AMENDED AND RESTATED INVESTMENT MANAGEMENT AGREEMENT

This Amended and Restated Investment Management Agreement ("Agreement") is entered into as of November 1, 2010, between the Federal Reserve Bank of New York ("FRB-NY") and Wellington Management Company, LLP ("Manager"), with reference to the following facts:

WHEREAS, the Federal Open Market Committee ("FOMC") has approved the purchase by the System Open Market Account ("SOMA") of Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac"), and Government National Mortgage Association ("Ginnie Mae") agency fixed rate pass-through mortgage backed securities ("Agency MBS") as part of its domestic policy directive provided for the avoidance of doubt, that Agency MBS shall not include any CMOs, Interest Only or Principal Only Strips Trusts or REMICS that are backed by Agency MBS, or MBS derivatives;

WHEREAS, the FRB-NY is the Reserve Bank authorized by the FOMC to carry out the domestic policy objective through its management of the SOMA;

WHEREAS, the FRB-NY, after consultation and approval by the FOMC, determined that the purchase and management of the SOMA Agency MBS would be done through the use of one or more investment managers;

WHEREAS, as a result of a competitive bidding process Manager was selected as one of several investment managers to support the FRB-NY in its implementation of the FOMC’s directive;

WHEREAS, as the purchasing phase of the FOMC Agency MBS program was nearing completion, the FRB-NY determined that it was no longer necessary to retain multiple managers for the program, and the Manager agreed with FRB-NY to remain as the sole purchasing and settlement agent and a secondary portfolio analytics provider for the Agency MBS program based on, among other things, the Manager’s performance to date, its documented capacity to accommodate the entirety of the volume of the program and its all in costs;

WHEREAS, the FRB-NY has transitioned certain trade execution functions in-house, the FRB-NY and Manager have reconsidered the scope of services provided to the FRB-NY by the Manager and have determined that it is appropriate to provide for greater flexibility for the FRB-NY in selecting the level of services to be provided from time to time hereunder.

NOW, THEREFORE, it is agreed as follows:

1. **Appointment as Manager**

   The FRB-NY hereby appoints the Manager to manage, supervise and direct the investment of a portion of the SOMA account as specified by the FRB-NY ("Account" or the "Portfolio") under the terms and conditions set forth herein. By execution of this Agreement, the Manager hereby accepts said appointment, agrees to manage, supervise and direct the investment of the Account pursuant to the provisions of this Agreement.
2. **Management of Assets**

   (a) Commencing on the date hereof and continuing until (1) the date upon which the FRB-NY provides notice to the Manager that services under this Section 2 shall no longer be required (such day, the “First Level 1 End Date”) or (2) this Agreement is terminated as provided in Section 14 and (b) at any time following the First Level 1 End Date, commencing on any day upon which the FRB-NY provides notice to the Manager that services under this Section 2 are required again (each such date, a “Level 1 Start Date”) and continuing until (1) the date upon which the FRB-NY provides another notice to the Manager that services under this Section 2 shall no longer be required (each such day, a “Subsequent Level 1 End Date” and, together with the First Level 1 End Date, each a “Level 1 End Date”) or (2) this Agreement is terminated as provided in Section 14, the Manager shall have delegated authority to manage, supervise and direct the investment and reinvestment of assets in the Account and any additions thereto, subject to the specific directions of the FRB-NY and the specific limitations made part of this Agreement, including the investment objectives and guidelines attached to the Agreement as [Exhibit A](#).

   Subject to this Agreement, including its [Exhibit A](#), the Manager is hereby appointed as the FRB-NY’s agent in fact and shall have full power and authority to act on behalf of the Account with respect to the purchase, sale, exchange, conversion or other transactions in any and all stocks, bonds, other securities, or cash held for investment subject to the Agreement.

   The Manager further shall have authority to instruct the custodian bank duly appointed by the FRB-NY ("Custodian") to: (i) pay cash for securities and other property delivered to the Custodian for the Account, (ii) deliver or accept delivery of, upon receipt of payment or payment upon receipt of, securities and other property purchased or sold in the Account, and (iii) deposit margin or collateral which shall include the transfer of money, securities or other property to the extent necessary to meet the obligations of the Account with respect to any investments made pursuant to the investment policies and guidelines attached hereto as [Exhibit A](#). The Manager shall not act as custodian of the assets held in the Account. No cash or securities due to or held for the Account shall be paid or delivered to the Manager.

   Except as expressly provided in this Agreement, the investment authority granted to the Manager shall include the sole authority to exercise whatever powers the FRB-NY may possess with respect to any of the assets held in the Account, including, but not limited to, the right to vote proxies, the power to exercise rights, options, warrants, conversion privileges, and redemption privileges, and to tender securities pursuant to a tender offer. The Manager shall not incur any liability to FRB-NY by reason of exercising or failing to exercise the powers set out in this paragraph in the absence of its gross negligence, willful misconduct or bad faith. The Manager shall review, evaluate and make a determination with respect to such actions, in good faith, as they arise. When exercising this authority, the Manager will be guided by this Agreement.

   FRB-NY shall execute such documents, including without limitation the powers of attorney attached hereto as [Exhibit B](#) confirming the appointment of Manager as investment manager, as may be required to evidence the powers, duties and responsibilities delegated hereby. In no event shall Exhibit B be read to confer any greater authority on Manager than is set forth in the Agreement and any amendments hereto. For the avoidance of doubt, unless otherwise agreed, the Manager shall not execute officer certificates on behalf of the FRB-NY.

   "Level 1 Services” means (a) the services described in this Section 2 and in Section 5, (b) Level 2 Services (as defined below) and (c) Level 3 Services (as defined below).
3. **Servicing and Administration of Assets under Management.**

The Manager and its affiliates, meaning other entities under the control of Manager within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended ("Affiliates") shall in no event be responsible in any way for the mechanics of payment or collection of principal, interest, dividends or other amounts due on any assets included in the Account. The Manager is not responsible for the servicing or administration of any assets included in the Account.

4. **Use of Affiliates and Third Parties**

Except as provided in the Manager’s policy with respect to management of the Account, which policy is attached hereto as Exhibit G (the “FRB-NY Policy”), the Manager may not delegate portfolio management or administrative duties, including back office operations or proxy voting services, to its Affiliates or any third party agent without the express written consent of the FRB-NY which consent may be withheld for any reason. In addition to the requirements in Section 16, if the FRB-NY consents to the use of an Affiliate or third party agent, the Manager shall remain liable as if such services were provided directly. Moreover, no additional fees shall be imposed for such services.

5. **Investment Guidelines**

The investment guidelines established by FRB-NY as of the date of this Agreement are set forth on Exhibit A, as such exhibit may be amended from time to time in accordance with Section 28 (the “Investment Guidelines”). The Manager is authorized on behalf of the Account to (i) enter into agreements and execute any documents required or deemed advisable to make investments or dispositions pursuant to the Investment Guidelines and as may be directed by the FRB-NY, which shall include any market and/or industry standard documentation and the standard representations contained therein; and (ii) acknowledge the receipt of brokers’ risk disclosure statements, electronic trading disclosure statements and similar disclosures.

The Manager shall be entitled to rely upon oral and written clarifications, supplements guidance and modifications to the Investment Guidelines from persons designated as representatives of the FRB-NY in Exhibit E attached hereto and make reasonable interpretations thereof. The FRB-NY understands and agrees that the Manager does not guarantee or represent that any investment objectives will be achieved.

The Manager shall not engage in securities lending transactions on behalf of the Account. If the Custodian enters into securities lending transactions on behalf of the FRB-NY, the FRB-NY or the Custodian shall be responsible for ensuring that the securities or other assets in the Account are available for sale at all times. The Manager shall not be liable for any loss resulting from the sale by the Manager of a security that is not available in the Account for settlement as a result of such securities lending transactions.

Based on policy considerations, the FRB-NY may establish a policy for managing counterparty credit exposure arising from the forward settlement of Agency MBS trades undertaken for the Account, and will communicate such policy to the Manager. The Manager will be responsible for adhering to the policy, as amended from time to time by the FRB-NY, in respect of the forward settlements that it undertakes on behalf of the Account. The FRB-NY shall direct the Manager as to actions to undertake in the event of a counterparty failure. The FRB-NY may direct the Manager to obtain collateral on behalf of the Account as margin for forward exposure from time to time, and, if the FRB-NY so directs the Manager, the FRB-NY shall specify the form of documentation and procedures for such exercise.
6. **Title and Use of Custodian Bank**

Title to all investments shall be held in the name of the SOMA, provided that for convenience in buying, selling and exchanging securities (stocks, bonds, commercial paper, etc.), title to such securities may be held in the name of the Custodian, or its nominee. All cash and the indicia of ownership of all other investments shall be held by the Custodian. Sole responsibility for physical possession and safekeeping of the assets in the Account shall rest with the Custodian. The Manager shall not be liable for any act or omission of the Custodian.

The Manager shall deliver to the Custodian such information, authorizations and documentation as the Custodian shall reasonably request in order to discharge the Custodian’s duties with respect to the Account. The FRB-NY shall instruct the Custodian to (a) provide the Manager with periodic information concerning the status of the Account as reasonably requested by the Manager; (b) carry out all investment transactions as may be directed by the Manager; and (c) confirm all completed transactions, in writing, to the Manager. Absent the consent of the FRB-NY, to the extent that it is within the control of the Manager, the Manager shall communicate trade instructions to the Custodian in a commercially reasonable and secure manner to the extent otherwise used by the Manager in its business. Use of Tradeweb, SWIFT, or Bloomberg are acceptable means of communicating trade instructions.

7. **Use of Broker**

The Manager shall only trade with brokers or dealers who are listed on Exhibit C, which may be amended from time to time by the FRB-NY. The Manager shall not be liable for any act or omission of any brokerage firm or firms listed on Exhibit C (in effect at the time the Manager initiates a trade or other transaction with such brokerage firm or firms).

FRB-NY hereby delegates to the Manager sole and exclusive authority to determine through which broker dealers on Exhibit C transactions for the Account will be made. The Manager will determine the rate or rates, if any, to be paid for execution services. The Manager agrees that it will seek to buy and sell assets through such intermediaries as, in the Manager’s judgment, shall offer the best execution of the brokers or dealers on Exhibit C. The Manager, in seeking to obtain best execution of Account transactions, may consider the quality and reliability of execution services, as well as research and investment information provided by brokers or dealers. Accordingly, the Manager’s selection of a broker or dealer for transactions may take into account all relevant factors, including (i) price, (ii) the broker’s or dealer’s facilities, reliability and financial responsibility, (iii) the broker’s or dealer’s ability to maintain confidentiality and avoid disruption of the marketplace, (iv) the broker’s or dealer’s ability and willingness to commit capital and handle large transactions, (v) the level of compensation charged by the broker or dealer, (vi) the broker’s or dealer’s recordkeeping capabilities and (vii) the research related to the Account provided by such broker or dealer to the Manager (collectively, “Research”), notwithstanding that the Account may not be the exclusive beneficiary of such Research.

8. **Access to Records and Documents; Audit, Inspection and Review; Internal Controls; Business Continuity**

(a) **Books and Records** The Manager shall maintain appropriate books of account and records relating to services performed hereunder including, unless otherwise agreed by the parties, documentation relating to (i) issues arising under the Manager’s conflict of interest policies, (ii) written market analysis provided to the FRB-NY, (iii) trade execution, (iv) clearing and settlement, (v) reconciliation, (vi) internal controls, (vii) information security, (viii) business continuity, (ix) FRB-NY or other audits, (x) risk events and (xi) policies and procedures and any other records or documentation as the parties may mutually agree that the Manager shall maintain. The Manager shall retain such records for as long as it is performing services under this Agreement and, prior to destruction of the records under the Manager’s normal record
retention policy, shall notify the FRB-NY and shall provide the records (or copies of such records) to the FRB-NY at its request.

(b) Audit, Inspection and Review Rights The FRB-NY shall have the right, at any time during the term of this Agreement, to audit or review the Manager’s performance to determine whether the Manager is acting in compliance with all of the requirements of this Agreement as well as its valuation methodology (as set forth in the Manager’s valuation policies). Upon five business days’ prior written notice to the Manager, the Manager shall grant access to its premises to FRB-NY’s internal auditors or the auditors selected by the FRB-NY to conduct such audit. Audits will be conducted during the Manager’s normal business hours at the FRB-NY’s sole expense. The Manager will cooperate fully in making its premises and all relevant information related to its performance pursuant to this Agreement and personnel available to such auditors as is reasonably requested and does not interfere with the Manager’s performance of its obligations under this Agreement and the conduct of its other business in the ordinary course. FRB-NY’s board of directors or its audit committee may share audit reports with whomever it deems appropriate.

(c) Audit, Inspection and Review Rights of Others In addition to the FRB-NY’s right to audit the Manager, the Manager agrees that, with prior notice from the FRB-NY, the FOMC, or the Board of Governors of the Federal Reserve System (including the Officer of the Inspector General of Board of Governors), may conduct audits and ad-hoc reviews of the services provided by the Manager under this Agreement, provided that the FRB-NY will use its best efforts to ensure that such audits and ad-hoc reviews are made on a similar basis to the audits described in the preceding paragraph.

(d) Effective Internal Controls; Risk Event Reporting; Compliance Monitoring The Manager shall provide an internal controls attestation report(s) audited by an independent public accountant pursuant to the attestation standards promulgated by the Association of Independent Certified Public Accountants (“Control Reports”) to the FRB-NY no less than annually, and shall cover the twelve month periods beginning on November 1, 2010 and ending on the termination date of the Agreement. The Control Reports will cover the processes and information systems related to the services provided under the Agreement and agreed upon by both parties. In addition, if requested by the FRB-NY, the Manager will provide additional documentary evidence to the FRB-NY to support the assertion that the Manager maintains effective internal controls over financial reporting; the nature of such documentation to be agreed to by the parties at the time of the request. The Manager shall also provide to the FRB-NY certificates in accordance with Section 23(c).

The Manager shall periodically (but no less than annually) conduct an internal risk assessment and shall report to the FRB-NY the results of such assessment.

The Manager shall promptly report to the Bank the occurrence of any Risk Event. “Risk Event” means an event that occurs in the Manager’s operations and related to this Agreement that in the reasonable determination of the Manager may result in (a) a breach of the Agreement, or (b) a material compliance issue with respect to the Account, including any event related to the Account that may result in financial loss or reputational risk to the FRB-NY.

The Manager shall periodically perform testing and monitoring of the following controls, to the extent applicable to the services being provided under the Agreement:

- Periodic review of the list of Restricted Team Members (as defined below) and other employees providing services hereunder maintained by the Manager to verify all relevant employees are identified and properly documented;
• Perform a sample review of emails and other written communications used by Restricted Team Members and other parties;

• If the Manager is providing Level 1 Services, periodic general reviews and forensic surveillance of trading activities, including timing and the pricing, relating to Agency MBS securities held in other accounts managed by the Manager;

• Review of potential conflicts of interest in connection with the Manager’s performance under this Agreement, identify an additional conflicts that may arise in the course of performing under this Agreement, and monitor the execution of the Manager’s conflict of interest mitigation plan for its effectiveness;

• Review of employee’s adherence to the personal trading policies set forth in the Manager’s Code of Ethics and Exhibit G; and

• Periodic review of records of access to the designated locations set forth in Section 16, and to Wellington's firm-wide systems that contain pre-trade data that may be Confidential Information.

(e) Testing of Business Continuity Plan: The Manager maintains a business continuity plan and periodically tests the effectiveness of the plan. The Manager will document and periodically test the business continuity of the processes and procedures necessary to provide the services under this Agreement, to the extent not covered by the Manager’s business continuity plan. The MBS Purchase Program processes and procedures will be likewise documented and tested on a periodic basis consistent with the Manager’s broader business continuity plan. In each case, the results of such periodic testing shall be reported to the FRB-NY.

9. Reports: Settlement/Reconciliation

(a) Reports At such intervals as shall be mutually agreed upon between the Manager and FRB-NY, but not less than monthly, the Manager shall promptly furnish the FRB-NY with written reports with respect to the Account covering information to be mutually agreed. The reports shall include, unless otherwise agreed by the parties, reporting concerning the following (with specific content to be mutually agreed): (i) to be provided monthly – portfolio statistics, portfolio purchases and sales, monthly transaction totals, Class A TBA volume, delivery variance and TBA pair-offs, (ii) to be provided weekly – weekly trade recap and MBS commitments, and (iii) to be provided daily – trade files, analytics file, unallocated TBAs, failed trades and position breaks. The Manager shall inform the FRB-NY as soon as practicable if the Manager is not able to obtain any timely information from the Custodian necessary for any such reports.

The Manager shall provide up to daily market updates and trade overviews in a form agreed to by the Manager and FRB-NY. The Manager shall also provide (subject to FRBNY design input) a suite of portfolio analytics, including scenario analysis and stress testing, using an industry standard prepayment model. In this context, the Manager may need to make customized system adjustments to accommodate the FRBNY’s management reporting needs.

The Manager will provide additional reports as reasonably requested by the FRB-NY. The Manager shall also provide additional reporting as reasonably requested to satisfy FRB-NY’s internal and external auditors. Notwithstanding the foregoing, the FRB-NY acknowledges and agrees that (i) the Manager shall not be deemed
to be the pricing or valuation agent for the Account, (ii) none of the information which the Manager provides the FRB-NY hereunder shall be deemed to be the official books and records of the Account for tax, accounting or any other purpose; and (iii) the FRB-NY will not publish, reproduce (except for internal or archival purposes) or disseminate any pricing information provided by the Manager without the Manager’s consent. The FRB-NY or the FRB-NY’s pricing or valuation agent, not the Manager, shall be responsible for ultimately determining the value of specific securities in the Account.

For the purposes of all reports made by the Manager to the FRB-NY, assets will be valued at fair value as determined in good faith by the Manager; provided that the valuation methods used by the Manager shall be described in writing to the FRB-NY. The Manager and FRB-NY agree to cooperate, in good faith, to reach resolution to the extent that the FRB-NY has concerns about the Manager’s pricing methodology. Each of the above referenced reports will be delivered to the FRB-NY via FRSecure or any other means of electronic delivery that may be agreed between the parties that satisfies the information security policies of the FRB-NY.

“Level 3 Services” means the services described in this Section 9(a).

(b) Settlement and Reconciliation The Manager shall reconcile transactions and cash flows daily and calculation of net asset value monthly (so long as, in each case, the Manager has received or been given access in a timely manner to any required information from the Custodian) with the Custodian and shall communicate with and seek to resolve any significant discrepancies with the Custodian.

As part of its settlement activities the Manager shall track and maintain records of (a) trades executed, including all pertinent financial and settlement information; (b) assignments of pools to TBA trades; (c) notifications of P&I payments; and (iv) cash flow projections, encompassing settlement of new trades and P&I payments. The Manager shall also track, maintain records of, and promptly resolve notification and settlement fails with counterparties and the Custodian, the later in accordance with the policies set forth by the FRB-NY. Records associated with these activities must be made available by the Manager to the FRB-NY for insertion into the FRB-NY’s own database (e.g., online via download, excel, txt file, etc.) and reporting purposes.

The Manager shall aid the FRB-NY in continuing to transition trading and portfolio management in-house to the FRB-NY, including providing authorized FRB-NY staff the ability to place trades on the FRB-NY’s behalf using the Manager’s systems on the Manager’s premises, continuing to work with the FRB-NY to implement similarly accommodative trading arrangements on the FRB-NY premises, should the need arise, and/or supplying access to the Manager to the FRB-NY for the purpose of providing training and support to relevant FRB-NY staff. The Manager shall accommodate the settlement of any and all MBS trades conducted by the FRB-NY. This may require continuing work by both the Manager and the FRB-NY in order to interface systems and will need to be done in a manner that satisfies the information security standards of both the Manager and the FRB-NY.

In connection with the settlement of any and all MBS trades conducted by the FRB-NY, the Manager shall have authority to instruct the Custodian to: (i) pay cash for securities and other property delivered to the Custodian for the Account, (ii) deliver or accept delivery of, upon receipt of payment or payment upon receipt of, securities and other property purchased or sold in the Account, and (iii) deposit margin or collateral which shall include the transfer of money, securities or other property to the extent necessary to meet the obligations of the Account with respect to any investments made by the FRB-NY.
Commencing on the date hereof and continuing until (A) the date upon which the FRB-NY provides notice to the Manager that services under this Section 9(b) shall no longer be required (such day, the "First Level 2 End Date") or (B) this Agreement is terminated as provided in Section 14 and (ii) at any time following the Level 2 End Date, commencing on any day upon which the FRB-NY provides notice to the Manager that services under this Section 9(b) are required again (each such date, a "Level 2 Start Date") and continuing until (1) the date upon which the FRB-NY provides another notice to the Manager that services under this Section 9(b) shall no longer be required (each such day, a "Subsequent Level 2 End Date" and, together with the First Level 2 End Date, each a "Level 2 End Date") or (2) this Agreement is terminated as provided in Section 14, the Manager shall perform the services described in this Section 9(b).

"Level 2 Services" means (a) the services described in this Section 9(b), and (b) the Level 3 Services described in Section 9(a).

10. **Attendance at Meetings**

The Manager will meet up to daily with the FRB-NY at the FRB-NY’s request to review the Account, current market conditions and investment strategy. Upon reasonable notice, at the request of the FRB-NY, the Manager shall also meet with one or more members of FRB-NY’s board of directors or the SOMA manager at a time mutually agreeable.

The FRB-NY may also request a meeting with the Manager to discuss matters relating to possible modifications to the guidelines set forth in Exhibit A or to request an ad-hoc update on the portfolio strategy review.

The Manager acknowledges that telephone conversations between personnel of the FRB-NY and personnel of the Manager may be recorded.

11. **Fees**

For the services specified in this Agreement, the FRB-NY agrees to pay fees as set forth in Exhibit D. The FRB-NY agrees to remit payment promptly following the end of each calendar quarter. If Manager shall serve for less than the whole of any quarterly period, its compensation determined as provided in Exhibit D shall be calculated and shall be payable on a pro rata basis by month for the period of the calendar quarter for which it has served as Manager under this Agreement. The FRB-NY shall not pay any penalty or unaccrued fees in the event this Agreement is terminated by FRB-NY or the Manager.

For the avoidance of doubt, the FRB-NY shall not pay any unapproved out of pocket or other expenses incurred by the Manager in connection with its provision of services under this Agreement. The Manager is not authorized to obligate the FRB-NY to pay for or incur any other expenses, including but not limited to hiring lawyers, accountants or other experts, or the use of third party pricing and valuation services without the express written consent of the FRB-NY.

**Disputes** If FRB-NY disputes all or a portion of any invoice, FRB-NY will pay the undisputed amount. The FRB-NY will notify the Manager in writing of the specific reason and amount of any dispute. The Manager and the FRB-NY will work together, in good faith, to resolve any disputes as soon as reasonably practicable, and FRB-NY will pay the amount, if any, agreed to by the parties based on the resolution.
**Additional Compensation** The Manager shall not agree to accept compensation from any entity other than the FRB-NY in connection with the services provided by the Manager to the Account under this Agreement.

12. **Assignment**

In accordance with Sections 205(a)(2) and 205(a)(3) of the Investment Advisers Act of 1940, no assignment (as defined under such Act) of this Agreement shall be made by the Manager without the consent of the FRB-NY.

13. **Notices**

Any written notice required by or pertaining to this Agreement shall be personally delivered to the party for whom it is intended, at the address stated below, or shall be sent to such party by messenger, overnight mail, or e-mail (and more specifically secure e-mail if the notice pertains to the assets in the Account, or the Portfolio or trading strategy). Any notices shall be deemed given only upon actual receipt.

If to the FRB-NY:

Federal Reserve Bank of New York  
33 Liberty Street  
New York, NY 10045-0001

or if to FRB-NY’s Chief Compliance Officer:

Federal Reserve Bank of New York  
33 Liberty Street  
New York, NY 10045-0001

with copy to:

Federal Reserve Bank of New York  
33 Liberty Street  
New York, NY 10045-0001

If to the Manager:

Vice President
Wellington Management Company, LLP
75 State Street
Boston, MA 02109

with copy to:

Vice President
Wellington Management Company, LLP
75 State Street
Boston, MA 02109

14. **Term**

This Agreement shall be effective as of the date hereof, and shall continue until terminated. Either party may terminate this Agreement at the end of a particular month by giving thirty (30) days’ advance notice, in writing, to the other party; provided that no termination of this Agreement by the Manager pursuant to this sentence shall be effective until the sooner of (i) the FRB-NY has appointed one or more Successor Managers (collectively, a “Successor Manager”) and the Successor Manager has commenced the performance of the duties of the Manager described herein or (ii) one hundred and eighty (180) days after such notice of termination from the Manager. Notwithstanding the foregoing, the FRB-NY may terminate the authority of the Manager at any time, for any reason.

On the termination date of the Agreement or as close to such date as is reasonably practicable, the Manager shall provide the FRB-NY with a final report containing the same information determined as of the determination date as in the reports contemplated by Section 9. Upon termination of the Agreement, the Manager and FRB-NY agree to cooperate to identify any ongoing record retention requirements.

15. **Liability**

(a) **Standard of Care** The Manager shall not be liable to the FRB-NY for:

(i) the acts or omissions of any other fiduciary or other person with respect to the Account; or

(ii) for anything done or omitted by the Manager under the terms of this Agreement; provided that the Manager shall have acted in good faith and shall have exercised the degree of prudence, competence and expertise customarily exhibited by managers of national standing of institutional portfolios, and in any case, a degree of skill and attention no less than that which the Manager exercises with respect to comparable assets that it manages for itself and others having similar investment objectives and restrictions. The Manager's aggregate liability hereunder (for any act or omission, combination of acts or omissions, or warranty), regardless of the nature or form of the FRB-NY’s claim or claims, will be limited to twelve times the monthly fee...
in effect at the time of the event giving rise to the liability; provided that the Manager's liability hereunder shall not be so limited if arising out of the Manager's fraud, willful misconduct, bad faith, breach of its confidentiality obligations hereunder or if arising out of any third party claims arising from a breach of representation or warranty in Section 15(f). Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which may not be so limited or waived in accordance with applicable law. Without limiting the generality of the foregoing, the Manager will not be liable for any indirect, special, incidental or consequential damages.

The Manager is expressly authorized to rely upon any and all instructions, approvals interpretations and notices given on behalf of the FRB-NY by any one or more of those persons designated as representatives of the FRB-NY whose names and titles appear in Exhibit E attached hereto. All such instructions, guidance, approvals and notices shall be communicated by e-mail (and more specifically secure e-mail if the instruction, guidance, approval, or notice pertains to the assets in the Account, or the Portfolio or trading strategy), telephone (on a recorded line) or in writing. The FRB-NY shall provide a Secretary Certificate, Incumbency Certificate, or similar document indicating that the persons designated as representatives have the authority to bind the FRB-NY. The FRB-NY may amend such Exhibit E from time to time by written notice to the Manager. The Manager shall continue to rely upon these instructions until notified by the FRB-NY to the contrary.

Except for those individuals identified on Exhibit E, or unless specifically instructed by an individual listed on Exhibit E, the Manager shall not knowingly communicate with any officers or employees of the FRB-NY regarding this Agreement or the services rendered hereunder. Such communications may be a breach of the Manager's confidentiality obligations under Section 16.

The Manager shall not be deemed to have breached this Agreement or the Investment Guidelines in connection with fluctuations arising from market movements and other events outside the control of the Manager.

(b) Force Majeure The Manager shall be responsible for maintaining and preserving its operations, facilities and systems (including its computer and communication systems) in a manner consistent with commercial and supervisory standards prevalent in its industry. So long as the Manager shall have complied with the foregoing maintenance or preservation requirements and provided that any delay or failure to take such action as may be required under this Agreement could not be prevented by the exercise of reasonable diligence by the Manager, the Manager shall not be liable for any delay or failure to take any action as may be required under this Agreement, to the extent that any such delay or failure is caused by an act of God or acts of declared or undeclared war, acts of terrorism, public disorder, rebellion or sabotage, epidemics, landslides, lightning, fire, hurricanes, earthquakes, floods or similar events or the interruption or suspension of any external communication or power systems. The preceding sentence shall not relieve the Manager from performing its obligations in a timely manner in accordance with the terms of this Agreement, and the Manager shall provide the FRB-NY with written notice of any material failure or delay resulting from force majeure, to the extent known to Manager.

(c) Indemnity The FRB-NY shall indemnify and hold harmless the Manager, its Affiliates and its and their respective officers, directors, employees, partners, attorneys and agents from and against any losses, claims, damages or liabilities (including, but not limited to, reasonable attorneys' fees and litigation-related expenses) ("Losses") incurred in connection with any threatened or pending third party action, suit, proceeding or claim relating to, arising out of or in connection with this Agreement, except for any Losses arising out of the Manager's fraud, willful misconduct, bad faith or breach of its confidentiality obligations hereunder.
(d) *Requirements for Claiming Under the Indemnity* In order to recover under this indemnity, the Manager: (a) must provide reasonably prompt notice to the FRB-NY of any claim for which indemnification is sought, provided that the failure to provide notice shall only limit the indemnification provided hereby to the extent of any incremental expense or actual prejudice as a result of such failure; and (b) must not make any admissions of liability after receiving actual notice of the claim or agree to any settlement without the written consent of the FRB-NY, which consent shall not be unreasonably withheld.

(e) *Rights of the FRB-NY* The FRB-NY may, in its sole discretion, and at its sole expense, control the defense of the claim including, without limitation, designating counsel for the Manager and controlling all negotiations, litigation, arbitration, settlements, compromises and appeals of any claim; provided that (i) the FRB-NY will inform the Manager of any settlement offers which are made and the FRB-NY may not agree to any settlement involving any indemnified person that contains any element other than the payment of money and complete indemnification of the indemnified person without the prior written consent of the affected indemnified person, (ii) the FRB-NY shall engage and pay the expenses of separate counsel for the indemnified person to the extent that the interests of the Manager are in conflict with those of the FRB-NY, and (iii) the indemnified person shall have the right to approve the counsel designated by the FRB-NY, which consent shall not be unreasonably withheld.

(f) *Pool Selector* The Manager hereby grants to the FRB-NY a limited, non-exclusive, non-transferable, revocable license to access and use the Manager’s computer application named Pool Selector (“Pool Selector System”) for the sole purpose of managing and trading assets within the Account, in accordance with the terms of this Agreement and for the term of the Agreement as set forth in Section 14.

The FRB-NY agrees that it will not claim any ownership interest in, or right to use, the Pool Selector System except as provided herein and that title and ownership of all intellectual property rights in the Pool Selector System will at all times remain the Manager’s property.

The Manager warrants that it is the owner of the Pool Selector System, and that the use and possession of the Pool Selector System do not infringe, misappropriate or violate any third party rights.

**THE MANAGER WARRANTS THAT THE POOL SELECTOR SYSTEM WHEN PROPERLY USED BY THE FRB-NY WILL SUBSTANTIALLY CONFORM TO THE MATERIAL SPECIFICATIONS AS SET FORTH IN THE “POOL SELECTOR SYSTEM DOCUMENTATION”, AS THE DOCUMENTATION MAY BE AMENDED FROM TIME TO TIME.** The Manager shall provide the FRB-NY with the Pool Selector System Documentation by December 31, 2010. The Manager warrants that it has taken commercially reasonable measures and performed commercially reasonable tests to establish that the Pool Selector System performs its intended functions and to prevent the Pool Selector System from disruption by a computer virus or other defect that might disrupt the normal operation of the Pool Selector System. For this Agreement, "computer virus" means a computer program, code or set of instructions that, when inserted into a computer's memory, operating system, files or application program: (x) duplicates or has the ability to duplicate all or part of itself without specific user instructions; (y) erases, alters, or renders unusable any computer data, memory, software, or related hardware in nonconformance with the specifications of the data, memory, software, or hardware; or (z) otherwise disrupts the normal operations of the Pool Selector System. The term includes, but is not limited to, trojan horses, logic bombs, and worms. The Manager shall take all commercially reasonable measures necessary to restore the Pool Selector System in the event of disruption.
EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH HEREIN, THE MANAGER MAKES NO, AND HEREBY DISCLAIMS ANY, WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN RESPECT OF THE POOL SELECTOR SYSTEM.

16. **Confidential Information**

The Manager acknowledges that (i) the Bank is part of the Federal Reserve System (the "System"), and the Federal Open Market Committee (the "FOMC") have policy interests in the Agency MBS Purchase Program, (ii) perceptions of the deliberations and policies of the Bank, the System and the FOMC may have an extraordinary influence on securities, financial and capital markets, and (iii) disclosure of non-public information regarding the deliberations and policies of the Bank, the System or the FOMC could damage the Bank, the System and the FOMC, may impede the achievement of policy objectives and may result in instability in the Agency MBS market.

**FOMC Information** The Manager will not ask for, and except for information provided by an individual listed on Exhibit E, is not to be provided with confidential information regarding monetary policy, open market operations or the FOMC. In the event that the Manager believes that an individual not listed on Exhibit E has inadvertently disclosed such information to the Manager, the Manager will immediately report such disclosure by telephone to the Chief Compliance Officer of FRB-NY and will ensure that the Manager does not rely or act on such information.

**Confidential Information Defined** The Manager acknowledges that all information and material that comes into the possession or knowledge of the Manager on or after the date hereof, whether provided directly by the FRB-NY or by another agent of the FRB-NY, in connection with the services provided under this Agreement, including but not limited to:

- the terms and conditions of this Agreement;

- information regarding the Account (or other accounts operated by a prior investment manager of the FRB-NY) including the identity and amount of the assets held in the Account (or other accounts operated by a prior investment manager of the FRB-NY) and the operations and investments of SOMA;

- information regarding the practices, policies, business affairs or other proprietary or commercial information of one of the FRB-NY's previous investment managers or other agents. (Each of the prior investment managers and any other FRB-NY agents shall be a third party beneficiary for purposes of enforcing this confidentiality requirement with respect to the proprietary or commercial information it provides in connection with the services provided under this Agreement);

- reports, briefing material, information and data, both written and oral, related to this Agreement;

- financial information, condition, processes and procedures of the FRB-NY or SOMA;

- material related to FRB-NY’s data processing systems, applications, procedures, policies and standards;
the physical security of FRB-NY; and

financial, statistical, strategic planning and other similar information relating to the past, present or future activities of FRB-NY or the FOMC, which has or may come into the possession or knowledge of the Manager in connection with this engagement or its performance hereunder

(any and all of the above, "Confidential Information") shall be considered to be confidential and proprietary, the disclosure of which to, or use by, third parties will be damaging to the FRB-NY, to a prior FRB-NY investment manager, to a FRB-NY agent and/or the FOMC. Subject to the “Exceptions” paragraphs below, no such Confidential Information shall be duplicated for, used by or disclosed to third parties without the written consent of the FRB-NY or, with respect to Confidential Information provided by a prior investment manager or other FRB-NY agent, used to compete with any business to which the Confidential Information relates. The Manager shall use the same or greater effort to avoid publication or dissemination of such Confidential Information as it employs with respect to its own confidential information.

Except as set forth below: (i) written Confidential Information relating to pre-trade activity in the Account may not be removed from one or more segregated locations designated in writing by the Manager to the FRB-NY, (ii) all discussion of Confidential Information relating to pre-trade activity in the Account shall be conducted in the segregated location designated in writing by the Manager to the FRB-NY, and (iii) Restricted Team Members shall access electronic Confidential Information relating to pre-trade activity from one or more segregated locations designated in writing by the Manager to the FRB-NY. The Manager may access pre-trade Confidential Information electronically in connection with performing its supervisory activities; any supervisor shall access pre-trade Confidential Information from one of the locations designated by the Manager to the FRB-NY where the supervisor is able to view the electronic pre-trade Confidential Information privately. The Manager may permit normal access to the segregated locations for janitorial and maintenance purposes, provided that the Manager shall take reasonable care that Confidential Information shall not be disclosed to individuals providing janitorial or maintenance services.

Exceptions The Manager shall have no obligation under this Agreement with respect to any information that: (1) is, at the time of disclosure, or thereafter becomes, part of the public domain through a source other than the Manager in violation of this Agreement; (2) is subsequently learned from a third party that, to the knowledge of the Manager, is not under an obligation of confidentiality to the FRB-NY; (3) was known to the Manager at the time of disclosure other than from the FRB-NY or its provision of services under this Agreement; (4) is generated independently by the Manager without reference to the Confidential Information; or (5) is disclosed pursuant to applicable law, regulation, subpoena or other legal process, or in connection with the enforcement of the Manager’s rights against the FRB-NY under this Agreement.

The Manager shall notify the General Counsel of FRB-NY, or his designee, promptly if disclosure is requested pursuant to any law, regulation, subpoena or other legal process other than routine regulatory examinations (e.g., by the Securities and Exchange Commission or the United Kingdom Financial Services Authority). The Manager further agrees that in the event that disclosure is requested under any such law, governmental or administrative rule, or regulation, it will take all steps reasonably required to protect the confidentiality of the Confidential Information being disclosed, including but not limited to: (i) entertaining and considering any argument that the FRB-NY wishes to make that disclosure is not required and/or that such disclosure is in violation of the terms and conditions of this Agreement; (ii) providing the FRB-NY, at the expense of the FRB-NY, with all reasonable assistance in resisting or limiting disclosure; (iii) advising the recipient that the
Confidential Information is subject to the confidentiality provisions of this Agreement; and (iv) using reasonable efforts to obtain an appropriate stipulation or order of confidentiality.

For the avoidance of doubt, the Manager shall be authorized to disclose Confidential Information to third parties, including (subject to the limited access provision below) its Affiliates and to the officers, directors, employees, attorneys, accountants, financial advisors and other agents of Manager and its Affiliates, to the limited extent required for it to fulfill its obligations under this Agreement, including in connection with: (i) effecting investment transactions or disposition, (ii) routine regulatory examinations and (iii) the preparation of Control Reports. Furthermore, unless prohibited under another provision of this agreement, the Manager shall be authorized to communicate with brokers and dealers, the Custodian, and any other third party to the extent required for it to perform its obligations under this Agreement including, to the extent approved by the FRB-NY, for the purpose of obtaining advice or services from third party advisors or vendors.

**Limited Access** The Manager agrees to maintain Confidential Information in strictest confidence and to limit the access to information that is the subject of this Agreement to only those of its officers, directors, partners, and employees that are necessary to its performance under this Agreement and shall require all such employees, by means of a written acknowledgement (which may be in the form of an annual certification), to keep all such information obtained by them as strictly confidential.

Confidential Information may also be provided to the Affiliates and/or third party agents identified in Exhibit G but only in accordance with the restrictions and limitations set forth in the Exhibit G and Section 4. In addition, any such Affiliate or third party agent (other than outside counsel) must be bound by a written confidentiality obligation substantially similar to the Manager's confidentiality obligation under this Agreement. Manager assumes responsibility for maintaining the confidentiality of all Confidential Information disclosed to its Affiliates and third party agents under this Agreement. For the avoidance of doubt, this paragraph does not apply to, and does not limit, Manager's ability to transact with the brokers and dealers listed on Exhibit C in a manner consistent with Manager's customary practices and such brokers and dealers shall not be deemed "third party agents" of the Manager for purposes of this paragraph.

**Public Statements** The Manager agrees, until the termination of this Agreement, not to originate or encourage any public written or oral statement, news release, or other public announcement or publication relating to this Agreement or to any Confidential Information, beyond a statement no more detailed than any public statement by the FRB-NY, without the express prior consent of the President, First Vice President or an Executive Vice President of the Markets Group of FRB-NY listed as such on Exhibit E.

Unless prohibited by law or regulation, the FRB-NY shall provide reasonable advance notice to the Manager before the FRB-NY, its agents or its employees publicly disclose, or cause to be publicly disclosed, information regarding the Manager's role in providing services under this Agreement.

**Confidential Information of the Manager** The FRB-NY agrees that confidential information and advice furnished by the Manager to the FRB-NY (including without limitation information evidencing the Manager's expertise, investment strategies or trading activities) has been developed by the Manager through the application of methods and standards of judgment and through the expenditure of considerable work, time and money and is the exclusive and proprietary intellectual property of the Manager which (i) shall be treated as confidential by the FRB-NY, (ii) shall not be used for any purpose other than FRB-NY's or the FOMC's analysis of the performance of the Manager, and (iii) shall not be disclosed, directly or indirectly, to third parties by the FRB-NY except that the FRB-NY shall be permitted to share confidential information provided by the Manager on a need to know basis with: (1) its officers, employees, Board of Directors, auditors and oversight bodies; (2) the Board of Governors of the Federal Reserve System and its oversight bodies; (3) the FOMC, (4) other investment managers and agents hired by the FRB-NY for purposes of this initiative, to
the extent such managers or agents are required to keep such Confidential Information confidential and (5) any other party with the prior written consent of the Manager. Additionally, the FRB-NY may make public information contained in any report produced by the Manager as is reasonably necessary for policy purposes.

The FRB-NY’s obligation under this sub-section shall not apply to any of the foregoing which (a) is, at the time of disclosure, or thereafter becomes, part of the public domain through a source other than in violation of this Agreement; (2) is subsequently learned from a third party that, to the knowledge of the FRB-NY, is not under an obligation of confidentiality to the Manager; (3) was known to the FRB-NY at the time of disclosure other than from Manager or its provision of services under this Agreement; (4) is generated independently by the FRB-NY; or (5) is disclosed pursuant to applicable law, regulation, subpoena, congressional request or other legal process, or in connection with the enforcement of the FRB-NY’s rights against under this Agreement.

17. Non-Exclusive Management

FRB-NY understands that the Manager will continue to furnish investment management and advisory services to others and that the Manager shall at all times be free, in its discretion, to make recommendations to others which may be the same as, or may be different from, those concerning the Account or act with discretion for others. Subject to Section 18, FRB-NY further understands that the Manager, its Affiliates, and any officer, director, partners, stockholder, employee or any member of their families may or may not have a conflict of interest with the Account. In this regard, the Manager has disclosed to FRB-NY potential conflicts, which it has identified in good faith, as well as its plan to mitigate any such conflicts. The Manager shall review such conflicts of interest disclosure and mitigation plan at least annually and shall provide notice to the FRB-NY of any updates or modifications. Subject to Section 18, actions with respect to assets of the same kind or class may be the same as or different from the action which the Manager, or any of its Affiliates, or any officer, director, stockholder, employee or any member of their families, or other investors may take with respect to the Account.

18. Conflicts of Interest

General Policies The Manager agrees to abide by and has provided the FRB-NY with its internal conflict of interest policies and procedures. Such policies and procedures are designed to, among other things:

(i) identify any material financial conflicts of interest between the Manager and the FRB-NY;

(ii) require reporting of any conflicts of interest between the Manager and the FRB-NY that develop during the course of this Agreement; and

(iii) prevent the use of Confidential Information to enter into a trade or transaction unrelated to this Agreement.

The Manager shall disclose potential conflicts of interest to the FRB-NY as they arise and, at the request of the FRB-NY the Manager will recuse itself from decisions relating to the management of any portion of the Account if the FRB-NY determines that a conflict of interest exists that cannot be adequately addressed. Upon request, the Manager shall supply any and all audit/compliance work documentation generated during any internal inspection relating conflict of interest concerns as a result of this Agreement.
Specific Prohibitions

The Manager acknowledges that it would breach its duties to FRB-NY hereunder for the Manager or an Affiliate of the Manager to use Confidential Information obtained in the course of this engagement to enter into a trade or other transaction unrelated to the Account except as authorized below as part of an aggregate sale or purchase.

The Manager shall not knowingly engage in any transaction that would require the FRB-NY’s consent pursuant to Section 206(3) of the Advisers Act, as amended, and the rules and regulations promulgated thereunder unless such transaction is approved by FRB-NY.

The Manager shall not knowingly purchase any asset for inclusion in the Account from any account or portfolio for which the Manager or any of its Affiliates serves as investment adviser or knowingly sell any asset in the Account to any account portfolio for which the Manager or any such Affiliate serves as investment adviser unless such transaction is approved by the FRB-NY.

Trade Allocation Policy Absent consent of the FRB-NY, the Manager may not aggregate sales and purchase orders of securities placed with respect to the Account with similar orders being made simultaneously for other accounts managed by the Manager.

If the FRB-NY provides consent, the Manager may aggregate sales and purchase orders of securities placed with respect to the Account with similar orders being made simultaneously for other accounts managed by the Manager only if in the Manager's reasonable judgment such aggregation would result in an overall benefit to FRB-NY, taking into consideration the availability of purchasers or sellers, the selling or purchase price, brokerage commissions and other expenses. It is the policy of the Manager that investments may not be allocated to one client account over another based on any of the following considerations:

(a) to favor one client account at the expense of another,

(b) to generate higher fees paid by one client account over another or to produce greater performance compensation to the Manager,

(c) to develop or enhance a relationship with a client or prospective client,

(d) to compensate a client for past services or benefits rendered to the Manager or to induce future services or benefits to be rendered to the Manager, or

(e) to manage or equalize investment performance among different client accounts.

In the event that a sale or purchase of any part of the Account occurs as part of any aggregate sales or purchase orders, (a) the objective of the Manager shall be to allocate the executions among the accounts in a manner reasonably believed by the Manager to be fair and equitable for all accounts involved; and (b) the Manager shall have delivered to FRB-NY its allocation policy, which further details the Manager’s policies and procedures with respect to the aggregation of sale and purchase orders, and shall have in place oversight and review policies designed to ensure compliance with its allocation policy.

Ethical Wall Consistent with Section 16, the Manager’s information barrier policies must be designed at a minimum to ensure that (a) personnel assigned to the management of the Account are adequately segregated from personnel involved with the Manager’s general trading, brokerage, sales, or other activities that might be in conflict with
the duty the Manager owes to FRB-NY under this Agreement, and (b) any information related to the management of the Account is not shared with personnel involved in activities that might be in conflict with the Manager's duty to FRB-NY under this Agreement without appropriate vetting and controls being put in place by the Manager's Legal and Compliance Department. The Manager shall have policies in place that direct the individual(s) that participate on a regular basis in the manager daily calls, or are primarily responsible for implementing portfolio management and trading decisions relating to the Level 1 Services the Manager provides under the Agreement ("Restricted Team Members") to refrain from accessing non-public information regarding specific securities in other client accounts, including the nature of specific client holdings or pending client trades and any non-public intention to direct, effect or recommend a transaction in a specific security in other specific client accounts. Other communications or discussions with individuals responsible for the management of other client accounts are permitted, including communications and discussions on high level investment policy (which may include daily investment strategy meetings that are not client or account specific); macro-economic and sector issues/trends; market environment, developments, and risk factors; and regulatory developments, in each case so long as they are not directly related to the specific holdings in other client accounts. Restricted Team Members may also have access to and participate in discussions concerning research (including analytical tools and portfolio and risk management systems) produced by the Manager, as long as such research tools and systems do not provide information with respect to specific holdings in other client accounts or, if they do provide access to the information, the Manager has policies in place that direct such individuals to refrain from such activities with respect to non-public information regarding specific holdings in other client accounts. For any other personnel assigned to provide investment management, trading and/or advisory services to the FRB-NY in connection with this Agreement, the Manager shall have policies in place that direct such personnel to ensure that their advice, guidance and direction concerning the Account and the FRB-NY trading strategy is not based on or influenced by non-public information regarding specific securities in other client accounts, including the nature of specific client holdings or pending client trades and any non-public intention to direct, effect or recommend a transaction in a specific security in other specific client accounts.

For the avoidance of doubt, individuals who sit atop of the ethical wall or straddle the wall must be especially vigilant to ensure that discussions with or advice, guidance or direction give to, individuals on the other side of the wall is not based on or influenced by Confidential Information concerning the Portfolio or trading strategy. The implementation of the ethical wall policy of the Manager shall be reviewed by internal audit or compliance at least once within the first six months of the engagement and thereafter in accordance with the Manager's own review policies.

In addition to following the Manager's information barrier policies, the Manager agrees that:

(a) it will comply with its FRB-NY Policy as outlined in Exhibit G in respect of the activities of personnel assigned to this engagement; provided that, in the event of any conflict between this Agreement and the FRB-NY Policy reproduced at Exhibit G, it will comply with the more restrictive provision (as related to such matter);

(b) it will maintain a list of each of the individuals who has been assigned to this engagement, the dates of such assignment, and the role of such individuals, and the level of services such individuals are performing, will notify the FRB-NY of any proposed changes to such list, and agrees that those changes are subject to the prior written approval of the FRB-NY, provided that the Manager may temporarily (for a period not exceeding 48 hours) add an individual to the engagement on an emergency basis if the Manager (i) first attempts to obtain the prior written approval of the FRB-NY, (ii) reasonably determines that it is necessary under the circumstances to do so prior to obtaining the FRB-NY's consent because, absent such addition, the Manager would be unable to perform its duties hereunder, the FRB-NY would suffer harm or the Manager would breach a fiduciary duty to other clients, and (iii) informs the FRB-NY in writing of the reason such individual was added; and
(c) any individual identified on Exhibit F or who is otherwise involved in providing Level 1 Services or investment management, trading and/or advisory services to the FRB-NY or managing the Account while such individual has access to Confidential Information concerning the Portfolio or trading strategy and, (x) if the Agreement has not been terminated, for a period of at least one full FOMC meeting cycle thereafter, (y) if the SOMA Agency MBS program has been terminated, for a period of two weeks thereafter, or (z) a shorter period identified in writing to the Manager by the FRB-NY; shall:

- be prohibited from providing investment management, trading or advisory services (in the case of advisory services, meaning providing advice that could be viewed as informed by the Confidential Information) to anyone other than the FRB-NY in Treasury (including Treasury futures) or agency securities or any Agency MBS; and

- refrain from purchasing for him or herself Treasury or agency securities, including Agency MBS, without prior consultation with the Chief Compliance Officer of FRB-NY.

FRB-NY acknowledges that the persons subject to the restrictions in (b) above shall be permitted to provide investment management, trading and/or advisory services to other clients with respect to securities other than Treasury or agency securities or any Agency MBS, including providing general market views and market views related to securities other than Treasury or agency securities or any Agency MBS except as noted in (d) below. The period set forth in (c) above shall commence at such time as an individual no longer has access to Confidential Information concerning the Portfolio or trading strategy.

(d) Restricted Team Members shall be prohibited from providing investment management, trading and/or advisory services to anyone other than the FRB-NY. The prohibition in this subsection (d) is limited to the provision of investment management, trading and advisory services. It does not extend to other non-investment management, trading or advisory matters, such as firm research, modeling, technology development and/or enhancement, or training provided that such matters do not require the use of Confidential Information. The Manager may request a waiver from the Chief Compliance Officer of the FRB-NY and the MBS Program Manager) to permit Restricted Team Members who would otherwise be prohibited from providing investment management or advisory services to clients other than the FRB-NY to provide limited investment management, trading and advisory services where the Manager believes that there is no risk of an actual or apparent conflict of interest. Whether such a waiver request is granted shall be within the sole discretion of the FRB-NY. The FRB-NY may also opt to relax the prohibition in this subsection (d) without a waiver request if, in the FRB-NY’s view, the prohibition is no longer required.

If a Restricted Team Member is reassigned, the prohibition in this subsection (d) on providing investment management, trading and/or advisory services shall continue until the next FOMC meeting or for two weeks, whichever is longer, period shall commence at such time as such individual is reassigned. For the avoidance of doubt, the individuals subject to the prohibition in this subsection in this subsection (d) are also subsection (c).

(e) If an individual assigned to provide services to FRB-NY under this Agreement provides notice of his or her resignation, the Manager shall use best efforts to remove them from the Account and ensure that (x) any Restricted Team Member refrains from engaging in investment management, trading or advisory services in Treasury and Agency securities, Treasury Futures and Agency MBS for a period of one full FOMC meeting cycle following their removal from the Account and (y) any other individual refrains from engaging in investment management, trading or advisory services in Treasury and Agency securities, Treasury Futures and Agency MBS until the next FOMC meeting following their removal from the Account.
Only Restricted Team Members shall be permitted to discuss strategy and have access to pre-trading information.

In addition to the responsibilities set forth in this Agreement, the Manager agrees to instruct its Restricted Team Member employees and Key Personnel listed in Exhibit F to abide by the FRB-NY’s Rules of Conduct applicable to Restricted Team Members.

19. Representations and Warranties

The parties agree that they shall provide prompt notice (i) of any material changes regarding the information about itself in this Agreement, or (ii) if any of the representations or warranties in this Section are no longer true or completely accurate in any material respects.

(a) The FRB-NY represents, warrants and covenants, as of the date hereof, that:

(i) the FRB-NY has the power and authority, and the legal right, to execute, deliver and perform this Agreement and all obligations required hereunder;

(ii) the FRB-NY has taken all necessary organizational action to authorize this Agreement on the terms and conditions hereof, the execution, delivery and performance of this Agreement and the performance of all obligations imposed upon it hereunder;

(iii) all transactions in Agency MBS authorized by the FRB-NY in the Investment Guidelines (collectively, "Obligations") are within the FRB-NY’s power, are duly authorized by the FOMC and, when duly entered into with a counterparty, will be the legal, valid and binding Obligations of the FRB-NY;

(iv) the FRB-NY’s execution, delivery and performance of this Agreement and all obligations required hereunder and the transactions and agreements which the Manager enters on behalf of the FRB-NY with a counterparty pursuant to this Agreement will not violate any applicable law, rule, regulation, governing document, contract or other material agreement binding upon the FRB-NY and no governmental or other notice or consent is required in connection with the execution, delivery or performance of this Agreement by the FRB-NY or of any agreements governing or relating to Obligations;

(v) represents, in connection with purchasing or selling Agency MBS for the Account, that the FRB-NY is a “qualified institutional buyer” as defined in Rule 144A under the Securities Act of 1933, as amended;

(vi) the FRB-NY represents that the assets of the Account do not constitute assets of (a) an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA")), whether or not subject to Title I of ERISA; (b) a plan described in Section 4975(e)(1) of the Internal Revenue Code; or, (c) an entity whose underlying assets are assets of a plan described in (a) or (b) by reason of such plan’s investment in the entity; and

(vii) the assets in the Account are free from all liens and charges, and undertakes that no liens or charges will arise from the act or omissions of the FRB-NY which may prevent the Manager from giving a first priority lien or charge on the assets solely in connection with the Manager’s authority to direct the deposit of margin or collateral to the extent necessary to meet the obligations of the Account with respect to any investments made pursuant to the Investment Guidelines.
(b) The Manager represents, warrants and covenants, as of the date hereof, that:

(i) the Manager is a Massachusetts limited liability partnership and has the power and authority, and the legal right, to execute, deliver and perform this Agreement and all obligations required hereunder and the Agreement constitutes a legal, valid and binding obligation of the Manager;

(ii) the Manager has taken all necessary organizational action to authorize this Agreement on the terms and conditions hereof, the execution, delivery and performance of this Agreement and the performance of all obligations imposed upon it hereunder;

(iii) the Manager’s execution, delivery and performance of this Agreement and all obligations required hereunder will not violate any applicable law, rule, regulation, governing document (e.g., limited liability company agreement), contract or other material agreement binding upon the Manager;

(iv) the Manager is not currently subject to any public or, to its knowledge, any non-public investigations, existing enforcement actions, or insolvency proceedings, or any pending enforcements actions that are material to its management of the Account. For the avoidance of doubt, routine or sweep regulatory examinations do not constitute investigations. Unless prohibited by law or negotiation, the Manager shall immediately notify the FRB-NY if it becomes aware of any such investigations, actions or proceedings; and

(v) the Manager is duly registered as an investment adviser with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940, as amended, and that such registration is in full force and effect.

20. Delivery of Part II of Form ADV

The FRB-NY acknowledges it has received, at least 48 hours prior to the execution of this Agreement, a copy of Part II of the Manager’s Form ADV, as amended. The Manager shall deliver any changes to its Form ADV.

21. Severable

Any term or provision of this Agreement that is invalid or unenforceable in any applicable jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Agreement in any jurisdiction.

22. Applicable Law and Submission to Jurisdiction

This Agreement and the rights and obligations herein shall be governed by Federal law, and in the absence of controlling Federal law, in accordance with the laws of the State of New York, notwithstanding New York’s conflict of law rules. Any legal action, suit or proceeding arising out of or in connection with this Agreement shall only be brought in the United States District Court for the Southern District of New York. For these purposes, the FRB-NY and the Manager submit to the jurisdiction of such court.

23. Notices and Assertions

(a) Change in Control The Manager shall inform the FRB-NY concerning any possible change in control of the Manager as soon as such information is made available to the public.
(b) **Quarterly Certificate** Within 10 business days of the close of each calendar quarter or the termination date of this Agreement if such termination date occurs on a date other than the end of a calendar quarter, the Manager shall certify to the FRB-NY in writing utilizing substantially the form provided in Exhibit H that (i) the Manager complies in all material respects with this Agreement, including its Investment Guidelines, or identifies and provides a rationale for any exceptions, (ii) the Manager is not aware of any deficiencies in the design of the internal controls covered in the attestation report(s) required in Section 8(d) of this Agreement, (iii) the controls covered in the attestation required in Section 8(d) of this Agreement remain in place, and (iv) the Manager has notified the FRB-NY of all Risk Events as required by Section 8(d) of this Agreement or identifies any unreported Risk Events.

(c) **Annual Attestation** Within 10 business days of the end of each calendar year or the termination date of this Agreement if such termination date occurs on a date other than the end of a calendar year, the Manager’s Chief Compliance Officer shall submit an attestation substantially in the form of Exhibit I confirming the accuracy of the quarterly certifications delivered pursuant to Section 23(b).

24. **Staffing and Key Personnel**

Exhibit F hereto sets forth the Manager’s key personnel assigned to this engagement. The Manager agrees, to the extent possible, to provide the FRB-NY with advance written notice before removing any key personnel from this engagement. No individual shall be assigned to this engagement as a Restricted Team Member unless and until the Manager has delivered professional and biographical information to the Bank, and the Bank has had an opportunity to evaluate such person for security and other purposes. In addition, the Manager shall provide to FRB-NY, and update on a regular basis, a staffing plan for the services contemplated hereby, including detail of the employees involved and their responsibilities.

25. **Survival**

The following Sections shall survive any termination of this Agreement: 8(a), 8(d) (delivery of Control Reports and Risk Event reports covering time period through termination date of Agreement), 12, 13, 14, 15, 16, 18 (restrictions on use of Confidential Information, cooling off periods in Agreement and Exhibit G), 19, 21, 22, 23(b) and (c) (delivery of final Quarterly Certification and Annual Attestation covering time period through termination date of Agreement), 25, 27 – 30.

26. **Compliance with Laws and Regulations**

The Manager shall conduct the appointment at all times in accordance with all laws and regulations applicable to it, including anti-money laundering ("AML"), counter-terrorist financing ("CTF"), and U.S. Office of Foreign Assets Control ("OFAC") laws and regulations. The Manager shall provide the FRB-NY on request with summaries or copies of its policies and procedures to ensure compliance with laws, including applicable AML, CTF, and OFAC laws and regulations. Manager shall respond to reasonable inquiries from the FRB-NY’s Chief Compliance Officer with respect to compliance with laws and regulations.

27. **No Waiver**

No failure on the part of the Manager or FRB-NY to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power, privilege or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Manager or FRB-NY of any right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy. The rights, powers,
privileges and remedies herein provided are cumulative and are not exclusive of any rights, powers, privileges and remedies provided by law.

28. Amendments

This Agreement may only be amended by a written instrument executed by the Manager and FRB-NY, except that the FRB-NY may, (a) in its sole discretion upon written notice to the Manager, amend Exhibit C or Exhibit E from time to time as it sees fit and (b) amend Exhibit A following reasonable notice to, and consultation with, the Manager. For the avoidance of doubt, provided that the FRB-NY satisfies the notice and consultation requirement, the FRB-NY may amend Exhibit A as it sees fit.

29. Integration

The following exhibits, each as amended from time to time, form an integral part of this Agreement as if set forth fully herein: Exhibit A, Investment Guidelines; Exhibit B, Power of Attorney; Exhibit C, Authorized Counterparties; Exhibit D, Fee Schedule and Payment Procedures; Exhibit E, Designated Representatives of the FRB-NY; Exhibit F, Key Personnel, Exhibit G, FRB-NY Policy, Exhibit H Form of Investment Managers Certification, Exhibit I Form of Investment Manager's Compliance Attestation. This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof and supersedes in its entirety the Amended and Restated Investment Management Agreements dated April 17, 2009, and August 12, 2009, and all prior agreements between the parties relating to the subject matter hereof except for the Confidentiality Agreement between the Manager and the FRB-NY dated December 19, 2008.

30. Counterparts

This Agreement may be executed in counterparts, each of which shall be an original but all of which together shall constitute one agreement.

[signature pages follow]
EXECUTED on the date first above written.

WELLINGTON MANAGEMENT COMPANY, LLP

By:

FEDERAL RESERVE BANK OF NEW YORK

By:
**Schedule of Exhibits:**

- Exhibit A  Investment Guidelines
- Exhibit B  Power of Attorney
- Exhibit C  Authorized Counterparties
- Exhibit D  Fee Schedule and Payment Procedures
- Exhibit E  Designated Representatives of the FRB-NY
- Exhibit F  Key Personnel
- Exhibit G  FRB-NY Policy
- Exhibit H  Form of Investment Manager’s Certification
- Exhibit I  Form of Investment Manager’s Compliance Attestation
EXHIBIT A
INVESTMENT GUIDELINES

These Investment Guidelines provide a framework for the Manager in approaching investment decisions with respect to the Account (also referred to herein as the “Portfolio”).

The Investment Guidelines will be reviewed by the FRB-NY on a periodic basis and revised as necessary.

I. Policy Objective
   The policy objective is to provide support to mortgage and housing markets and to foster improved conditions in financial markets more generally.

II. Portfolio Objective
   The Manager shall employ the strategy as directed from time to time by the FRB-NY.

III. Portfolio Guidelines
EXHIBIT B
POWERS OF ATTORNEY

DATE:

RE: FEDERAL RESERVE BANK OF NEW YORK (the “CLIENT”)
ACCOUNT NUMBER:

ATTENTION: THIS IS TO CONFIRM THE APPOINTMENT OF, AND ACCEPTANCE BY, [ ] AS INVESTMENT MANAGER TO MANAGE, SUPERVISE AND DIRECT THE INVESTMENTS OF AND FOR THE ABOVE CAPTIONED ACCOUNT (THE "ACCOUNT"), WHICH APPOINTMENT INCLUDES THE AUTHORITY TO ACT AS AGENT AND ATTORNEY-IN-FACT FOR AND ON BEHALF OF THE ACCOUNT WITH FULL AND COMPLETE AUTHORITY (I) TO PURCHASE, SELL, EXCHANGE, CONVERT AND OTHERWISE TRANSACT IN ANY AND ALL STOCKS, BONDS, CASH HELD FOR INVESTMENT AND OTHER ASSETS AS [ ] MAY SELECT; AND (II) TO ESTABLISH ACCOUNTS AND EXECUTE SECURITIES TRANSACTIONS WITH ONE OR MORE SECURITIES BROKER/DEALER FIRMS AND OTHER FINANCIAL INTERMEDIARIES AS [ ] MAY SELECT. NO CASH OR SECURITIES DUE TO OR HELD FOR THE ACCOUNT SHALL BE PAID OR DELIVERED TO [ ], EXCEPT IF EXPRESSLY DIRECTED AND APPROVED BY THE CLIENT.

IT IS FURTHER UNDERSTOOD THAT [ ] MAY DELIVER TO ANY SECURITIES BROKER/DEALER FIRM EXECUTING TRANSACTIONS ON BEHALF OF THE ACCOUNT A COPY OF THIS DOCUMENT AS EVIDENCE OF THE AUTHORITY OF [ ] TO ACT AS AGENT AND ATTORNEY-IN-FACT FOR AND ON BEHALF OF THE ACCOUNT.

VERY TRULY YOURS,

FEDERAL RESERVE BANK OF NEW YORK
BY:
NAME:
TITLE:
EXHIBIT C

AUTHORIZED COUNTERPARTIES

PRIMARY DEALERS

At any time and unless the FRB-NY shall notify the Manager otherwise, Authorized Counterparties shall mean each of the Primary Dealers listed on the FRB-NY’s website (at http://www.newyorkfed.org/markets/primarydealers.html).
EXHIBIT D

FEE SCHEDULE AND PAYMENT PROCEDURES

The Manager’s fees for its services under this Agreement shall be a monthly fee based on the services level as follows: (a) Level 1 Services - $1,300,000 per month; (b) Level 2 Services - $350,000 per month; and (c) Level 3 Services - $150,000 per month.

Fees for services provided for any partial month shall be paid pro rata based on the actual number of days in the month; provided that (a) if a Level 1 End Date occurs on a date other than the last day of an FOMC period, the fees in respect of the Level 1 Services shall accrue until the last day of such FOMC period, and (b) if a Level 2 End Date or Level 3 End Date occurs on a date other than the last day of a month, fees in respect of such services will accrue until the last day of such month.

All fees shall accrue on a monthly basis but shall be paid in arrears quarterly on September 30th, December 31st, March 31st and June 30th.
EXHIBIT E

DESIGNATED REPRESENTATIVES OF THE FRB-NY

Inquiries regarding all matters:

Representatives authorized to provide instructions, guidance, approvals and notice on behalf of FRB-NY:

Inquiries regarding asset management and Portfolio strategy:
Inquiries regarding financial reporting and Account reconciliation

Representatives authorized to provide instructions, guidance, approvals and notice on behalf of FRB-NY:
Inquiries regarding settlement

Representatives authorized to provide instructions, guidance, approvals and notice on behalf of the FRB-NY:

Inquiries regarding the Agreement

Representative authorized to provide instructions, guidance, approvals and notice on behalf of FRB-NY:

Name/Title:
Other FRB-NY contacts with whom the Manager may communicate but who are not authorized to provide instructions, guidance, approvals and notice on behalf of FRB-NY:

Any FRB-NY in-house attorney

Inquiries regarding Section 16 Confidential Information, Section 18 Conflicts of Interest and Exhibit G of the Agreement and other compliance issues

Representative authorized to provide instructions, guidance, approvals and notice on behalf of FRB-NY:
EXHIBIT F
KEY PERSONNEL
EXHIBIT G

[TO BE INSERTED]
Memorandum

Wellington Management Company, LLP

To: Distribution

From:

Re: Ethical Wall and Related Procedures for the Federal Reserve Bank of New York’s Systems Open Market Account

Date: November 2, 2010

Introduction

The following is a description of the “ethical wall” and related procedures that are unique to the Amended and Restated Investment Management Agreement (“Agreement”) between Wellington Management Company, LLP (“Wellington”) and the Federal Reserve Bank of New York (“FRB-NY”) relating to the Systems Open Market Account (“SOMA” or the “Account”) (“FRB-NY Ethical Wall Procedures”). In performance of such services for the FRB-NY certain Wellington personnel will have access to confidential information and may be placed in a position that could potentially create a conflict of interest. The FRB-NY has required Wellington to establish ethical wall procedures specific to the Agreement that are intended to protect the confidentiality of such information and mitigate any conflicts of interest by implementing measures designed to restrict access to such information by Wellington personnel not working on the Account. Wellington’s compliance with these FRB-NY Ethical Wall Procedures is a critical element to our retention of the Account.

Please read these procedures carefully and contact the designated individuals in the Legal and Compliance Group if you have any questions. You will be asked periodically to participate in training and to confirm that you have read, understood and complied with these procedures.

Confidential Information

The Agreement defines confidential information to include, in substance, all of the following categories of information, unless publicly available (e.g., disclosed by the FRB-NY):

• Investment strategy, trading activity and holdings of the Account (including strategy and trading discussions with the other managers relating to the management of the Account);
• Reports and other post-trade information related to the management of the Account;
• Terms of the Agreement; and
• Proprietary information related to FRB-NY’s operations, procedures or systems (collectively, the “Confidential Information”).

The complete definition of Confidential Information in the Agreement is included as Appendix E.

Ethical Wall

Structure

The Agreement requires Wellington to implement ethical wall procedures to ensure that the personnel assigned to the portfolio management and trading of the Account are adequately segregated from Wellington’s general portfolio management and trading operations. The Agreement also requires, in
substance, that Wellington restrict access to and the dissemination of the Confidential Information to those individuals reasonably necessary to service the Account and maintain a list of those individuals assigned to the Account.

Wellington’s FRB-NY Ethical Wall Procedures rely on a two tier structure. The first, most secure tier applies to pre-trade information, including the investment strategy and timing and size of transactions. The second tier applies to post-trade information, including settlement, reporting and reconciliation. Individuals who are assigned to the Account must be especially vigilant to ensure that discussions with or advice, guidance or direction given to, individuals who are not assigned to the Account is not based on or influenced by Confidential Information concerning the investment or trading strategy of the Portfolio.

**Tier 1 Access - Pre-Trade Information (Appendix A)**
The individuals listed in Appendix A are assigned to the Account and are authorized to have access to and/or receive pre-trade Confidential Information related to the Account, including the nature and scope of services to be provided by Wellington to the FRB-NY, the investment strategy of the Account, and the identity, timing and size of transactions, to the extent necessary to perform their roles with respect to the Account.

We separate these individuals into two sub-groups: Tier 1 – Restricted Access and Tier 1 – Full Access. Individuals listed in Appendix A as Tier 1 – Restricted Access are authorized to have access to Confidential Information related to the nature and scope of services to be provided by Wellington to the FRB-NY and the overall operation of the Account. For the avoidance of doubt, Tier 1 – Restricted Access are not permitted to have access to pre-trade Confidential Information related to the investment strategy of the Account, or the security identifiers, time or size of individual transactions in the Account. Individuals listed in Appendix A as Tier 1 – Full Access are authorized to have access to all Tier 1 Confidential Information.

All individuals listed in Appendix A as Tier 1 are prohibited from managing, trading or developing strategy for any other account in assets eligible for purchase in the Account (i.e., Treasury or agency securities, Treasury futures or Agency MBS) (“SOMA Eligible Assets”) while subject to the ethical wall.¹

¹ The restriction on managing or trading other client accounts in SOMA Eligible Assets may extend for a period of up to approximately two months after the individual ceases to work on the Account (i.e., the longer of two weeks or until the next FOMC meeting).
The individuals listed in Appendix A should only share Tier 1 Confidential Information with other individuals listed on Appendix A or parties designated by the FRB-NY. Individuals with Tier 1 – Full Access are not permitted to share pre-trade Confidential Information with Tier 1 Restricted Access personnel, other than information related to the nature and scope of services to be provided by Wellington to the FRB-NY and the overall operation of the Account.

Wellington will place all trades for the Account in a designated trading area or backup location. Wellington will limit access to the designated trading areas to the individuals listed in Appendix A as having Tier 1 – Full Access. Written information relating to pre-trade activity in the Account may not be removed from the designated trading locations. All discussion of pre-trade activity in the Account shall be conducted in the designated trading locations. In addition, Tier 1 – Full Access individuals shall access electronic information relating to pre-trade activity from the designated trading locations. Notwithstanding the foregoing, a supervisor of a Tier 1-Full Access individual may access pre-trade Confidential Information from one of the designated trading locations or from a location where the supervisor is able to view the electronic pre-trade Confidential Information privately in connection with exercising his or her supervisory activities.

Tier 2 Access - Post-Trade Information (Appendix B)

The individuals listed in Appendix B are assigned to the Account and are authorized to have access to and/or receive post-trade information related to the Account, including Account transaction, client reporting, operational requirements and capabilities of the FRB-NY and its agents, and the terms of the Agreement, to the extent necessary to perform their roles with respect to the Account. The individuals listed in Appendix B should only share post-trade (or Tier 2) Confidential Information with other individuals listed on Appendix B or parties designated by the FRB-NY.

Additions and Deletions to the Ethical Wall

Wellington’s Legal and Compliance Group will maintain a list of Wellington personnel assigned to the Account and eligible to view the relevant categories of Confidential Information. The individuals that Wellington has assigned to the Account and their respective departments are set forth in Appendices A and B to this Memorandum, as may be amended from time to time.
must approve additions or deletions to Appendices A and B of this Memorandum.

Additional Restrictions on the Account’s Portfolio Manager and Trader
The Portfolio Manager and Trader assigned to the Account are restricted from managing, trading or developing strategy for any other account at the firm. In addition, the Portfolio Manager and Trader are prohibited from intentionally accessing non-public security specific trade and holdings information for client accounts other than the Account.

FRB-NY’s Code of Conduct
All Wellington Personnel designated as Tier 1 - Full Access, or identified as Restricted Team Members or Key Personnel in the Agreement, are instructed to comply with the FRB-NY’s Rules of Conduct, a copy of which is included as Appendix D.

Use of Third Party Agents and Affiliates
Wellington is generally restricted from delegating portfolio management and administrative duties related to the Account to affiliates or third party agents. Please contact Legal and Compliance or the Relationship Management Team if you believe it is necessary to utilize affiliates or third party agents to service the Account. Wellington is permitted to provide access to Confidential Information to one or more independent public accountant to the extent necessary to prepare internal control reports required by the Agreement.

Pre-Trade Systems Controls
Only the individuals designated in Appendix A will have regular access to the order management and trading systems for the Account. In addition, Wellington will maintain a log ("IS Permission Log") of all individuals (e.g., information systems personnel) with permission to access to Wellington's firm-wide systems that contain pre-trade data that may be Confidential Information. The IS Permission Log will identify the addition or deletion of individuals with access to these systems. Wellington has agreed to provide the FRB-NY with a copy of the IS Permission Log (and any additions or deletions thereto) upon request. Wellington will monitor regularly (at least daily) access by the individuals on the IS Permission Log to Confidential Information.
Post-Trade Systems Controls
Wellington will suppress information relating to the Account from appearing on certain internal reports that are broadly accessible within the firm. Wellington will use the FRB-NY or SOMA account name only on client reports intended to be provided to the FRB-NY. Access to the FRB-NY client reports is limited to the Wellington personnel listed on Appendix B. Wellington will also periodically monitor the access to these reporting systems to ensure that access is consistent with these ethical wall procedures.

Exception Reporting
If you become aware of any exceptions to these ethical wall procedures, you are required to contact promptly one of the designated members of the Legal and Compliance Group (identified at the end of this Memorandum), who will assess the matter and determine whether the firm is required to notify the FRB-NY of the exception.

Legal and Compliance Review
Legal and Compliance will conduct periodic assessments of the implementation of the ethical wall procedures (as described in Section 8(d) and 23(c) of the Agreement).

Employee Departures
Wellington expects that Tier 1 access persons who terminate their employment with Wellington to provide adequate notice to enable Wellington to remove them from the Account and/or to refrain from engaging in investment management, trading or advisory services in SOMA Eligible Assets (i.e., Treasury and Agency securities, Treasury Futures and any Agency MBS) for a period of one full FOMC meeting following their removal from the Account. Similarly, Wellington expects that Tier 2 access persons who terminate their employment with Wellington to provide adequate notice to enable Wellington to remove them from the Account and/or to refrain from engaging in investment management, trading or advisory services in SOMA Eligible Assets until the next FOMC meeting following their removal from the Account. As a matter of policy, Wellington will pay the salary of departing employees through these periods provided the individual meets these conditions.

2 Under Wellington’s Partnership Agreement, all Partners are required to provide at least six months written notice to Wellington of their intent to withdraw from the Partnership.
Ethical Wall and Related Procedures for the Federal Reserve Bank of New York’s Systems Open Market Account
November 2, 2010
Page 6

Personal Trading

*Individuals with Access to Pre-Trade (Tier 1) Confidential Information (Appendix A)*
Wellington personnel with Tier 1 access to Confidential Information (listed in Appendix A) are prohibited from trading in SOMA Eligible Assets (i.e., Treasury and Agency securities, Treasury Futures and any Agency MBS) in their personal accounts (i) while assigned to the Account and (ii) until the next FOMC meeting or two weeks, whichever is longer, following the termination of the Agreement or the date upon which they cease being assigned to the Account. The definition of personal accounts is the same as the definition under Wellington’s Code of Ethics (e.g., an account in which you have a beneficial interest or investment discretion, but excluding accounts qualifying under the “Managed Account Exemption”). This personal trading restriction supersedes the provisions of Wellington’s Code of Ethics.³

Any request for exceptions to this rule must be approved by Wellington’s Chief Compliance Officer or the General Counsel, and potentially the Chief Compliance Officer of the FRB-NY.

*Open-End Mutual Funds and ETFs*
Except as set forth below, all Wellington personnel assigned to the Account are permitted to transact in open-end mutual funds with holdings in SOMA Eligible Assets. However, Tier 1 - Full Access Individuals are prohibited from purchasing open-end mutual funds and ETFs that invest primarily in Agency Securities and Agency MBS while designated as having Tier 1 - Full Access and must obtain pre-approval from Legal and Compliance prior to selling any open-end mutual funds or ETFs that invest primarily in Agency Securities and Agency MBS while designated as Tier 1-Full Access individuals.⁴ As set forth in the Code of Ethics (“Code”), transactions in ETFs listed in Appendix A to the Code are not required to be pre-cleared, but are required to be reported under the Code. All other ETFs are required to be pre-cleared as described in the Code. However, we remind the entire group to take special care to ensure that these transactions comply with the spirit and intent of the ethical wall procedures and our Code.

³ The Code exempts Treasury transactions from the pre-clearance provisions of the Code. The Code permits Wellington Personnel to transact in Agency and Agency MBS assets, subject to pre-clearance. The exemption from pre-clearance or approval through the firm’s pre-clearance system does not constitute approval for any individuals listed on Appendix A from personal transaction in SOMA Eligible Assets.

⁴ Legal and compliance will request that Tier 1 – Full Access individuals certify compliance with this section on a periodic basis.
Authorized Instructions

Wellington is not permitted to knowingly communicate Confidential Information to individuals at the FRB-NY other than those indicated in Appendix C (Exhibit E of the Agreement). In addition, Wellington is only authorized to take instructions, approvals, interpretations and notices from the representatives of the FRB-NY identified in Appendix C. The Agreement requires that all instructions, approvals, interpretations and notices from the FRB-NY must be made by secure e-mail, on a recorded telephone line or in writing to Wellington.

Wellington has consented in the Agreement to the use of recorded lines with the FRB-NY. You should assume that phone conversations with the FRB-NY are being recorded by the FRB-NY unless you receive affirmative confirmation that to the contrary.

FOMC Information

If you believe that you have inadvertently received confidential information regarding monetary policy, open market policy or the Federal Open Market Committee, other than from individuals identified on Appendix C (Exhibit E to the Agreement), contact one of the members of the Legal and Compliance Group listed in Appendix A. Legal and Compliance will assess the matter and determine whether the firm is required to notify the FRB-NY of the incident.

Questions

Please contact the following individuals with questions relating to the matters discussed in this Memorandum:
APPENDIX A

Pre-Trade Access to Confidential Information

Tier 1 -- Access to Pre-Trade Confidential Information

Tier 1 -- Full Access
None

Tier 1 -- Restricted Access
Fixed Income Portfolio Management

Fixed Income Trading
None

Global Relationship Group

Information Systems
None

Legal and Compliance

*Designated as "Key Personnel" under the Agreement.
++ Designated as "Restricted Team Member" under the Agreement.
APPENDIX B

Tier 2 -- Access to Post-Trade Confidential Information

Fixed Income Portfolio Management

Fixed Income Trading

Global Relationship Group

Information Systems
APPENDIX B (cont)  Tier 2 -- Access to Post-Trade Confidential Information

Investment Administration

Analytics Team

Legal and Compliance

Finance

Senior Management

*Designated as “Key Personnel” under the Agreement.
++ Designated as “Restricted Team Member” under the Agreement.
APPENDIX C

FED-NY Designated Representatives

For inquiries regarding all matters:

Any FRB-NY in-house attorney*

For inquiries regarding asset management and Portfolio strategy:

For inquiries regarding financial reporting and Account reconciliation:

For inquiries regarding settlement:

For inquiries regarding the Agreement:

*Other FRB-NY contacts with whom the Manager may communicate but who are not authorized to provide instructions, guidance, approvals and notice on behalf of FRB-NY.
APPENDIX C (cont)

FED-NY Designated Representatives

*Inquiries regarding Section 16 Confidential Information, Section 18 Conflicts of Interest and Exhibit G of the Agreement and other compliance issues*
APPENDIX D

FRB-NY RULES OF CONDUCT

As part of the nation’s central banking system, it is of the utmost importance that the public have confidence in the honesty and integrity of the Federal Reserve Bank of New York (the “Bank”). Therefore, while on assignment for the Bank, you will be expected to avoid conduct that places private gain above your duties to the Bank, gives rise to an actual or apparent conflict of interest, or that might result in a question being raised regarding the independence of your judgment or ability to perform the duties of your assignment satisfactorily. To ensure the foregoing, the Bank expects that you will conduct yourself in a manner consistent with these Rules of Conduct while you are on assignment for the Bank and, in some instances, for a period of time thereafter. If you require any assistance in interpreting the provisions of these Rules, please contact the Bank’s Ethics Office.

1. **Conduct**

**Gambling and Lotteries.** You may not gamble or participate in illegal lottery activities on Bank premises.

**Alcohol.** You may not sell or, except at Bank-approved functions, drink alcoholic beverages at the Bank. You also may not be on Bank premises while under the influence of alcohol.

**Illegal Drugs.** You may not use, sell, or possess illegal drugs on Bank premises or while on assignment at the Bank. Misusing over-the-counter or prescription drugs is also prohibited.

**Guns and Hazardous Materials.** You may not use or possess a gun, knife or other lethal weapon or hazardous material on Bank premises (including any Bank owned or operated parking lots).

2. **Use of Position**

Except for payments you receive from your employer for services rendered as part of your assignment, you may not use your assignment for the Bank, either directly or indirectly, for private gain. This includes using your assignment (e.g., your name in
conjunction with the Bank’s name) to endorse a product, service, or enterprise other than a Bank product or service.

3. **Conflicts of Interest**

You have a responsibility to avoid any situation that would result in a conflict of interest or the appearance of a conflict of interest. During your assignment for the Bank, you should not perform work on any Bank matter that financially benefits you (other than payments received for services rendered as part of your assignment), your spouse, your minor children, your general partner, or an organization or entity of which you are an officer, director, trustee, general partner or employee.

4. **Outside Activities**

**General.** Your activities outside the Bank should not harm the Bank’s reputation or interfere with your assignment for the Bank.

**Political Activity.** It is important that the Bank not be viewed as taking part in or sponsoring a political campaign or partisan activity. Therefore, your assignment for the Bank must not be publicized in connection with any of your political activities.

5. **Policy Prohibiting Discrimination and Harassment**

The Bank is committed to providing equal employment opportunity to all individuals without regard to race, color, religion, national origin, sex, sexual orientation, gender identity, age, genetic information, or disability. The Bank strongly condemns and will take immediate action against anyone who discriminates, including engaging in harassment, against another while on Bank premises or while engaging in work or an assignment for the Bank based on one or more of these protected characteristics. All persons within the Bank, including independent contractors and temporary workers, are expected to abide by the Bank’s Equal Employment Opportunity (EEO) Policy. In addition, the Bank prohibits retaliation against anyone involved in an EEO investigation. For more information on the Bank’s EEO Policy, or if you wish to speak to the EEO Office, you may contact the Bank’s EEO
Officer(s) or contact or the EEO Office by calling its toll free number (800) 299-0246.

6. **Reporting Violations/Disciplinary Action**

We encourage you to report any violation of these Rules of Conduct, or any other problems or concerns involving ethical, Code of Conduct, or other compliance violations to the Ethics Office. To aid in this process, the Bank has established telephone and e-mail hotlines that allow you to seek guidance or report a matter of concern. The Hotline phone number is 1-877-52-FRBNY (37269) and the e-mail address is https://www.frbnyhotline.org/rpts/pub/submit.aspx. All calls and e-mails to the Hotline are confidential. You are encouraged to provide adequate information to assist with further investigation. The Bank will not tolerate retaliation against anyone who makes a good faith call or email to the Hotline. The Hotline is available twenty-four hours a day, seven days a week.

If you violate any provision of these Rules of Conduct, you may be removed from your assignment for the Bank.
APPENDIX E

DEFINITION OF CONFIDENTIAL INFORMATION -- The definition of Confidential Information in the Agreement is:

Confidential Information Defined. The Manager acknowledges that all information and material that comes into the possession or knowledge of the Manager on or after the date hereof, whether provided directly by the FRB-NY or by another agent of the FRB-NY, in connection with the services provided under this Agreement, including but not limited to:

- the terms and conditions of this Agreement;

- information regarding the Account (or other accounts operated by a prior investment manager of the FRB-NY) including the identity and amount of the assets held in the Account (or other accounts operated by a prior investment manager of the FRB-NY) and the operations and investments of SOMA;

- information regarding the practices, policies, business affairs or other proprietary or commercial information of one of the FRB-NY's previous investment managers or other agents. (Each of the prior investment managers and any other FRB-NY agents shall be a third party beneficiary for purposes of enforcing this confidentiality requirement with respect to the proprietary or commercial information it provides in connection with the services provided under this Agreement);

- reports, briefing material, information and data, both written and oral, related to this Agreement;

- financial information, condition, processes and procedures of the FRB-NY or SOMA;

- material related to FRB-NY's data processing systems, applications, procedures, policies and standards;

- the physical security of FRB-NY; and

- financial, statistical, strategic planning and other similar information relating to the past, present or future activities of FRB-NY or the FOMC, which has or may come into the possession or knowledge of the Manager in connection with this engagement or its performance hereunder.
APPENDIX F (cont)  

(any and all of the above, "Confidential Information")
EXHIBIT H

FORM OF INVESTMENT MANAGER’S CERTIFICATION

The undersigned is responsible for overseeing the compliance of Wellington Management Company, LLP (the “Manager”) with the provisions of the Amended and Restated Investment Management Agreement, dated as of November 1, 2009 (the “IMA”), between the Federal Reserve Bank of New York (the “FRBNY”) and the Manager. I have evaluated the Manager’s compliance with the terms of the IMA, including, without limitation, the Investment Guidelines attached as Exhibit A to the IMA.

Based on this evaluation, in accordance with Section 23 of the IMA, I hereby certify, for the period beginning on [INSERT DATE], 20[___] and ending on [INSERT DATE], 20[___], that (i) the Manager was in compliance with the terms of the IMA in all material respects (ii) I am not aware of any deficiencies in the design of the internal controls covered in the attestation report(s) required in Section 8(d) , (iii) the controls covered in the attestation required in Section 8(d) of the IMA remain in place, and (iv) the Manager has notified the FRBNY of all “Risk Events” as defined in Section 8 of the IMA [, except as noted below.]¹

[SIGNATURE OF BUSINESS LEAD]
[TITLE]
[DATE]

¹ Please identify and provide a rationale for any exceptions.
EXHIBIT I

FORM OF INVESTMENT MANAGER’S COMPLIANCE ATTESTATION

In accordance with Section 23 of the Amended and Restated Investment Management Agreement, dated as of November 1, 2009 (the “IMA”), between the Federal Reserve Bank of New York (the “FRBNY”) and Wellington Management Company, LLP (the “Manager”), we have reviewed the Manager’s quarterly certifications of compliance with the terms of the IMA dated [INSERT DATE OF CERTIFICATIONS] (copies of which are attached hereto). Management is responsible for the Manager’s compliance with these terms. Our responsibility is to express an opinion on management's certification about the Manager’s compliance based on our review of the Manager’s operations and internal controls.

Our review, which was consistent with the spirit and substantive elements of the Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors, included examining, on a test basis, evidence about the Manager’s compliance with the terms of the IMA, and performing such other procedures as we considered necessary under the circumstances. We believe that our review provides a reasonable basis for our opinion. Our review does not provide a legal determination with respect to the Manager’s compliance with the specified requirements.

In our opinion, and based on the results of the review performed, we attest that [, except as noted below,]\(^2\) the Manager complied in all material respects with the terms of the IMA for the period beginning on [INSERT DATE], 20[___] and ending on [INSERT DATE], 20[___].

[Signature of Chief Compliance Officer]
[Date]

\(^2\) Please identify and provide a rationale for any exceptions.