

**POLICIES AND PROCEDURES APPLICABLE  
TO THE TREASURY DIVISION,  
DEPARTMENT OF REVENUE,  
STATE OF ALASKA**



**APPENDIX EA**

**Commission Recapture Agreement**

JAN-10-05 MON 11:23 AM

FAX NO.

01/10/05 15:38 FAX 617 664 1894

State Street Brokerage

002

**DIRECTED BROKERAGE SERVICES AGREEMENT****STATE STREET GLOBAL MARKETS, LLC**

THIS DIRECTED BROKERAGE SERVICES AGREEMENT is entered into by and between State Street Global Markets, LLC ("SSGM") and Alaska State Pension Investment Board (the "Client").

1. The Client agrees to give due consideration to directing its investment managers to effect through SSGM, consistent with best price and execution, certain brokerage transactions for Alaska State Pension Investment Board. With respect to any such brokerage transactions directed to SSGM, SSGM agrees to satisfy or pay obligations of the Client in such amounts as follows: (i) with respect to any domestic equity transactions executed through SSGM on behalf of the Client, SSGM will pay the Client an amount equal to 80% of the brokerage commissions earned in executing that domestic equity transaction; (ii) with respect to any domestic equity transactions on behalf of the Client executed by SSGM via a correspondent broker, SSGM will pay the Client an amount equal to 72% of the brokerage commissions earned in executing that domestic equity transaction; (iii) with respect to any foreign security transactions on behalf of the Client executed by SSGM, SSGM will pay that Fund an amount equal to 60% of the brokerage commissions earned in executing that foreign security transaction. (The services to be performed by SSGM, pursuant to this paragraph 1 are referred to under the Agreement as "Directed Brokerage Services").
2. SSGM shall be responsible only for those functions which have been assigned to it under this Agreement and the parties agree that SSGM has (i) no discretionary authority or discretionary control respecting the management of the Client's assets or disposition of the assets of the Client, (ii) no authority or responsibility to render investment advice for a fee or other compensation, direct or indirect, with respect to any assets of the funds, and (iii) no discretionary authority or discretionary responsibility in the administration of the funds.
3. All commission charges will be based upon rates negotiated by the Client's investment managers with respect to each transaction executed pursuant to this Agreement and SSGM will have no responsibility to inquire into the authority of the investment manager to enter into any transactions hereunder.
4. The undersigned representative of the Client represents and warrants that (i) it has full power and authority to enter into on behalf of the Client the Directed Brokerage Services arrangement described herein, (ii) the Directed Brokerage Services arrangement is in full compliance with the terms of the Client's governing documents, (iii) any service that SSGM provides to the Client or obligations of the Client that SSGM pays, or any credits that SSGM makes to or on behalf of the

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State Street Brokerage

003

Client will be used exclusively for the benefit of Alaska State Pension Investment Board (iv) the Client has determined that the Directed Brokerage Services are consistent with the "duty of best execution" and will only direct trades through SSGM if the Fund has determined that such duty is being satisfied.

- 5. SSGM agrees to provide to the Client monthly reports containing the amount of brokerage commissions received by SSGM hereunder and the amount of payments or credits made for the benefit of the Client.
- 6. The Client understands that in making payments to Alaska State Pension Investment Board, SSGM will be relying upon the representations and agreements contained herein. The Client hereby authorizes such reliance by SSGM. The Client agrees to indemnify and hold harmless SSGM and any of its affiliates, officers, directors and affiliates of any thereof, to the extent permitted by applicable law, against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, reasonable attorneys' fees) arising out of or based upon any false representation contained in this Agreement. The Client further agrees to advise SSGM promptly of any change in any material fact contained in this Agreement.
- 7. The term of this Agreement shall begin on the date first written below and shall continue in force and effect until terminated. The Agreement may be terminated by either party upon thirty (30) days prior written notice.
- 8. The laws of Massachusetts shall govern the interpretation and enforcement of this Agreement. This Agreement contains the entire agreement between the parties and supersedes any prior agreements between the parties with respect to Directed Brokerage Services. No provision of this Agreement shall in any respect be amended or deemed to be waived unless such amendment or waiver is signed by the party against whom such amendment or waiver is to be enforced.
- 9. Any notices hereunder to the respective parties shall be delivered to the address below:

(a) If to SSGM:

State Street Global Markets, LLC.  
One Lincoln Street, SFC 5  
Boston, MA 02111  
Attention: Commission Recapture Client Services

(b) If to the Funds:

Alaska State Pension Investment Board

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State Street Brokerage

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(Address)

IN WITNESS WHEREOF, the parties have executed this Agreement.

STATE STREET GLOBAL MARKETS

By: Suzanne Lee

Name: Suzanne Lee  
Title: Vice President  
Date: 1/10/05

ALASKA STATE PENSION INVESTMENT BOARD

By: Betty Martin  
Alaska State Pension Investment Board

Name: Betty Martin  
Title: Comptroller  
Date: 1/11/05