

**Manning, Deborah**

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**From:** Keane, John  
**Sent:** Friday, July 24, 2015 10:23 AM  
**To:** Manning, Deborah  
**Subject:** FW: Silchester - Changes to Section 11.2 of the Group Trust Agreement  
**Attachments:** Redlined changes (1 July 2014 v 24 July 2015).pdf; Group Trust Agreement - Amendment to Section 11.2 - FINAL - 0715.pdf

Board Agenda - Investments

-----Original Message-----

**From:** Mimi Brucaj [<mailto:MBrucaj@silchester.com>]  
**Sent:** Friday, July 24, 2015 10:18 AM  
**To:** Keane, John  
**Subject:** Silchester - Changes to Section 11.2 of the Group Trust Agreement

Dear Client,

Silchester International Investors ("Silchester") submits an application to the Internal Revenue Service (the "IRS") for a "determination letter" each time it amends the Silchester International Investors International Value Equity Group Trust's (the "Group Trust's") Agreement. In the determination letter, the IRS reconfirms to Silchester that the Group Trust remains a tax-exempt entity. The determination letter also helps the Group Trust to claim favorable withholding tax rates in various countries in which it invests. Silchester pays the costs associated with applying for and obtaining the determination letter. These costs are not passed on to investors.

In the course of applying for a determination letter with respect to changes made to the Group Trust Agreement dated July 1, 2014, the IRS required Silchester to make some changes to Section 11.2 of the Group Trust Agreement to clarify how extraordinary expenses, such as fees and expenses of litigation or other extraordinary fees incurred on behalf of the Group Trust, are handled. The language challenged by the IRS had been approved by the IRS on multiple occasions in the past and has been in the Group Trust Agreement since its inception in 1995.

The attached amendment to the Group Trust Agreement was signed on July 24, 2015 but, under IRS rules, the amendment itself is retroactively effective as of July 1, 2014. For your reference, we have also attached a redlined version so that you can see the changes against the prior version of Section 11.2. Because these changes were made by Silchester, the IRS has agreed to provide us with an updated determination letter.

Please note that these changes do not impact on our investment philosophy, implementation or approach, investment guidelines, notification requirements or fees paid by clients. Please contact Farias Parakh (212-377-3714) or Jenni Bourque (212-377-3712) if you have any questions about this amendment.

Kind regards,

Mimi  
212.377.3757

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Financial Conduct Authority in the United Kingdom. Silchester International Investors, Inc. is a wholly owned subsidiary of Silchester and is not permitted to provide investment advice or otherwise engage in a regulated activity.

11.2 Expenses. The Custodial Trustee shall pay out of the Group Trust Fund all income, dividend withholding, capital gains and other taxes of any and all kinds levied or assessed under existing or future laws against the Custodial Trustee or the Group Trust with respect to the income or assets of the Group Trust. ~~All other expenses incurred in connection with the affairs of the Group Trust, including but not limited to, as well as~~ brokerage commissions and all other transaction costs in connection with the purchase and sale of assets, interest on borrowings and other investment expenses, of the Group Trust. ~~The Custodial Trustee shall pay~~ counsel fees, expenses of litigation and other extraordinary fees and expenses shall be considered expenses of the Group Trust and shall be withdrawn by the Custodial Trustee from the Group Trust Fund unless otherwise paid; provided however, that the Custodial Trustee shall submit the charges for any counsel fees, expenses incurred on behalf of litigation, or other extraordinary expenses to the ~~the~~ Group Trust Fund at the direction of the Investment Manager and shall only withdraw the amount of such charges from (“Extraordinary Expenses”) out of the Group Trust Fund if (i) it has been specifically directed in writing to do so by provided that the Investment Manager or (ii) shall not seek reimbursement for those amounts from the Group Trust Fund to the extent the Investment Manager fails to reimburse determines the payment of the Custodial Trustee for such expense within a reasonable time Extraordinary Expenses is in contravention of the terms of this Group Trust Agreement, ERISA or other applicable law. Any Extraordinary Expenses not so paid out of the Group Trust Fund shall be paid by the Investment Manager. The Investment Manager shall direct the Custodial Trustee regarding the proper allocation of such expenses to the Group Trust Fund, and where an expense is properly chargeable to one or more, but fewer than all, Participating Trusts in the Group Trust Fund, the Investment Manager shall determine which Participating Trusts should bear the expense and shall direct the Custodial Trustee to reduce the beneficial interests of the appropriate Participating Trusts. Where ~~extraordinary legal expenses~~ Extraordinary Expenses are incurred, these will be allocated on a ~~prorate~~ pro rata basis amongst all accounts under the Investment Manager’s discretionary management on the basis of the number of shares of the specific security or other asset held by such account. The Investment Manager will pay counsel fees for the establishment and maintenance of the Group Trust, the ongoing issuance of Units, annual audit expenses, and any printing or other sundry expenses incurred in the ordinary course in the administration of the Group Trust and the Group Trust Fund.

**FIRST AMENDMENT TO THE SIXTH AMENDED AND RESTATED GROUP TRUST  
AGREEMENT DATED JULY 1, 2014**

***THIS FIRST AMENDMENT TO THE SIXTH AMENDED AND RESTATED GROUP TRUST AGREEMENT OF THE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST (THE "GROUP TRUST")*** is made as of the 24<sup>th</sup> day of July 2015, effective as of the 1<sup>st</sup> day of July 2014.

**WITNESSETH**

WHEREAS, **SILCHESTER INTERNATIONAL INVESTORS LLP** as investment manager, a limited liability partnership organized under the laws of England and Wales and having its principal place of business at London, England (the "Investment Manager"), and **THE NORTHERN TRUST COMPANY** as custodial trustee, an Illinois banking corporation, having its principal place of business at Chicago, Illinois (the "Custodial Trustee") entered into the Sixth Amended and Restated Group Trust Agreement dated July 1, 2014 (the "Group Trust Agreement") to continue the Group Trust initially established as of August 30, 1995 and subsequently amended and restated as of October 1, 2001, January 2, 2007, November 1, 2010, December 1, 2011 and July 1, 2013;

WHEREAS, pursuant to Article 15 of the Group Trust Agreement, the parties now wish to amend the Group Trust Agreement to reflect changes to Section 11.2 of the Group Trust Agreement required by the Internal Revenue Service as a condition of issuing the Group Trust a favorable determination letter;

NOW, THEREFORE the Group Trust Agreement shall be amended as follows with an effective date of July 1, 2014:

1. Section 11.2 of the Group Trust Agreement shall be replaced in its entirety with the following:

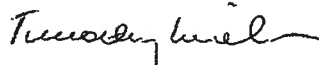
11.2 **Expenses.** The Custodial Trustee shall pay out of the Group Trust Fund all income, dividend withholding, capital gains and other taxes of any and all kinds levied or assessed under existing or future laws against the Custodial Trustee or the Group Trust with respect to the income or assets of the Group Trust, as well as brokerage commissions and all other transaction costs in connection with the purchase and sale of assets, interest on borrowings and other investment expenses of the Group Trust. The Custodial Trustee shall pay counsel fees, expenses of litigation and other extraordinary fees and expenses incurred on behalf of the Group Trust Fund at the direction of the Investment Manager ("Extraordinary Expenses") out of the Group Trust Fund provided that the Investment Manager shall not seek reimbursement for those amounts from the Group Trust Fund to the extent the Investment Manager determines the payment of the Extraordinary Expenses is in contravention of the terms of this Group Trust Agreement, ERISA or other applicable law. Any Extraordinary Expenses not so paid out of the Group Trust Fund shall be paid by the Investment Manager. The Investment Manager shall direct the Custodial Trustee regarding the proper allocation of such expenses to the Group Trust Fund, and where an expense is properly chargeable to one or more, but fewer than all, Participating Trusts in the Group Trust Fund, the Investment Manager shall determine which Participating Trusts should bear the expense and shall direct the Custodial Trustee to reduce the beneficial interests of the appropriate Participating Trusts. Where Extraordinary Expenses are incurred, these will be allocated on a pro rata basis amongst all accounts under the Investment Manager's discretionary management on the basis of the number of shares of the specific security or other asset held by such account. The Investment Manager will pay counsel fees for the establishment and maintenance of the Group Trust, the ongoing

issuance of Units, annual audit expenses, and any printing or other sundry expenses incurred in the ordinary course in the administration of the Group Trust and the Group Trust Fund.

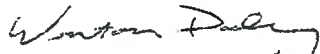
2. All other provisions of the Group Trust Agreement shall remain in full force and effect.

**IN WITNESS WHEREOF**, the Investment Manager and the Custodial Trustee have executed this amendment by their respective duly authorized officers on July 24, 2015.

**SILCHESTER INTERNATIONAL INVESTORS LLP**

By:   
Its: TIMOTHY LINAHAN, SENIOR PARTNER

**THE NORTHERN TRUST COMPANY**

By:   
Its: VICE PRESIDENT