

**Schedule A: Investment Objectives and Guidelines (the "Guidelines")**  
**State Street Global Advisors (SSgA) (the "Manager")**

Account: [\_\_\_\_\_]

**I. Statement of Purpose**

The purpose of these objectives and guidelines is to establish the investment objectives and performance standards for the Account.

**II. Investment Objective**

Through the use of publicly available information provided by PRIM, the Manager shall seek to replicate in aggregate the weighted average adjusted returns of the target hedge funds (as defined below) by buying and selling the publicly traded stocks that are held by the target hedge funds in accordance with the rules-based methodology set forth under Section III of these Guidelines. The Account shall be managed passively and systematically. The Manager shall only have the discretion specifically set forth herein.

The Manager's performance in achieving this objective will be measured by PRIM by comparing the risk and after-fee return to a hypothetical portfolio constructed by PRIM by strictly following the rules described in the Investment Guidelines section. Performance results will be monitored and evaluated quarterly by PRIM. The Manager will follow the rules described in the Investment Guidelines in managing the Account, but will not create or monitor a specific benchmark for comparison purposes. For performance reporting purposes, the Manager will report only the Account's stand-alone performance.

**III. Investment Guidelines**

**A. Authorized Investments**

The Account may only invest in publicly traded equity securities, exchange-traded index futures contracts, ETFs, treasury bills, cash and/or cash equivalent instruments.

**B. Specific Investment Guidelines**

The following procedure shall be used to calculate the optimal portfolio weight of each equity security to be held in the Account:

1. On 16<sup>th</sup> of February, May, August and November, PRIM will provide the Manager with copies of the most recent 13F-HR filings for each of the three target hedge funds listed below ("target hedge funds").
  - a. ValueAct CIK#: 0001418814
  - b. Trian CIK#: 0001345471
  - c. Blue Harbour CIK#: 0001325256
  - d. Starboard CIK#: 0001517137
  - e. TCI CIK#: 0001647251

2. Within each target hedge fund, the ratio of shares held in any one position to shares held in other positions, as reported in the 13F filing, should be used as the ratio of shares in equivalent positions in the Account. For example:
  - a. According to the most recent 13F holding report, ValueAct holds the following stocks:
    - i. 100,000 shares CompanyA
    - ii. 200,000 shares CompanyB
    - iii. 300,000 shares CompanyC
  - b. As of the applicable rebalance day (as defined below) the Account should hold:
    - i. X shares CompanyA
    - ii. 2X shares CompanyB
    - iii. 3X shares CompanyCwhere X is the scale factor\*
  - c. Note that the market value weights for the positions will be different on the two dates described above.
3. If a corporate action takes place between the date that the 13F filing positions are based on and the date of rebalancing, and if the corporate action has the effect of impacting shares held by the target hedge fund the equivalent of which are also held in the Account, the shares held in the Account should be adjusted accordingly. For example:
  - a. According to the most recent 13F holding report ValueAct holds the following stocks:
    - i. 100,000 shares CompanyA
    - ii. 200,000 shares CompanyB
    - iii. 300,000 shares CompanyC
  - b. On May 1<sup>st</sup>, CompanyA had a 2-for-1 stock split, thereby doubling CompanyA's shares outstanding.
  - c. On the corresponding rebalance day the Account should hold:
    - i. 2X shares CompanyA
    - ii. 2X shares CompanyB
    - iii. 3X shares CompanyCwhere X is the scale factor\*
4. Repeat steps #2 and #3 of Section III(B) to calculate the relative share weights for each of the target hedge funds.
5. In the Manager's sole discretion, cash dividends may be retained in cash and/or reinvested in ETFs and/or exchange-traded index futures contracts.

\* For purposes of these investment guidelines, the term "scale factor" ("X") means, as to shares held in any particular position and as illustrated by the examples above, the number of shares that when used in conjunction with each position's share multiple will allow the positions held in the Account in the aggregate to equal the dollar amount to be allocated to a specific target hedge fund (as determined per Section III(C)1 below).

### **C. Rebalancing the Account**

1. The Account shall be rebalanced as of the last trading day on which U.S. markets are open ("trading day") of February, May, August and November (each, a "rebalance day"). The capital weights assigned to each target fund should be adjusted on each rebalance day so that each target fund's risk contribution equals the risk budget decided by the PRIM managers at the initiation of the replication account.

Risk Allocation for each target fund

- ValueAct replication: 50% of total risk
- TCI replication: 25% of total risk
- Starboard replication: 12.5% of total risk
- Trian replication: 6.25% of total risk
- Blue Harbour replication: 6.25% of total risk

The "risk" mentioned above is defined as "alpha volatility" which is the annualized standard deviation of the residual value from the time series regression of each fund's return to S&P 500 index return. The total risk is the alpha volatility of replicated account.

The time span for the return data used in regression is "last year daily" on each rebalance day.

2. On the rebalance day, the Manager will calculate the alpha volatility of each fund and its risk contribution. Then the manager will solve for the optimal capital weight on each fund in order to match the risk contribution to the risk budget mentioned in part 1.

The rebalanced weight for each target hedge fund will be applied to the total capital amount and the relative weight of each target hedge fund in the Account is determined by the total market value of the fund to the capital allocated.

3. On the 20<sup>th</sup> of February, May, August and November (or the last trading day before the 20<sup>th</sup> of February, May, August and November), the Manager will calculate the portfolio holdings of each security held in the Account according to the relative weight of each target hedge fund. The Manager will then provide those portfolio holdings to PRIM, and PRIM will compare the Manager's calculation with PRIM's calculation. At least two (2) business days prior to the actual rebalance day, PRIM will confirm in writing to the Manager if it agrees with the Manager's calculations. If PRIM does not agree with any of the Manager's calculations, PRIM will work with the Manager to resolve any discrepancies at least two (2) business days prior to the actual rebalance day.

4. On each rebalance day, the Manager will
  - a. Recalculate the capital weight of each target hedge fund
  - b. Recalculate the portfolio holdings of each security held in the Account according to the relative weight of each target hedge fund;
  - c. Send those portfolio weights to PRIM for comparison and approval; and
  - d. Once written approval is received from PRIM, send the trade order file(s) to the Manager's equity trading desk for execution in the market.

The Manager will have the discretion to execute the trades up to three trading days after the rebalance day in order to satisfy its obligation to seek best execution.

**D. Corporate Actions**

Where corporate actions affecting any of the securities held in the Account occur between rebalance dates, the corporate actions will be managed in a way the Manager considers consistent with the passive and systematic approach described herein.

**E. Restricted Securities**

The Account is prohibited from making investments in the following equity securities:

- A. Any corporation that derives a substantial portion of its revenues from the sale of tobacco as defined by PRIM. A written Restricted List will be provided by PRIM to the Manager, and Manager shall rely on such Restricted List unless and until it receives an updated Restricted List that supersedes previous Restricted List(s).
- B. Any corporation engaged in activity with Sudan as defined by PRIM. A written Restricted List will be provided by PRIM to the Manager, and Manager shall rely on such Restricted List unless and until it receives an updated Restricted List that supersedes previous Restricted List(s).
- C. Any corporation engaged in activity with Iran as defined by PRIM. A written Restricted List will be provided by PRIM to the Manager, and Manager shall rely on such Restricted List unless and until it receives an updated Restricted List that supersedes previous Restricted List(s).