

Tel: +1 212 412 4000

To: Public Sector Pension Investment Board (the "Counterparty")
Attn: Daniela Filip
Tel: To be advised
Fax: 1519894967
Email: Derivatives@investpsp.ca; DFilip@investpsp.ca
From: Barclays Capital Inc. acting as Agent for Barclays Bank PLC ("Barclays")
Date: September 21, 2016
Ref: EDR00854353NY
Document Ref: EDR00854353NY / 40075344 / New / EDR00854353NY / 377635
UTI: 10302094521018000000000000000100000000383013

Trade Date:	September 19, 2016
Effective Date:	The Observation Start Date
Termination Date:	The Cash Settlement Payment Date
Index:	RUSSELL 2000 INDEX (Security Symbol:.RUT)
Exchange(s):	The principal stock exchange (s) upon which the securities which comprise the Index are traded as determined by the Calculation Agent.
Related Exchange:	Primary Futures Exchange



"Primary Futures Exchange" means the primary exchange located in the United States on which USD-denominated futures contracts relating to the relevant Index are traded, if any.

Variance Buyer:

Counterparty ✓ /

Variance Seller:

Barclays ✓ /

Equity Amounts:

Equity Amount Payer:

If the Equity Amount is:

- (a) a positive amount, the Variance Seller shall be the Equity Amount Payer and shall pay the Variance Buyer an amount equal to the Equity Amount on the Cash Settlement Payment Date;
- (b) a negative amount, the Variance Buyer shall be the Equity Amount Payer and shall pay the Variance Seller an amount equal to the absolute value of the Equity Amount on the Cash Settlement Payment Date; and
- (c) zero, there will be no Equity Amount Payer and neither party shall be required to make any payment to the other party.

Equity Notional Reset:

Not Applicable

Type of Return:

Not Applicable

Initial Price:

Not Applicable

Final Price:

Not Applicable

Valuation Time:

The Scheduled Closing Time (or, if the relevant Exchange closes prior to its Scheduled Closing Time, the actual closing time for its regular trading session.

Observation Start Date:

The Trade Date ✓ /

Observation End Date:

The Scheduled Valuation Date ✓ /

Observation Day:

Each Scheduled Trading Day during the Observation Period, whether or not such day is a Disrupted Day. Section 6.6 (or, if "Futures Price Valuation" is applicable, Sections 6.8(a) and 6.8(e)) of the Equity Definitions shall not be applicable to any Observation Day other than the Valuation Date, in which case P_t (as defined below) in respect of the Valuation Date shall be determined in accordance with the applicable Section.

Non-Disrupted Observation Day:

An Observation Day that is not a Disrupted Day

Observation Period:

The period from, but excluding, the Observation Start Date to, but excluding, the Observation End Date, and the Valuation Date.

Futures Price Valuation:

Applicable, provided an Exchange-traded Contract specified or if there is a Default Exchange-traded Contract with an expiry date (or the date which would have been the expiry date but for that day being a Disrupted Day or not being a Scheduled Trading Day) that is the same date as the Scheduled Valuation Date,



provided further that Futures Price Valuation as described in Section 6.8 of the Equity Definitions shall apply only with respect to the Valuation Date, it being understood that, if the Official Settlement Price is not published on the Scheduled Valuation Date for a reason other than the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued, the Valuation Date shall be the first succeeding Scheduled Trading Day on which the Official Settlement Price is published; provided that (a) Section 6.8(b)(i)(B) of the Equity Definitions is hereby amended by inserting "or expiration" after "delivery", (b) the definition of "Official Settlement Price" in Section 6.8(b)(ii) of the Equity Definitions is hereby amended by inserting "or exercise settlement value, as applicable," after "official settlement price" and replacing "Exchange" with "exchange" both times it appears, (c) Section 6.8(d) of the Equity Definitions is hereby amended by replacing "Exchange" with "relevant exchange or relevant clearing house", and (d) Section 6.8(f) of the Equity Definitions is hereby amended by inserting "or relevant clearing house" after "relevant exchange"

Default Exchange-traded Contract:

In respect of an Observation Start Date or a Scheduled Valuation Date, as applicable, the USD-denominated options contracts relating to the relevant Index traded on the Primary Options Exchange (as defined below) (determined as of the Trade Date) or, if none, the USD-denominated futures contracts relating to the relevant Index traded on the Primary Futures Exchange (determined as of the Trade Date), in either case with an expiry date (or the date which would have been the expiry date but for that day being a Disrupted Day or not being a Scheduled Trading Day) that is the same date as the Observation Start Date or Scheduled Valuation Date, as applicable.

Equity Amount:

Notwithstanding anything to the contrary in Section 8.7 of the Equity Definitions, an amount in the Settlement Currency determined in accordance with the following formula:

- (a) unless "Variance Cap" is specified as applicable:

$$\text{Variance Amount} \times [\text{FRV}^2 - \text{Variance Strike Price}]; \text{ or}$$
- (b) if "Variance Cap" is so specified as applicable:

$$\text{Variance Amount} \times \text{Min}(\text{FRV}^2, \text{Variance Cap Amount}) - \text{Variance Strike Price}$$

Closing Index Level:

Applicable.

Variance Amount:

9,615.38 / /

Volatility Strike Price:

26 / /

Variance Strike Price:

The Volatility Strike Price²

Valuation Date:

December 21, 2018 / /

Variance Cap:

Not Applicable / /



Final Realized Volatility ("FRV"):

An amount determined in accordance with the following formula:

$$100 \times \sqrt{\frac{252 \times \sum_{t=1}^N \left(\ln \frac{P_t}{P_{t-1}} \right)^2}{N}}$$

where:

"t" means the relevant Observation Day;

"N" means 570 (the number of days that, as of the Trade Date, are expected to be Scheduled Trading Days for the period from, but excluding, the Observation Start Date to, and including, the Scheduled Valuation Date);

"L_n" means the natural logarithm;

"P_t" means, in respect of any Observation Day, the official level of the Index at the Valuation Time on such Observation Day; provided that, except in respect of the Valuation Date, if an Observation Day is a Disrupted Day, P_t for such Observation Day shall be deemed to equal P_{t-1} (as defined below) for such Observation Day; provided, further, that, if "Futures Price Valuation" is applicable, in respect of the Valuation Date, "P_t" means the Official Settlement Price of the Exchange-traded Contract (or, if none, the Default Exchange-traded Contract) on the Valuation Date;

"P_{t-1}" means:

- (a) in respect of the first Observation Day,
 - (i) if an "Initial Index Level" is specified such Initial Index Level;
 - (ii) if "Closing Index Level" is specified,

(A) if the Observation Start Date is not a Disrupted Day, the official level of the Index at the Valuation Time on the Observation Start Date; or

(B)(1) if the Observation Start Date is the Trade Date and is a Disrupted Day as a result of a Market Disruption Event, the official level of the Index immediately prior to the occurrence of the relevant Market Disruption Event or (2) if (x) the Observation Start Date is not the Trade Date and is a Disrupted Day or (y) the Observation Start Date is the Trade Date and is a Disrupted Day as a result of a relevant Exchange or any Related Exchange failing to open for trading during its regular trading session, the official level of the Index at the Valuation Time on the immediately following Non-Disrupted Observation Day; provided that, in the case of clause (2), if each of the eight Scheduled Trading Days



immediately following the Observation Start Date is a Disrupted Day, the Calculation Agent shall determine P_{t-1} for the Observation Start Date in accordance with Section 6.6(a)(ii) of the Equity Definitions; or

(iii) if (A) "Expiring Contract Level" is specified as applicable or none of "Initial Index Level", "Closing Index Level" or "Expiring Contract Level" is so specified and (B) the Observation Start Date is not the Trade Date, but is a date on which the Official Settlement Price of an Expiring Contract (determined as if the Expiring Contract were an Exchange-traded Contract) is scheduled to be calculated, the Official Settlement Price of the Expiring Contract (whenever published); provided that, if trading in such Expiring Contract never commences or is permanently discontinued at any time on or prior to the Observation Start Date, P_{t-1} shall be the official level of the Index at the Valuation Time on the Observation Start Date (or, if the Observation Start Date is a Disrupted Day, the official level of the Index at the Valuation Time on the immediately following Non-Disrupted Observation Day; provided that, if each of the eight Scheduled Trading Days immediately following the Observation Start Date is a Disrupted Day, the Calculation Agent shall determine P_{t-1} for the Observation Start Date in accordance with Section 6.6(a)(ii) of the Equity Definitions); and

(b) in respect of any Observation Day subsequent to the first Observation Day, P_t for the Observation Day immediately preceding such Observation Day; and

"Expiring Contract" means a Default Exchange-traded Contract with an expiry date (or the date which would have been the expiry date but for that day being a Disrupted Day or not being a Scheduled Trading Day) that is the same date as the Observation Start Date



Market Disruption Event:

Section 6.3(a) of the Equity Definitions shall be replaced in its entirety with the following:

"Market Disruption Event" means in respect of an Index, the occurrence or existence of (i)(A) a Trading Disruption or (B) an Exchange Disruption, in either case at any time during the five minute period that ends at the relevant Valuation Time or (ii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if there is a Market Disruption Event in respect of a security included in the Index at any time on a Scheduled Trading Day, the relevant percentage contribution of that security to the level of the Index shall be the percentage contribution of that security as of the Valuation Time on the Exchange Business Day immediately preceding that Scheduled Trading Day, as published by Bloomberg Financial Markets (or, if Bloomberg Financial Markets ceases to publish such percentage contributions, a replacement therefor acceptable to the Calculation Agent) (the "Percentage Publisher"); provided that if the Percentage Publisher did not publish such a percentage contribution at that time, the relevant percentage contribution will be determined by the Calculation Agent based on the price for the securities included in the Index as of the Valuation Time on the immediately preceding Exchange Business Day, as reported in the official real-time price dissemination mechanism for the relevant Exchange (or, if trading in a security included in the Index is disrupted at that time, based on its good faith estimate of the value of the relevant security at that time)"

Each of Section 6.3(b) and 6.3(c) of the Equity Definitions shall be amended by deleting the words "or options" in subclause (ii) thereof.

Not Applicable. No Floating Amount shall be payable by either party. /

Floating Amounts:

Settlement Terms:

Cash Settlement:

Applicable / /

Settlement Currency:

USD / /

Cash Settlement Payment Date:

One Settlement Cycle following the Valuation Date / /

Index Adjustment Events:

Index Modification:

Notwithstanding Section 11.1(b)(i) of the Equity Definitions, if an event occurs that would otherwise constitute an Index Modification and the Index is a Specified Index, it shall not be an Index Modification if there is a Primary Options Exchange and the Primary Options Exchange does not make any adjustments to the relevant options contracts.



"Primary Options Exchange" means the primary exchange located in the United States on which USD-denominated options contracts relating to the relevant Specified Index are traded, if any.

"Specified Index" means any Index in respect of which USD-denominated options contracts are traded on an exchange located in the United States.

If there is an Index Modification:

(a) if the Index Modification Condition is not satisfied with respect to the relevant Specified Index or if the Index is not a Specified Index, IVS Cancellation and Payment (Calculation Agent Determination)

(b) if the Index Modification Condition is satisfied with respect to the relevant Specified Index, the Transaction shall continue on the modified Index and, solely with respect to the first Observation Day on which the Index Modification is effective, the Calculation Agent will make appropriate adjustments to " P_{t-1} " to account for the Index Modification. With respect to each Observation Day thereafter, " P_{t-1} " shall be determined in accordance with the definition for such term set forth in the definition of Final Realized Volatility

In respect of an Index Modification, the "Index Modification Condition" shall be satisfied if the Primary Options Exchange announces it will make adjustments to the relevant options contracts, commencing no later than the effective date of the Index Modification, and the Calculation Agent determines that such adjustments are economically equivalent in methodology to the modification announced by the Index Sponsor

Index Cancellation:

IVS Cancellation and Payment (Calculation Agent Determination); provided that for purposes of Section 11.1(a) of the Equity Definitions (and without limiting the generality thereof), a successor sponsor acceptable to the Calculation Agent shall be deemed to exist for so long as there exists and continues to exist a USD-denominated futures contract relating to the relevant Index traded with sufficient liquidity (as determined by the Calculation Agent) on the Primary Futures Exchange or a USD-denominated options contract relating to the relevant Index traded with sufficient liquidity (as determined by the Calculation Agent) on the Primary Options Exchange and one or both of the relevant exchanges or its respective clearing house continues to publish at least the closing level of the Index (or the Successor Index) for purposes of each day the relevant contract trades

Index Disruption:

Calculation Agent Adjustment, with references to a Valuation Date therein and in the definition of Index Disruption deemed to refer to an Observation Day and the reference to Settlement Price therein deemed to refer to P_t



**IVS Cancellation and Payment
(Calculation Agent Determination):**

Section 11.1(b)(C) of the Equity Definitions shall apply, except that the Calculation Agent shall determine the amount payable by one party to the other, which amount shall be payable on the second Currency Business Day following the date that the notice of determination is provided by the Calculation Agent and shall be determined by the Calculation Agent using the following methodology:

The Calculation Agent shall determine the Equity Amount that would be payable, using actual P_t and P_{t-1} values for Observation Days (if any) that have occurred and with Final Realized Volatility determined in accordance with the following formula:

$$100 \times \sqrt{\frac{252 \times \sum_{t=1}^{DN} \left(\ln \frac{P_t}{P_{t-1}} \right)^2 + (N - DN)rv^2}{N}}$$

where:

" Ln " and " N " have the meanings set forth for such terms in the definition of Final Realized Volatility;

" DN " means the number of Observation Days (if any) that have occurred prior to the date the Transaction is cancelled or terminated; and

" rv " means the mid-market volatility of the relevant Index for the remaining term of the Transaction (or, if the Transaction is cancelled or terminated prior to the Observation Start Date, for the term of the Transaction commencing on the Observation Start Date) on the date the Transaction is cancelled or terminated, as determined by the Calculation Agent, taking into consideration the implied volatilities of any relevant listed put or call option(s) on the relevant Index traded on the Primary Options Exchange.

The amount payable shall be the present value of such Equity Amount, discounted from the scheduled Cash Settlement Payment Date to the date such amount is payable, at the zero coupon rate with a maturity equal to the actual number of days during this period, derived by the Calculation Agent from the mid-market USD swap curve.

Additional Disruption Events:

Change in Law:

Applicable; provided that Section 12.9(a)(ii)(X) of the Equity Definitions is hereby amended by replacing the word "Shares" with the words "Hedge Positions".

Hedging Disruption:

Applicable



Increased Cost of Hedging:	Applicable; <u>provided</u> that Section 12.9(a)(vi) of the Equity Definitions is amended by adding, immediately following "tax, duty, expense or fee (other than brokerage commissions)" and immediately preceding subsection (A), "or material adverse accounting treatment, material adverse capital charge or other direct or indirect material adverse economic impact".
Hedging Party:	Barclays or an Affiliate of Barclays shall be the Hedging Party with respect to each Additional Disruption Event.
Consequences of Additional Disruption Events:	Section 12.9(b)(i) of the Equity Definitions is hereby amended by replacing the words "the Determining Party will determine the Cancellation Amount payable by one party to the other" with the words "the Calculation Agent will determine the amount payable by one party to the other as provided in "IVS Cancellation and Payment (Calculation Agent Determination)"".

Additional Representations, Agreements and Acknowledgments:

Non-Reliance:	Applicable /
Agreements and Acknowledgments Regarding Hedging Activities:	Applicable /
Index Disclaimer:	Applicable /
Additional Acknowledgments:	Applicable /
Eligible Contract Participant:	Each party represents to the other party that it is an "eligible contract participant" as defined in the U.S. Commodity Exchange Act (as amended).
Calculation Agent:	Barclays, acting in its sole discretion. The Calculation Agent is responsible for making any determination, calculation or adjustment in connection with each Transaction that is not expressed to be the responsibility of an identified entity. ✓
Wall Street Transparency and Accountability Act of 2010:	The parties hereby agree that none of (i) Section 739 of the Wall Street Transparency and Accountability Act of 2010 (the "WSTAA"), (ii) any similar legal certainty provision included in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, (iii) the enactment of the WSTAA or any regulation under the WSTAA, (iv) any requirement under the WSTAA or (v) any amendment made by the WSTAA shall limit or otherwise impair either party's right to terminate, renegotiate, modify, amend or supplement this Confirmation, any Transaction hereunder or the Agreement, as applicable, arising from a termination event, force majeure, illegality, increased cost, regulatory change or similar event under this Confirmation, the Equity Definitions or the Agreement (including, but not limited to, any right arising from any Change in Law, Hedging Disruption, Increased Cost of Hedging or Illegality (as defined in the Agreement)). ✓



Short Form Hire Act Protocol:

The parties agree that the amendments set out in the Attachment to the ISDA 2010 Short Form HIRE Act Protocol published by ISDA on November 30, 2010 (and available on the ISDA website (www.isda.org)) (the "Protocol") will apply to the Agreement and this Confirmation. The parties further agree that the Covered Master Agreement will be the Agreement, as amended by the parties for the purposes of such Protocol amendments regardless of the definitions of such terms in the Protocol, and that the Implementation Date will be the effective date of this Confirmation.

Account Details:

Account for payments to Counterparty:

Please advise

Account for payment to Barclays:

To be advised

Offices:

The Office of Barclays for the Transaction is:

London /

The Office of Counterparty for the Transaction is:

Please advise

Governing Law:

New York Law (without reference to choice of law doctrine). /

Each of Barclays and the Counterparty acknowledges to and agrees with the other party hereto and to and with the Agent that (i) the Agent is acting as agent for Barclays under the Transaction pursuant to instructions from such party, (ii) the Agent is not a principal or party to the Transaction, and may transfer its rights and obligations with respect to the Transaction, (iii) the Agent shall have no responsibility, obligation or liability to either party in respect of the Transaction, (iv) Barclays and the Agent have not given, and Counterparty is not relying (for purposes of making any investment decision or otherwise) upon, any statements, opinions or representations (whether written or oral) of Barclays or the Agent, other than the representations expressly set forth in this Confirmation or the Agreement, and (v) each party agrees to proceed solely against the other party, and not the Agent, to collect or recover any money or securities owed to it in connection with the Transaction. Each party hereto acknowledges and agrees that the Agent is an intended third party beneficiary hereunder. The Counterparty acknowledges that the Agent is an affiliate of Barclays.

The time of dealing will be confirmed by Barclays upon written request. Barclays Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register No. 122702). Registered in England. Registered No. 1026167. Registered office: 1 Churchill Place, London E14 5HP. Barclays is acting for its own account in respect of this Transaction and has instructed the Agent to act as its agent pursuant to instructions of Barclays.

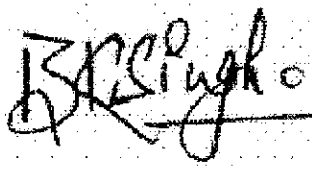
Barclays Bank PLC is not a member of the Securities Investor Protection Corporation ("SIPC"). Counterparty understands, agrees and acknowledges that no obligations of Barclays to it hereunder shall be entitled to the benefit of deposit insurance and that such obligations shall not be guaranteed by any affiliate of Barclays or any governmental agency.



Please confirm that the foregoing correctly sets forth the terms and conditions of our agreement with respect to the Transaction by executing this Confirmation as soon as practicable* and returning it to us by facsimile marked for the attention of Equity Derivatives Incoming Team, OTC Transaction Management, on (+1) 646 758 6319. If you have any queries regarding the content of the Confirmation, please do not hesitate to contact us on (+1) 212-320-0127 or via e-mail address: EQDConfirmsNY@barclays.com. Your failure to respond to this Confirmation shall not affect the validity or enforceability of this Transaction against you.

*Depending on a range of factors including your jurisdiction, the regulatory requirement that applies to trades with you may require execution of Confirmations by close of business one Business Day after the trade is executed.

For and on behalf of
Barclays Capital Inc. acting as agent for
Barclays Bank PLC



NAME: Bitu Kumar Singh
Authorised Signatory:
Date: 22 September 2016

For and on behalf of
Public Sector Pension Investment Board



NAME:
Authorised Signatory:
Date:

Charles Marois
Senior Manager, Derivatives Support
Public Sector Pension Investment Board
Directeur Principal, Soutien des produits dérivés
Office d'investissement des régimes de pensions du secteur public



