledges and agrees that BNYM shall not be liable for paying and/or reporting any tax, levy, impost, duty, assessment, deduction, charge or withholding of a similar nature, and any addition, penalty or interest payable in connection with any failure to pay or any delay in paying any of the same that may be charged or chargeable on or in respect of the holding, trading and/or income, interests and other entitlements that may be derived from the China Connect Securities in the China Connect Account (**Taxes**), nor responsible for the obligation to withhold Taxes or comply with any filing or registration obligations regarding Taxes except as otherwise required by any applicable law, rule, operating procedure, order, directive, notice, guidance, market practice or request (in all cases whether or not having the force of law) of any government agency, court of competent jurisdiction, central depository, exchange, clearing or settlement facilities and/or any regulatory or supervisory authority (the foregoing, **Applicable Requirements**). Where BNYM or any of its affiliates, or the Subcustodian or any of its affiliates, are required to do any of the above by such rules, regulations, policies or guidelines, Client undertakes to reimburse and indemnify BNYM or its affiliates on demand for the amount of Taxes that BNYM has paid and to provide such information as BNY Mellon may require to fulfil its duties within the timeframe which BNYM advises. For the avoidance of doubt, Client acknowledges and agrees that

neither the Subcustodian nor BNYM is providing us with any advice in relation to Taxes nor is the Subcustodian or BNYM acting as agent or representative with respect to such Taxes;

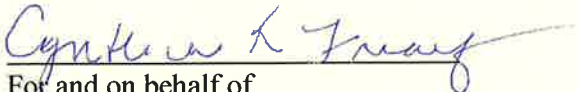
- (f) Client acknowledges and agrees that it is the investor in the China Connect Securities and shall be responsible for the consequences of trading of China Connect Securities through the China Connect Service and understanding and complying with applicable laws, rules, regulations, orders, directives, guidelines, market practice, notices, operating procedures, policies or requests of any government agency, central depository, exchange, clearing or settlement facilities and/or any regulatory or supervisory authority with competent jurisdiction (whether or not having the force of law and as the same may be amended) which shall include, but is not limited to, China Securities Depository and Clearing Corporation, HKSCC, SEHK, a China Connect Market Operator and CCASS in respect of the China Connect Service; any activities arising from the China Connect Service or regarding investments in China Connect Securities. This shall include, but is not limited to (i) any restrictions on investments in China Connect Securities (**Investment Restrictions**), (ii) percentage limits that may be imposed on the maximum holdings of a non-PRC investor (either on its own or in aggregate with other non-PRC investors) in China Connect Securities (**Foreign Ownership Limits**) and (iii) disclosure of interest reporting obligations in respect of China Connect Securities (**Disclosures of Interest**). For the avoidance of doubt, we acknowledge and agree that; (i) BNYM's duties and service provision does not comprise any investment advice and BNYM takes no responsibility for advising or verifying whether Client is eligible to invest in China Connect Securities and Client should undertake its own due diligence and take advice under its own laws, regulations and applicable investment criteria/limitations as to the suitability of such investment and (ii) neither BNY Mellon nor the Subcustodian shall be responsible for monitoring any Investment Restrictions, Foreign Ownership Limits applicable to any China Connect Securities or for making any Disclosures of Interest in any China Connect Securities.
- (g) Client acknowledges and agrees that HKSCC does not guarantee the title to any China Connect Securities held through it in any manner, and any of Client's title, property or interests in such China Connect Securities shall be subject to the "Securities on-hold" provisions of the General Rules of CCASS pursuant to which title, property or interest in any China Connect Securities shall not pass to a purchaser unless and until HKSCC has received payment in full for such securities and such payment is good and irrevocable or otherwise agreed by HKSCC.
- (h) Client understands that China Connect Securities are uncertificated and are held by HKSCC for the account of the Central Clearing and Settlement System (**CCASS**) Participants in computerised form in an account maintained by HKSCC with the relevant China Connect Clearing House, and accordingly that the China Connect Securities credited to Client's China Connect Account are not registered or recorded with China Connect Clearing House either in the Client's name or BNYM's;. All China Connect Securities will be recorded in the name of HKSCC with China Connect Clearing House. BNYM cannot guarantee nor does it take any liability or responsibility for the Client's investment in China Connect Securities and Client's title, property, interest and any ability to enforce the same by virtue of this registration, (and the position of HKSCC stated under (g) above) and the relevant property rights, insolvency rules and procedures and remedies under the laws and regulations of Hong Kong or the Peoples Republic of China (and any conflict between the same).

- (i) Client acknowledges and agrees that under the General Rules of CCASS (i) it is a no fail market although trades may fail to settle in the Client's China Connect Account in exceptional circumstances or if the provisions of this Letter are not adhered to and (ii) , if HKSCC receives insufficient funds or securities from the China Connect Clearing House to meet HKSCC's aggregate liabilities to China Connect Clearing Participants, it may make a partial or pro rata payment or delivery to China Connect Clearing Participants to whom such liabilities are due, and that should HKSCC elect to make such a partial or pro rata payment or delivery with respect to our China Connect Service transactions Client hereby indemnifies and shall hold BNYM harmless, and, further, Client shall have no recourse against BNYM for the balance of any money or securities;
- (j) Client acknowledges and agrees there are certain responsibilities, risks and limitations presented to, and imposed upon it in respect of use of Connect. These , include the following (such list is not exhaustive): Investment Restrictions and Foreign Ownership Limits and Disclosures of Interest (all as detailed above), unavailability of an investor compensation fund, lack of support for certain trading strategies such as day trading and short selling), limitations on exercise of shareholder rights and benefits, suspension of trading without cause or notice, trade failure or trade rejection at SEHK, tax liability, strict settlement practices, loss recovery limitations, market rules, counterparty insolvency risk and responsibility for the matters under paragraph (h).
- (k) Client acknowledges and agrees that BNYM shall not be liable, or in any way responsible, for acts, omissions, errors, timeliness, default and/or solvency of any broker (including HSBC Broker), stock exchange, depository or clearing entity in connection with Connect.
- (l) Client acknowledges and agrees that BNYM has no relationship with any broker (including HSBC Broker) for the purposes of the China Connect Services and this Letter .(
- (m) Client shall indemnify and hold BNYM harmless from any liabilities costs and expenses (including, without limitation, overdraft charges and market fines) arising from the provision of its services for the China Connect Service and for any provision of Instructions to BNYM that are late, do not match an instruction to its broker or require a trade where this is not supported under the service under this Letter or Instructions are not in accordance with BNYM's requirements as referred to above, and, further, Client shall have no recourse against BNYM for any loss, cost, expense, claim or action arising from broker error or infringement in connection with such transactions.
- (n) Client acknowledges and agrees that it will pay the fees and expenses to BNYM as indicated in, and accordance with the provisions on fees [in the Service Level Description].
- (o) If the Client wishes to terminate its use of the China Connect Services under this Letter with BNYM it will provide 30 days written notice of termination to BNYM. BNYM may terminate its services under this Letter by 60 days written notice of termination to the Client. Client agrees that Hong Kong and Shanghai Banking Corporation Limited and/or HSBC Broker may terminate or cease to provide or support the Broker Custody Service for Client or generally and the Client is at risk of such termination if paragraph (c) and the terms of this Letter are breached (**HSBC Termination**), BNYM shall by written notice to the Client terminate its Service under this Letter at such time that the HSBC Termination takes place

Without limitation to the foregoing, Client authorises BNYM and the Subcustodian to perform any such acts (or refrain from taking any such acts) as BNYM or the Subcustodian considers in their discretion necessary or advisable for complying with CCASS and all relevant market rules for Connect, all Instructions issued to BNYM and Broker and all settlement tasks and other requirements (whether in relation to Taxes or otherwise). Client further agrees to provide all assistance that BNY Mellon may reasonably require in performing such acts required by applicable law or regulation.

This letter and the agreements, undertakings and indemnities given herein are supplemental and additional to the provisions of the CA. This Letter shall be governed by and construed in accordance with the same governing law as in the CA.

Agreed and accepted by



For and on behalf of

The Lynde and Harry Bradley Foundation

Date: 5/19/2016

Acknowledged by

The Bank of New York Mellon