

平成 28 年 2 月 9 日

各 位

外国投資法人名	iシェアーズ III パブリック・リミテッド・カンパニー
代表者名	ディレクター バリー・オドワイアー
管理会社名	ブラックロック・アセット・マネジメント・ アイルランド・リミテッド (管理会社コード 13614)
代表者名	ディレクター バリー・オドワイアー
問合せ先	(代理人) 西村あさひ法律事務所 弁護士 濃川 耕平 (TEL. 03-6250-6200)

iシェアーズ 新興国債券ETF（パークレイズLocal EM国債コア）（銘柄コード 1362）
に関する議決権行使基準日設定、ならびにその行使についてのお知らせ

当社は、iシェアーズ 新興国債券ETF（パークレイズLocal EM国債コア）（銘柄コード 1362）（以下「本ETF-JDR」といいます。）の議決権行使基準日の設定などにつき以下の通りお知らせします。

1. 基準日設定の理由

本ETF-JDRの受託有価証券となる外国ETF（以下「本外国ETF」といいます。）をサブファンドに持つ、iシェアーズ III パブリック・リミテッド・カンパニー（以下「本投資法人」といいます。）の投資証券決済方式改善案にかかるスキーム・ミーティング（以下「本投資主会議」といいます。）および臨時投資主総会（以下併せて「本総会等」といいます。）が、2016 年 3 月 23 日の各々午前 10 時 40 分および午前 10 時 50 分より、アイルランド共和国、ダブリン 4、ボールズブリッジ、ボールズブリッジ・パーク 2、1 階、ブラックロック（BlackRock, 1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, Ireland）にて開催されます。

2. 基準日の内容

これに伴い本ETF-JDRにかかる上場信託受益権信託契約および発行会社に係る契約条項第 42 条第 2 項に基づき、本ETF-JDRの受益者として、2016 年（平成 28 年）3 月 23 日開催の本総会等およびその延会において付議される議案について、本ETF-JDRの受託者に議決権を行使するよう指図することのできる受益者を特定する基準日として、以下のとおり基準日を設けます。

基準日 ： 平成 28 年 3 月 1 日

3. 議決権行使の内容

本総会等の招集通知を含む本件の関連書類（別紙 1-2）は、本ETF-JDRの受託者である三菱UFJ信託銀行株式会社に備置されます。なお、本総会等招集通知の参考訳を、上記基準日に先立ち適時開示を行うとともに、備置する関連書類に追加する予定です。

（関連書類の備置住所）

〒137-8081

東京都江東区東砂七丁目 10 番 11 号

三菱UFJ信託銀行株式会社 証券代行部

電話番号 0120-232-711

4. 行使方法と期限

本総会等およびその延会において付議される議案について、受託者に議決権を行使するよう指図を希望する受益者は、議決権行使指図書（別紙 1）を、同指図書の所定の手続きに従って、受託者宛に提出することができます。提出期限は以下の通りです。

提出期限： 平成 28 年 3 月 10 日 （受託者指定の送付先 必着）

*尚、議決権行使指図書の提出は本日以降、行っていただけます。

指図を行わない受益者については、本ETF-JDRにかかる上場信託受益権信託契約および発行会社に係る契約条項第 42 条第 2 項第 3 号が準用する第 41 条第 10 項に基づき、議案についてすべて賛成するものとみなされます。

別紙 1 ETF-JDRの議決権行使指図書

別紙 2 本総会等の招集通知 （原文）

以上

議決権行使指図書

三菱UFJ信託銀行株式会社 証券代行部 御中

私は、上場信託受益権信託契約及び発行会社に係る契約条項第 42 条第 2 項に基づき、i シェアーズ新興国債券 ETF（パークレイズ Local EM 国債コア）の受益者として、2016 年 3 月 23 日開催の i シェアーズⅢパブリック・リミテッド・カンパニーの投資証券決済方式改善案にかかるスキーム・ミーティング（以下「本投資主会議」といいます。）及び臨時投資主総会及びその延会において付議される議案について、貴社が以下（○印で表示）のとおりに議決権を行使するよう指図します。

記

【本投資主会議】

議案	議決権行使指図内容		
投資証券決済方式改善案	賛成	反対	棄権

【臨時投資主総会】

普通議案

議案	議決権行使指図内容		
第1号議案	賛成	反対	棄権
第2号議案	賛成	反対	棄権

2016年 月 日

受益者住所

受益者氏名 指図する所有口数 口

（ご注意）

1. 指図権は、権利確定日（2016 年 3 月 1 日）における受益者として証券保管振替機構株式会社から通知された受益者のみが有します。
2. この指図書は、2016 年 3 月 10 日までに下記当受付窓口へ直接ご提出、又はご郵送にて到着するようにご提出下さい。
なお、指図権を有する方が法人の場合には、お手数ですが、法人名と共に代表者名もご記入下さい。
3. 各議案についての賛否が明らかでない場合においては、その議案について「賛成」として取扱われます。また、上記期限までに受託者に指図書が到着しない場合には、その議案について「賛成」として取扱われます。

（議決権行使指図書ご提出・ご郵送先住所）

〒137-8081

東京都江東区東砂七丁目10番11号

三菱UFJ信託銀行株式会社 証券代行部 JDR（外国株）担当 宛

（お問い合わせ）

三菱UFJ信託銀行株式会社 証券代行部テレホンセンター

（受付時間：土・日・祝祭日等を除く平日9:00～17:00）

0120-232-711（通話料無料） 左記電話番号がご利用できない場合 03-6701-5000（通話料有料）

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the course of action to take, you should consult your stockbroker, solicitor, accountant or other professional advisor.

iShares III Public Limited Company

(Registered in Ireland as an umbrella type investment company with variable capital and having segregated liability between its funds)

Proposal for International Central Securities Depositary Model of Settlement

Proposed Scheme of Arrangement

Notice of Scheme Meeting

Notice of Extraordinary General Meeting

8 February 2016

If you have sold or transferred your shares in the Company please pass this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee as soon as possible.

Registered Office: JPMorgan House, I.F.S.C., Dublin 1, Ireland.

Company Registration Number: 452278

Directors: Paul McNaughton (Chairman); Paul McGowan; Teresa O'Flynn;
Barry O'Dwyer; Karen Prooth (British)

Contents

	Page
Definitions	3
Part 1 Letter from the Chairman	6
Part 2 The Scheme of Arrangement	20
Part 3 Conditions of the Scheme of Arrangement	24
Part 4 Notice of Scheme Meeting	25
Part 5 Notice of Extraordinary General Meeting	27
Form of Proxy for Scheme Meeting	
Form of Proxy for Extraordinary General Meeting	

DEFINITIONS

the “Act”	the Companies Act 2014 of Ireland;
“Authorised Participant”	a market maker or broker entity which is registered with the Company as an authorised participant and therefore able to subscribe directly to, or redeem directly from, the Company for Shares in a Fund (i.e. on the primary market);
“Board”	the board of directors of the Company from time to time;
“Business Day”	a day (other than a Saturday, Sunday or public holiday in Ireland) when banks in Ireland are open for general banking business;
the “Central Bank”	the Central Bank of Ireland;
“Circular”	this document dated 8 February 2016;
“Citivic”	Citivic Nominees Limited;
the “Common Depositary”	Citibank Europe plc;
the “Company”	iShares III public limited company;
“the CREST system”	a settlement system owned and operated by Euroclear UK & Ireland;
“CREST Depositary Interest”	an English law security issued by Euroclear UK & Ireland (through a subsidiary company) that represents a CREST member’s entitlement in relation to an underlying security; in the context of the ICSD Model, a CREST Depositary Interest will represent an interest in a Share in the relevant Fund that is held via Euroclear Bank S.A./N.V.;
“CSDs” (and each a “CSD”)	local central securities depositaries other than the ICSDs (which may include but are not limited to the CREST system, Euroclear Netherlands, Clearstream Banking AG, Frankfurt/Main, SIS SegalIntersettle AG and Monte Titoli);
“Current Model”	the existing settlement model of the Non-ICSD Funds, which involves settlement on multiple local central securities depositaries where the Non-ICSD Funds are listed and traded on multiple stock exchanges; the central securities depositaries may include (but this list is not limited to) the CREST system, Euroclear Netherlands, Clearstream Banking AG, Frankfurt/Main, SIS SegalIntersettle AG and Monte Titoli;
the “Directors”	the directors of the Company from time to time;
“Effective Date”	the date and time on which the Scheme becomes effective in accordance with its terms;
“Excluded Shares”	any and all Participating Shares in (i) iShares Emerging Europe Local Government Bond UCITS ETF, iShares Emerging Latin America Local Govt Bond UCITS ETF, iShares Euro Corporate Bond BB-B UCITS ETF, iShares Global Aggregate Bond UCITS ETF, iShares MSCI Frontier Markets 100 UCITS ETF, iShares MSCI Saudi Arabia Capped IMI UCITS ETF, iShares MSCI Target Europe ex-UK Real Estate UCITS ETF and iShares Short Duration EM Local Government Bond UCITS ETF; and (ii) any other Fund which uses the ICSD Model from launch; in each case whether in issue at any time before, on or after the date of this Circular;
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company (and any adjournment thereof) to be convened in connection with the Scheme, expected to be held as soon as the preceding Scheme Meeting shall have been concluded or adjourned;

“Forms of Proxy”	the Form of Proxy for the Scheme Meeting and the Form of Proxy for the Extraordinary General Meeting and “Form of Proxy” shall mean either of them;
“Fund”	a sub-fund in the Company (which shall include all Share classes in the relevant sub-fund) excluding, for the avoidance of doubt, iShares EURO STOXX 50 UCITS ETF (Acc), iShares Developed World ex-UK UCITS ETF, iShares MSCI Europe ex-EMU UCITS ETF, iShares S&P 500 UCITS ETF (Acc) and iShares MSCI Canada UCITS ETF, as all Shares of such Funds have been redeemed;
“Global Share Certificate”	the certificate evidencing entitlement to the Shares of any Fund using the ICSD Model, issued pursuant to the Memorandum and Articles of Association and the Prospectus of the Company;
“High Court”	the High Court of Ireland;
“High Court Hearing”	the hearing of the High Court for the purposes of considering and, if thought fit, sanctioning the Scheme;
“International Central Securities Depositories” or “ICSD”	Euroclear Bank S.A./N.V. and/or Clearstream Banking S.A., Luxembourg;
“ICSD Model”	the international central securities depository (ICSD) settlement model proposed to be adopted by the Company and which is described in Part 1 of this Circular;
“Non-ICSD Fund”	a Fund that does not use the ICSD Model (and all Shares of any class of such Fund, whether in issue at the date of this Circular or issued thereafter);
“Irish Standard Time”	Irish standard time, as set out in the Standard Time (Amendment) Act 1971 and the Summer Time Act 1925;
“Participating Shares” or “Shares”	participating shares of no par value in the capital of the Company;
“Register of Members”	in relation to the Company, means the register of members of the Company which register is maintained in respect of all the Funds;
“Registrar of Companies”	the Registrar of Companies in Ireland;
“Scheme”	the proposed scheme of arrangement under Chapter 1 of Part 9 of the Act as set out in Part 2 of this Circular with or subject to any modification(s), addition(s) or condition(s) approved or imposed by the High Court and agreed by the Company and Citivic;
“Scheme Meeting”	the meeting of the Scheme Shareholders (and any adjournment thereof) convened by resolution of the Board pursuant to Section 450 of the Act to consider and vote on a resolution proposing that the Scheme (with or without amendment) be agreed to;
“Scheme Order”	the order of the High Court under Section 453 (2) (c) of the Act sanctioning the Scheme;
“Scheme Shares”	(i) the Participating Shares in issue at the date of this Circular; (ii) any Participating Shares issued after the date of the Circular and before the Voting Record Time; and

	(iii) any Participating Shares issued at or after the Voting Record Time and before the Effective Date;
	but excluding the Excluded Shares;
“Scheme Shareholders”	the registered holders of Scheme Shares;
“Shareholders” or “Holders”	the registered holders of Participating Shares;
“Voting Record Time”	7.00 am (Irish Standard Time) on 22 March 2016 or, if the Scheme Meeting and/or the Extraordinary General Meeting is/are adjourned, 7.00 am (Irish Standard Time) on the day before the day appointed for the adjourned meeting(s).

PART 1 – LETTER FROM THE CHAIRMAN

ISHARES III PUBLIC LIMITED COMPANY

8 February 2016

Dear Shareholder,

The Directors wish to inform you of a proposal to centralise the settlement of trading in Shares of all Funds in an International Central Securities Depository (ICSD) structure (the ICSD Model). As at the date of this letter, iShares Emerging Europe Local Government Bond UCITS ETF, iShares Emerging Latin America Local Govt Bond UCITS ETF, iShares Euro Corporate Bond BB-B UCITS ETF, iShares Global Aggregate Bond UCITS ETF, iShares MSCI Frontier Markets 100 UCITS ETF, iShares MSCI Saudi Arabia Capped IMI UCITS ETF, iShares MSCI Target Europe ex-UK Real Estate UCITS ETF and iShares Short Duration EM Local Government Bond UCITS ETF already or, where relevant, will upon launch use the ICSD Model.

The key benefit of the ICSD Model is that it provides centralised settlement in Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking S.A., Luxembourg ("Clearstream") (the International Central Securities Depositories) for transactions executed on multiple stock exchanges. It is expected that this will result in better liquidity for investors and less liquidity fragmentation. It is also expected that the ICSD Model will improve settlement times due to exchange traded fund ("ETF") inventory being pooled in the ICSD structure, which offers a longer window for settlement of transactions and minimisation of the need to manually move Shares between multiple CSDs.

Background

The Funds are ETFs and their Shares are currently listed on multiple stock exchanges in Europe. Most stock exchanges have their own CSD. Trading and settling Shares on a pan-European basis across multiple stock exchanges involves having to move the Shares between various CSDs and is complex, costly and time consuming. In addition, the Non-ICSD Funds currently use multiple settlement structures (e.g. the single ISIN model and the dual ISIN model). The Directors are of the view that the ICSD Model provides a more streamlined centralised settlement structure which they expect will result in improved liquidity and spreads for investors and reduce risk in the settlement process.

Converting the Non-ICSD Funds to the ICSD Model will also bring all Funds in existence on the Effective Date onto one consistent settlement structure, which is expected to make navigating the settlement structures for these Funds more straightforward.

Proposal

It is proposed that the Company will adopt, in place of the Current Model, the ICSD Model pursuant to a scheme of arrangement under the Act (the Scheme, as detailed in Part 2 of this Circular), which is anticipated to become effective on a date between May and September 2016, to be fixed by the High Court. The effective date of the Scheme will be announced and published as set out in the section titled "Publication of Results" below.

If the ICSD Model is adopted (i.e. through the Scheme taking effect), this will result in a change to the legal shareholding structure of the Company. However, investors who have a beneficial interest in the Shares will continue to hold a beneficial interest in the same number of Shares in the same Fund(s) under the ICSD Model. Adoption of the ICSD Model will not change the manner in which investments in the Funds are managed.

Differences between the ICSD Model and the Current Model

Currently, for the Non-ICSD Funds, only investors who have accounts in the CREST system operated by Euroclear UK & Ireland and certain CSDs (e.g. Clearstream Banking AG, Frankfurt/Main) can be Shareholders on the Company's Register of Members. Therefore, the Shareholder base on the Company's Register of Members for the Non-ICSD Funds comprises a mix of nominees of Authorised Participants and other account holders in Euroclear UK & Ireland (the CREST system) (which are mostly nominee companies and custodian banks and a limited number of individuals), as well as CSDs or their

nominees (the “Current Model”). A majority of investors, who do not have accounts in Euroclear UK & Ireland (the CREST system) and who are not CSDs, hold their Shares in the Funds through nominees and other intermediaries, which means that most investors are beneficial owners who/which do not hold legal title to their Shares.

Under the ICSD Model, Shares will be evidenced by a Global Share Certificate and registered in the Company’s Register of Members in the name of a single Shareholder, namely Citivic (being the nominee of the Common Depositary (i.e. Citibank Europe plc)). While Citivic will benefit from the rights of a registered Shareholder, it will pass the benefit of such rights on to the Common Depositary, which means that Citivic will pass any notices of Shareholder meetings of the Company and circulars issued by the Company and any distributions received from the Company to the Common Depositary and will vote the Shares it holds in accordance with voting instructions from the Common Depositary. In turn, the Common Depositary will pass the benefit of such rights to the relevant ICSD. The relevant ICSD will in turn pass the benefit of such rights to its participants under the terms of the ICSD’s contractual arrangements with its participants. Under the ICSD Model, investors who are not participants in the ICSD would need to use a broker, nominee, custodian bank or other intermediary which is a participant in the ICSD to trade and settle Shares, similar to the way investors under the Current Model use a broker or other intermediary which is a participant in the CSD for the market in which the investor intends to trade and settle. The chain of beneficial holding in the ICSD Model will therefore be similar to existing nominee arrangements under the Current Model.

For existing Scheme Shareholders who are registered on the Company’s Register of Members, your current ownership of Scheme Shares will change from legal ownership to ownership of a beneficial entitlement through the nominee of the Common Depositary, as explained above. If you wish, you may move your Scheme Shares held in Euroclear UK & Ireland (the CREST system) to the ICSD, i.e. Euroclear or Clearstream, if you hold or open an account with either of them. Alternatively, you may continue holding a beneficial entitlement to the Scheme Shares in the CREST system through Euroclear UK & Ireland (by means of CREST Depositary Interests) as Euroclear UK & Ireland currently has an account in the ICSD.

Investors who are not registered as Shareholders on the Company’s Register of Members but have a beneficial entitlement to Shares will continue to hold a beneficial entitlement to the same number of Shares in the same Fund upon the adoption of the ICSD Model.

Authorised Participants will continue under the ICSD Model to generate and instruct trades directly with the Company (as is similarly the case under the Current Model).

For the Company, the main difference between the Current Model and the ICSD Model relates to the shareholders of record and their entry on the Register of Members. Under the Current Model, a number of nominees of Authorised Participants and other account holders in Euroclear UK & Ireland (the CREST system) as well as CSDs or their nominees are registered as Shareholders on the Company’s Register of Members. Under the ICSD Model, all investors will be represented through the Common Depositary. The sole registered holder of the Shares in a Fund will be the Common Depositary’s nominee, Citivic. The Common Depositary has been appointed by the ICSD and its holding will represent the holding of the investors through the ICSD.

If the Scheme becomes effective, detailed disclosures regarding settlement under the ICSD Model, together with a summary of the interaction between the Common Depositary and underlying investors will be set out in the Prospectus of the Company. Similar details are provided at Appendix A of this Circular.

Benefits of the ICSD Model

In addition to the key benefits outlined above (such as improved liquidity), the ICSD Model will have a number of other operational advantages, including, importantly, improved settlement times for transactions in Shares. Enhancing settlement process efficiency has become ever more important as Europe has moved to a T+2 settlement environment from T+3. The ICSD Model helps to deliver this through longer operating hours of the ICSD, thus increasing the time in which trades can match and settle, and by minimising the operational complexity in the Current Model of having to arrange for Shares to be moved between CSDs which is complex, costly and time-consuming. Furthermore, it is expected that the ICSD Model will reduce inventory requirements and lower capital charges and overheads for market makers and broker dealers, which could ultimately reduce trading costs for end investors. Other advantages of the ICSD Model will include an alignment of record date methodologies across Europe, as well as improved foreign exchange functionality for dividend payments.

It is also anticipated that the ICSD Model could assist in the creation of a more efficient securities lending market for Shares.

Scheme of Arrangement

It is proposed that the Company will adopt the ICSD Model pursuant to a scheme of arrangement under the Act (the Scheme, as detailed in Part 2 of this Circular), to transfer the legal (but not beneficial) interest in all Shares in the Non-ICSD Funds to Citivic.

The Scheme will require approval by the Scheme Shareholders at the Scheme Meeting. In addition, shareholders of the Company will need to approve the implementation of the Scheme at the EGM. The Scheme will also require the sanction of the High Court at the High Court Hearing. The Scheme Meeting and the EGM and the nature of the approvals required to be given at the meetings are described in more detail below. All Scheme Shareholders are entitled to attend the High Court Hearing in person or to be represented by counsel or a solicitor (at their own expense) to support or oppose the sanctioning of the Scheme.

The adoption by the Company of the ICSD Model and the Scheme is subject to a number of conditions (summarised below). Subject to satisfaction of those conditions and the sanction of the Scheme by the High Court, the Scheme will become effective from the date specified in the Scheme Order which is anticipated to be a date between May and September 2016 (subject to Clauses 5.1.1 and 5.1.2 of the Scheme).

Should the Scheme become effective, its terms will be binding on all Scheme Shareholders, irrespective of whether they attended the Scheme Meeting and irrespective of the manner in which they voted (or if they voted at all).

The Conditions

The adoption of the ICSD Model is conditional on the Scheme becoming effective. The implementation of the Scheme is conditional upon:

- the approval by a majority in number of the Scheme Shareholders representing three-fourths (75 per cent.) or more in value of the Scheme Shares held by such holders present and voting either in person or by proxy, at the Scheme Meeting (or at any adjournment of such meeting);
- the resolution set out in the notice convening the EGM being duly passed by the requisite majority at the EGM (or at any adjournment of such meeting);
- the sanction by the High Court (with or without modification) of the Scheme pursuant to Section 453(2)(c) of the Act and a copy of the Scheme Order having been delivered to the Registrar of Companies for registration in accordance with Section 454 of the Act on or before the Effective Date; and
- the Directors not having resolved to abandon, discontinue and/or withdraw the Scheme prior to the High Court Hearing.

Consents and Meetings

The Scheme is subject to approval at the Scheme Meeting by the Scheme Shareholders (i.e. registered Shareholders of Non-ICSD Funds at the Voting Record Time).

The implementation of the Scheme will also require approval of the shareholders of the Company (i.e. including registered Shareholders of all Funds at the Voting Record Time) at the separate EGM.

Scheme Meeting

The Scheme Meeting has been convened for 10.40 am (Irish Standard Time) on 23 March 2016 to enable Scheme Shareholders to consider and, if thought fit, approve the Scheme. At the Scheme Meeting, voting will be by a poll and not by a show of hands and each holder of Scheme Shares who is present in person or by proxy will be entitled to one vote for each Scheme Share held.

The approval required at the Scheme Meeting is that those voting to approve the Scheme must represent a simple majority in number of those Scheme Shareholders present and voting in person or by proxy and also represent three-fourths (75 per cent.) in value of the Scheme Shares held by those Scheme Shareholders present and voting in person or by proxy.

Notice in respect of the Scheme Meeting is set out in Part 4 of this Circular with a Form of Proxy appended hereto. Entitlement to attend and vote at the Scheme Meeting and the number of votes which may be cast at the meeting will be determined by reference to the Register of Members at the Voting Record Time being 7.00 am (Irish Standard Time) on 22 March 2016 or, if the Scheme Meeting is adjourned, 7.00 am (Irish Standard Time) on the day before the day appointed for the adjourned Scheme Meeting.

The value of each Scheme Share for the purpose of the voting threshold set out above will be the Net Asset Value (as that term is defined in the Prospectus of the Company) of the Scheme Share as at the Voting Record Time. Where the base currency of any Scheme Share is a currency other than Euro, the Net Asset Value of such Scheme Share shall be converted to and expressed in Euro using the WM/Reuters 4pm rate (this being the exchange rate typically used by the Fund administrator) on the business day before the Voting Record Time, for the purpose of voting at the Scheme Meeting.

Extraordinary General Meeting

In addition, the EGM has been convened for 10.50 am (Irish Standard Time) on 23 March 2016 (or as soon thereafter as the Scheme Meeting is concluded or adjourned) to consider and, if thought fit, pass the following two resolutions:

Resolution 1:

“THAT, subject to the approval of the requisite majorities of the Scheme (as defined in the circular issued to shareholders of the Company on 8 February 2016 (the “Circular”)) at the Scheme Meeting (as defined in the Circular), the Scheme (a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman thereof) in its original form or with or subject to any modification(s), addition(s) or condition(s) approved or imposed by the High Court be approved and the directors of the Company be authorised to take all such action as they consider necessary or appropriate for carrying the Scheme into effect.”

Resolution 1 must be passed as an ordinary resolution of the Company and will therefore require in excess of 50 per cent. of the votes cast at the EGM to be voted in its favour.

Resolution 2:

Resolution 2 is to adopt new Articles of Association of the Company (the “Articles”). The new Articles will incorporate a number of amendments to the existing Articles in order to reflect the new requirements of the Central Bank pursuant to the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and to implement technical changes for clarification purposes, as further detailed in Appendix B hereto.

Resolution 2 must be passed as a special resolution of the Company and will therefore require in excess of 75 per cent. of the votes cast at the EGM to be voted in its favour.

Copies of the proposed new Articles are available for inspection should Shareholders wish to review them. If Resolution 2 is passed at the EGM, the new Articles will be adopted with effect from the end of the EGM.

Out of the two resolutions being proposed at the EGM, the implementation of the Scheme is conditional upon the passing of Resolution 1 only.

Notice in respect of the EGM is set out in Part 5 of this Circular with a Form of Proxy appended hereto. Entitlement to attend and vote at the EGM and the number of votes which may be cast at the meeting will be determined by reference to the Register of Members at the Voting Record Time.

High Court Hearing

The Company will apply to the High Court in April 2016 for directions in respect of the High Court hearing to sanction the Scheme, with that final hearing expected to take place in April or May 2016. Legal notices advertising the date of the final High Court hearing will be published following the application for directions in April 2016. Each Scheme Shareholder is entitled to attend the High Court Hearing in person or to be represented by counsel or a solicitor (at their own expense) to support or oppose the sanctioning of the Scheme.

Important Documentation

Further information on the Scheme is set out in the remainder of this Circular, as follows:

- Part 2 - The Scheme of Arrangement
- Part 3 – Conditions of the Scheme of Arrangement
- Part 4 – Notice of Scheme Meeting
- Part 5 – Notice of Extraordinary General Meeting

Forms of Proxy for those Scheme Shareholders or shareholders who are unable to attend the Scheme Meeting and/or the EGM (as the case may be) (or any adjournment thereof) and who may wish to vote at the Scheme Meeting and/or the EGM (as the case may be) are set out at the end of this Circular.

Please note that you are only entitled to attend and vote at the Scheme Meeting if you are a registered Scheme Shareholder at the Voting Record Time, and at the EGM if you are a registered shareholder of the Company at the Voting Record Time. If you have invested in the Company through a broker/dealer/other intermediary, please contact that entity to confirm your right to vote.

Shareholders of iShares Emerging Europe Local Government Bond UCITS ETF, iShares Emerging Latin America Local Govt Bond UCITS ETF, iShares Euro Corporate Bond BB-B UCITS ETF, iShares Global Aggregate Bond UCITS ETF, iShares MSCI Frontier Markets 100 UCITS ETF, iShares MSCI Saudi Arabia Capped IMI UCITS ETF, iShares MSCI Target Europe ex-UK Real Estate UCITS ETF and iShares Short Duration EM Local Government Bond UCITS ETF are advised that they will not be entitled to vote at the Scheme Meeting, as these Funds already or, where relevant, will upon launch use the ICSD Model. However, Shareholders of all Funds, including Shareholders of iShares Emerging Europe Local Government Bond UCITS ETF, iShares Emerging Latin America Local Govt Bond UCITS ETF, iShares Euro Corporate Bond BB-B UCITS ETF, iShares Global Aggregate Bond UCITS ETF, iShares MSCI Frontier Markets 100 UCITS ETF, iShares MSCI Saudi Arabia Capped IMI UCITS ETF, iShares MSCI Target Europe ex-UK Real Estate UCITS ETF and iShares Short Duration EM Local Government Bond UCITS ETF, may vote at the EGM.

The Directors and the effect of the Scheme on their interests

The names of the current Directors are listed below. The address of each person listed below is c/o iShares III plc, JPMorgan House, International Financial Services Centre, Dublin 1, Ireland.

Name

Paul McNaughton
Paul McGowan
Barry O'Dwyer
Karen Prooth
Teresa O'Flynn

None of the current Directors or nominees thereof have any interest in the share capital of the Company. The service contracts or letters of appointment of the Directors do not contain any provision under which they would benefit from the implementation of the Scheme or the adoption of the ICSD Model.

Costs

The costs of the Scheme directly incurred by the Company, including costs of the preparation, approval and implementation of the Scheme, will be borne by BlackRock Asset Management Ireland Limited.

Tax implications

The information given in this letter in regard to the tax consequences of the Scheme is not exhaustive and does not constitute legal or tax advice. The tax consequences of the Scheme may vary depending on your tax status and tax laws in your country of residence or domicile. Any redemption of your Shares may affect your tax position. You should consult your own professional advisers as to the implications of the Scheme and of your subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which you may be subject to tax.

Appendix C sets out a brief summary of certain aspects of investor taxation law and practice in some jurisdictions where the Funds are registered and/or listed. It is based on the law and practice and official interpretation currently in effect as at the date of this letter, all of which are subject to change.

Recommendation

The Directors believe that the resolutions to be proposed at the Scheme Meeting and the EGM are in the best interests of the Company and its shareholders as a whole and, accordingly, the Directors strongly recommend that you vote in favour of the resolutions at the Scheme Meeting and EGM.

Publication of results

The results of the Scheme Meeting and EGM (or any adjournments thereof) will be announced through the regulatory news service on the London Stock Exchange website and will be published in an appropriate manner in each of the other jurisdictions in which Shares are listed on a stock exchange. The results (including confirmation of any adjournment) will also be available at www.ishares.com and will be available by telephone on 0845 357 7000 (UK number) (please refer to the website for international phone numbers) on the next business day following the relevant meetings (or any adjournments thereof). In addition, in the event that the Scheme is subsequently sanctioned by the High Court, that fact and the effective date of the Scheme, which is anticipated to be a date between May and September 2016, will be announced and published in the same manner. If there is any change to the anticipated effective date of the Scheme, the revised date (if any) will also be announced and published in the same manner.

Subject to the passing of the resolution to be considered at the Scheme Meeting, the passing of Resolution 1 to be considered at the EGM and the sanctioning of the Scheme by the High Court, the Company's Prospectus will be updated with effect from the effective date of the Scheme.

Yours faithfully



Paul McNaughton
Chairman

Appendix A

Disclosures for the Company's Prospectus

GLOBAL CLEARING AND SETTLEMENT

The Directors have resolved that Shares in the Funds will not currently be issued in dematerialised (or uncertificated) form and no temporary documents of title or share certificates will be issued, other than the Global Share Certificate required for the International Central Securities Depositories¹ (being the Recognised Clearing Systems² through which the Funds' Shares will be settled). The Funds have applied for admission for clearing and settlement through the applicable International Central Securities Depository. The International Central Securities Depositories for the Funds currently are Euroclear and Clearstream and the applicable International Central Securities Depository for an investor is dependent on the market in which the Shares are traded. All Shares in the Funds will ultimately settle in an International Central Securities Depository but interests could be held through Central Securities Depositories³. A Global Share Certificate in respect of each of the Funds or, where applicable, each Share class thereof will be deposited with the Common Depository (being the entity nominated by the International Central Securities Depositories to hold the Global Share Certificate) and registered in the name of the Common Depository's Nominee (being the registered holder of the Shares of the Funds, as nominated by the Common Depository) on behalf of Euroclear and Clearstream and accepted for clearing through Euroclear and Clearstream. Interests in the Shares represented by the Global Share Certificates will be transferable in accordance with applicable laws and any rules and procedures issued by the International Central Securities Depositories. Legal title to the Shares of the Funds will be held by the Common Depository's Nominee.

A purchaser of interests in Shares will not be a registered Shareholder in the Company, but will hold an indirect beneficial interest in such Shares and the rights of such investors, where they are Participants⁴, shall be governed by their agreement with their International Central Securities Depository or, where they are not Participants, shall be governed by their arrangement with their respective nominee, broker or Central Securities Depository (as appropriate) which may be a Participant or have an arrangement with a Participant. All references herein to actions by holders of the Global Share Certificate will refer to actions taken by the Common Depository's Nominee as registered Shareholder following instructions from the applicable International Central Securities Depository upon receipt of instructions from its Participants. All references herein to distributions, notices, reports, and statements to such Shareholder, shall be distributed to the Participants in accordance with such applicable International Central Securities Depository's procedures.

International Central Securities Depositories

All Shares in issue in the Funds or, where applicable, each Share class thereof are represented by a Global Share Certificate and the Global Share Certificate is held by the Common Depository and registered in the name of the Common Depository's Nominee on behalf of an International Central Securities Depository. Beneficial interests in such Shares will only be transferable in accordance with the rules and procedures for the time being of the relevant International Central Securities Depository.

Each Participant must look solely to its International Central Securities Depository for documentary evidence as to the amount of its interests in any Shares. Any certificate or other document issued by the relevant International Central Securities Depository, as to the amount of interests in such Shares standing to the account of any person shall be conclusive and binding as accurately representing such records.

¹ "International Central Securities Depositories" or "ICSD", such Recognised Clearing Systems used by the Funds in issuing their Shares through the International Central Securities Depository settlement system, which is an international settlement system connected to multiple national markets, and which includes Euroclear and/or Clearstream.

² "Recognised Clearing System", a "recognised clearing system" so designated by the Irish Revenue Commissioners (e.g. CREST or Euroclear).

³ "Central Securities Depositories", such Recognised Clearing Systems which are national settlement systems for individual national markets. The Central Securities Depositories for the Funds will be Participants in the International Central Securities Depositories.

⁴ "Participants", accountholders in an International Central Securities Depository, which may include Authorised Participants, their nominees or agents and who hold their interest in Shares of the Funds.

Each Participant must look solely to its International Central Securities Depository for such Participant's share of each payment or distribution made by the Company to or on the instructions of the Common Depository's Nominee and in relation to all other rights arising under the Global Share Certificate. The extent to which, and the manner in which, Participants may exercise any rights arising under the Global Share Certificate will be determined by the respective rules and procedures of their International Central Securities Depository. Participants shall have no claim directly against the Company, the Paying Agent⁵ or any other person (other than their International Central Securities Depository) in respect of payments or distributions due under the Global Share Certificate which are made by the Company to or on the instructions of the Common Depository's Nominee and such obligations of the Company shall be discharged thereby. The International Central Securities Depository shall have no claim directly against the Company, Paying Agent or any other person (other than the Common Depository).

The Company or its duly authorised agent may from time to time require investors to provide them with information relating to: (a) the capacity in which they hold an interest in Shares; (b) the identity of any other person or persons then or previously interested in such Shares; (c) the nature of any such interests; and (d) any other matter where disclosure of such matter is required to enable compliance by the Company with applicable laws or the constitutional documents of the Company.

The Company or its duly authorised agent may from time to time request the applicable International Central Securities Depository to provide the Company with certain details in relation to Participants that hold interests in Shares in each Fund including (but not limited to): ISIN, ICSD Participant name, ICSD Participant type – e.g. fund/bank/individual, residence of ICSD Participants, number of ETF and holdings of the Participant within Euroclear and Clearstream, as appropriate, including which Funds, types of Shares and the number of interests in the Shares held by each such Participant and details of any voting instructions given by each such Participant. Euroclear and Clearstream Participants which are holders of interests in Shares or intermediaries acting on behalf of such holders agree to Euroclear and Clearstream, pursuant to the respective rules and procedures of Euroclear and Clearstream, disclosing such information to the Company or its duly authorised agent. Similarly, the Company or its duly authorised agent may from time to time request any Central Securities Depository to provide the Company with details in relation to Shares in each Fund or interests in Shares in each Fund held in each Central Securities Depository and details in relation to the holders of those Shares or interests in Shares, including (without limitation) holder types, residence, number and types of holdings and voting instructions given by each holder. Holders of Shares and interests in Shares in a Central Securities Depository or intermediaries acting on behalf of such holders agree to the Central Securities Depository (including Euroclear UK & Ireland (the CREST system), SIS SegalIntersettle AG and Monte Titoli), pursuant to the respective rules and procedures of the relevant Central Securities Depository, disclosing such information to the Company or its duly authorised agent.

Investors may be required to provide promptly any information as required and requested by the Company or its duly authorised agent, and agree to the applicable International Central Securities Depository providing the identity of such Participant or investor to the Company or its duly authorised agent upon request.

Notices of general meetings and associated documentation will be issued by the Company to the registered holder of the Global Share Certificate, the Common Depository's Nominee. Each Participant must look solely to its International Central Securities Depository and the rules and procedures for the time being of the relevant International Central Securities Depository governing delivery of such notices and exercising voting rights. For investors, other than Participants, delivery of notices and exercising voting rights shall be governed by the arrangements with a Participant of the International Central Securities Depository (for example, their nominee, broker or Central Securities Depositories, as appropriate).

Exercise of Voting Rights through the International Central Securities Depositories

The Common Depository's Nominee has a contractual obligation to promptly notify the Common Depository of any Shareholder meetings of the Company and to relay any associated documentation issued by the Company to the Common Depository, which, in turn, has a contractual obligation to relay any such notices and documentation to the relevant International Central Securities Depository. Each International Central Securities Depository will, in turn, relay notices received from the Common Depository to its Participants in accordance with its rules and procedures. The Directors understand that, in accordance with their respective rules and procedures, each International Central Securities Depository is contractually bound to collate and transfer all votes received from its Participants to the

⁵ "Paying Agent", the entity appointed to act as paying agent to the Funds.

Common Depositary and the Common Depositary is, in turn, contractually bound to collate and transfer all votes received from each International Central Securities Depositary to the Common Depositary's Nominee, which is obligated to vote in accordance with the Common Depositary's voting instructions. Investors who are not Participants in a relevant International Central Securities Depositary would need to rely on their broker, nominee, custodian bank or other intermediary which is a Participant, or which has an arrangement with a Participant, in a relevant International Central Securities Depositary to receive any notices of Shareholder meetings of the Company and to relay their voting instructions to the relevant International Central Securities Depositary.

COUNTERPARTY RISKS

Inaction by the Common Depositary and/or an International Central Securities Depositary

Investors that settle or clear through an International Central Securities Depositary will not be a registered Shareholder in the Company, they will hold an indirect beneficial interest in such Shares and the rights of such investors, where Participants, shall be governed by their agreement with the applicable International Central Securities Depositary and otherwise by the arrangement with a Participant of the International Central Securities Depositary (for example, their nominee, broker or Central Securities Depositaries, as appropriate). The Company will issue any notices and associated documentation to the registered holder of the Global Share Certificate, the Common Depositary's Nominee, with such notice as is given by the Company in the ordinary course when convening general meetings. The Common Depositary's Nominee has a contractual obligation to relay any such notices received by the Common Depositary's Nominee to the Common Depositary which, in turn, has a contractual obligation to relay any such notices, to the applicable International Central Securities Depositary, pursuant to the terms of its appointment by the relevant International Central Securities Depositary. The applicable International Central Securities Depositary will in turn relay notices received from the Common Depositary to its Participants in accordance with its rules and procedures. The Directors understand that the Common Depositary is contractually bound to collate all votes received from the applicable International Central Securities Depositaries (which reflects votes received by the applicable International Central Securities Depositary from Participants) and that the Common Depositary's Nominee is obligated to vote in accordance with such instructions. The Company has no power to ensure the Common Depositary relays notices of votes in accordance with their instructions. The Company cannot accept voting instructions from any persons, other than the Common Depositary's Nominee.

Payments

With the authorisation of the Common Depositary's Nominee, any dividends declared and any liquidation and mandatory redemption proceeds are paid by the Company or its authorised agent (for example, the Paying Agent) to the applicable International Central Securities Depositary. Investors, where they are Participants, must look solely to the applicable International Central Securities Depositary for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the Company or, where they are not Participants, they must look to their respective nominee, broker or Central Securities Depositary (as appropriate, which may be a Participant or have an arrangement with a Participant of the applicable International Central Securities Depositary) for any share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the Company that relates to their investment.

Investors shall have no claim directly against the Company in respect of dividend payments and any liquidation and mandatory redemption proceeds due on Shares represented by the Global Share Certificate and the obligations of the Company will be discharged by payment to the applicable International Central Securities Depositary with the authorisation of the Common Depositary's Nominee.

Appendix B

Proposed Amendments to the Articles

(Unless otherwise defined herein or unless the context otherwise requires, all defined terms used in this Appendix B shall bear the same meaning as in the Articles.)

- (a) To clarify the Company's power to issue Shares in the manner set out in the Prospectus by amending article 11(f) as follows:

In relation to any Participating Shares which are listed on a stock exchange, in order to ensure that the exchange traded value of the Shares is not significantly higher than their Net Asset Value, when the closing market price of a class of Shares in a Fund on the relevant exchange is higher than 105 per cent (or such lower percentage as the Directors may determine) of the Net Asset Value of that class for a minimum of ten consecutive business days, the Manager ~~will~~may, at its discretion, notwithstanding the provisions of paragraph (b), issue Shares for cash provided that the minimum cash subscription per investor under such circumstances shall not be less than that set out in the relevant Prospectus.

- (b) To reflect the updated requirements of the Central Bank by adding the following clause to article 13:

~~This maximum redemption fee shall not be increased without prior Shareholder approval on the basis of a simple majority of votes cast in a general meeting or a resolution in writing of all Shareholders of the relevant class. In the event of an increase in the redemption fee, a reasonable notification period shall be provided prior to the implementation of the increase.~~

- (c) To clarify the Company's power to redeem in-kind in the manner set out in the Prospectus by amending article 20(c) as follows:

In relation to any Shares which are listed on a stock exchange, in order to ensure that the exchange traded value of the Shares is not significantly lower than their Net Asset Value, when the closing market price of Shares of a class in a Fund on the relevant exchange is less than 95 per cent (or such higher percentage as the Directors may determine) of the Net Asset Value of that class for a minimum of ten consecutive business days, the Manager ~~will~~may, at its discretion, notwithstanding the provisions of paragraph (a) and at the request of a Shareholder, redeem the Shares of such class subject to the condition that the Investments which would otherwise have been transferred to the Shareholder on an exchange basis as described above will be liquidated by the Manager and the Shareholder will receive the proceeds less any costs incurred.

- (d) To reflect the updated requirements of the Central Bank by amending article 20(f) as follows:

Where the Company receives in respect of any Dealing Day requests for redemption or switching pursuant to Article 25 (which, at the discretion of the Manager, may exclude requests for redemption in kind) which in the aggregate amount to more than 10% of the Net Asset Value of any Fund, each such request for redemption or switching of Participating Shares of the relevant Fund may, at the discretion of the Manager and to the extent that any proceeds for such redemptions have not already been paid, be reduced pro rata so that all such requests (which may exclude redemptions in kind) cover no more than 10% of the Net Asset Value of the relevant Fund. Any part of a redemption or switching request to which effect is not given by reason of the exercise of this power by the Manager shall be treated as if a request had been made in respect of the next Dealing Day and each succeeding Dealing Day (in relation to which the Manager shall have the same power) until the original requests have been satisfied in full ~~provided always that requests for redemption or switching that remain to be satisfied by reason of the exercise of this power by the Manager shall be complied with in priority to later requests.~~

- (e) To reflect that any resolution put to the vote of a general meeting shall be decided only on a poll, by deleting article 59 (b) and by amending article 57 as follows:

At any general meeting, a resolution put to the vote of the meeting shall be decided on a ~~show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded. Unless a poll is so demanded, a declaration by the Chairman that a resolution has~~

~~been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such a resolution. The demand for a poll may be withdrawn before the poll is taken but only with the consent of the Chairman, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made~~poll.

A poll shall be taken in such manner as the Chairman directs and he may appoint scrutineers (who need not be Shareholders) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

- (f) To reflect that any resolution put to the vote of a general meeting shall be decided only on a poll and to clarify that on a poll each Shareholder shall have one vote per share, by amending article 60 as follows:

Votes may be given either personally or by proxy. Subject to any rights or restrictions for the time being attached to any class of shares, ~~on a show of hands every Shareholder present in person and every proxy shall have one vote and on a poll every Shareholder in person or by proxy shall have one vote for every Share of which he is the holder.~~

- (g) To reflect that any resolution put to the vote of a general meeting shall be decided only on a poll, by amending article 61 as follows:

Where there is an equality of votes, ~~whether on a show of hands or on a poll,~~ the Chairman of the meeting ~~at which the show of hands takes place or at which the poll is demanded~~ shall be entitled to a casting vote in addition to any other vote he may have.

- (h) To reflect that any resolution put to the vote of a general meeting shall be decided only on a poll, by amending article 63 as follows:

A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction (whether in the State or elsewhere) in matters concerning mental disorder, may vote, ~~whether on a show of hands or on a poll,~~ by his committee, receiver, guardian or other person appointed by that court and any such committee, receiver, guardian or other person may vote by proxy, ~~on a show of hands or on a poll.~~ Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than such time as the Directors may from time to time determine before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

- (i) To reflect the updated requirements of the Central Bank by including the following definition of "Connected Person":

"Connected Person", means the Manager or the Custodian and the delegates and sub-delegates of the Manager or Custodian (excluding any non-group company sub-custodians appointed by the Custodian) and any associated or group company of the Manager, Custodian, delegate or sub-delegate.

and by amending article 136 as follows:

Dealings ~~by with~~ Administrator, ~~etc.~~ and Connected Persons

Any person being the Administrator, ~~the Custodian, the Manager~~ and any associate of the Administrator, ~~or the Custodian or the Manager~~ or a Connected Person may:-

- (a) become the owner of Participating Shares in the Company and hold dispose or otherwise deal with Participating Shares as if that person were not such a person; or
- (b) deal in property of any description on that person's individual account notwithstanding the fact that property of that description is included in the property of the Company; or

- (c) act as agent or principal in the sale or purchase of property to or from the Custodian for the account of the Company without that person having to account to any other such person, to the Shareholders or to any of them for any profits or benefits made by or derived from or in connection with any such transaction, provided that such transactions are in the best interests of Shareholders and ~~are carried out as if effected on normal commercial terms negotiated~~conducted at arm's length. Such transactions are subject to:-
- (i) a certified valuation of a person approved by the Custodian (or the ~~Directors~~Manager in the case of a transaction with the Custodian) as independent and competent;
 - (ii) the transaction being executed on best terms reasonably attainable on an organised investment exchange in accordance with the rules of such exchange; or
 - (iii) ~~where (i) and (ii) are not practical,~~ execution on terms which the Custodian (or the ~~Directors~~Manager in the case of a transaction with the Custodian) is satisfied conforms with the principle that such transactions are in the best interests of Shareholders and ~~are carried out as if effected on normal commercial terms negotiated~~conducted at arm's length.

Appendix C

The information given in this letter in regard to the tax consequences of the Scheme is not exhaustive and does not constitute legal or tax advice. The tax consequences of the Scheme may vary depending on your tax status and tax laws in your country of residence or domicile. Any redemption of your Shares may affect your tax position. You should consult your own professional advisers as to the implications of the Scheme and of your subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which you may be subject to tax. The information below represents our current understanding of the relevant tax legislation and, if our views materially change, we intend to notify Shareholders via the appropriate country pages of www.ishares.com.

This section does not cover tax implications for any financial traders or any other investors that may hold Shares in the course of their trade or profession. Neither does it cover taxation implications in respect of life companies investing in the Company.

Austria

For Austrian tax purposes, the Scheme should not give rise to any change in beneficial ownership of the Scheme Shares. As such, the Scheme itself should not trigger any tax in Austria.

Belgium

For Belgian tax purposes, the Scheme should not give rise to any change in legal ownership (as understood under Belgian law) of the Shares as Citivic will hold the Shares for and on behalf of investors. As such, the Scheme itself should not trigger any tax in Belgium.

Denmark

For Danish tax purposes, the Scheme should be regarded as not giving rise to any change in the tax status of the Funds and so there should be no change in the taxation of Danish investors.

Danish investors are taxed annually on a fair value basis, so the Scheme should not give rise to any taxable gains that would not already be assessed for tax for Danish investors.

No Danish transfer taxes should be triggered by the Scheme.

Finland

For Finnish tax purposes, a change in CSD should be regarded as a change in custodian and not a transfer of legal title. As such, the Scheme itself should not trigger any tax in Finland.

France

Where French investors hold Scheme Shares via a nominee or other intermediary, then no tax consequences should arise for such investors as their mandate with the intermediary should remain unchanged.

French investors that are registered on the Register of Members (i.e. these would be French investors who have accounts in Euroclear UK & Ireland (the CREST system) under the Current Model) should be regarded as having extended a mandate to Citivic to hold Shares as their agent for French tax purposes. No tax charge should therefore be triggered on the basis that Citivic will, for French tax purposes, be acting in the name of and on behalf of such investors.

No French Financial Transaction Tax charges should be triggered by the Scheme.

Germany

It is expected that where the German investors hold Scheme Shares via nominees or other intermediaries, or an interest in a Global Bearer Certificate (with DE ISIN) held at Clearstream Banking AG, Frankfurt/Main, the Scheme itself should not trigger a capital gains tax liability for German investors.

No stamp duties or other transfer taxes in Germany should be triggered by the Scheme.

Iceland

As the Scheme should not give rise to any change in identification and nominal value of the Shares in the Funds for Icelandic investors holding a direct interest in the Shares (which includes holdings through nominees and other intermediaries), the reporting in their annual tax return will be unchanged, meaning that no tax charge should be recognised in Iceland.

No Icelandic stamp taxes should be triggered by the Scheme.

Ireland

As there is no monetary consideration due to investors under the Scheme, the Scheme itself should not give rise to Irish capital gains tax.

No Irish stamp taxes should be triggered by the Scheme.

Italy

For Italian tax purposes, the Scheme should not give rise to any change in beneficial ownership of Shares. As such, the Scheme should not have any Italian tax implications.

Luxembourg

For Luxembourgish tax purposes, the Scheme should not give rise to any change in beneficial ownership of Shares. As such, the Scheme itself should not trigger any tax in Luxembourg.

Netherlands

For Dutch tax purposes, the Scheme should not give rise to any change in economic ownership of the Shares. As such, the Scheme itself should not trigger any tax in the Netherlands.

Norway

As investors' interests in the rights and economics of the Shares should not be altered by the Scheme, the Scheme itself should not trigger any tax in Norway.

Portugal

Where a Portuguese investor holds Shares via a nominee, trustee or other intermediary, there should be no change in the holdings of the Portuguese investor as a result of the Scheme. Accordingly, the Scheme itself should not trigger any tax in Portugal for such investors.

In the unlikely event that a Portuguese investor is registered on the Register of Members (i.e. these would be Portuguese investors who have accounts in Euroclear UK & Ireland (the CREST system) under the Current Model), the Scheme will trigger a transfer of legal ownership that Portuguese investors may be required to report to the Portuguese tax authorities. This may lead to a taxable event for Portuguese investors.

Spain

For Spanish tax purposes, in principle, the Scheme should not give rise to any change in beneficial ownership of Shares. As such, the Scheme itself should not trigger any tax in Spain.

Sweden

As the Scheme only introduces a new nominee relationship into the holding arrangements, the Scheme itself should not trigger any tax in Sweden.

Switzerland

For Swiss tax purposes, the Scheme should not trigger any disposal of Shares for Swiss investors. As such, the Scheme itself should not trigger any tax in Switzerland.

UK

For UK tax purposes, the Scheme should not trigger a taxable disposal of Shares as the Scheme will not result in a change in beneficial ownership of the Shares.

No UK stamp duty or stamp duty reserve tax should be due as a result of the Scheme.

PART 2 – THE SCHEME OF ARRANGEMENT

SCHEME OF ARRANGEMENT

UNDER CHAPTER 1 OF PART 9 OF THE COMPANIES ACT 2014

BETWEEN

ISHARES III PUBLIC LIMITED COMPANY

AND

THE HOLDERS OF THE SCHEME SHARES

(AS HEREINAFTER DEFINED)

RECITALS:

- A. The Company is an umbrella investment company with variable share capital and having segregated liability between its funds, incorporated with limited liability in Ireland under registration number 452278 and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011.
- B. The authorised share capital of the Company at the date of this Scheme is €2.00 divided into 2 Subscriber Shares of €1 each and 500,000,000,000 Participating Shares of no par value. As at 29 January 2016, 526,004,174 Participating Shares had been issued and credited as fully paid.
- C. The purpose of the Scheme is to provide for the transfer of the legal (but not beneficial) interest in the Scheme Shares to Citivic in consideration for Citivic agreeing to hold the Scheme Shares as nominee of the Common Depositary and on behalf of the International Central Securities Depositories.
- D. Citivic and the Common Depositary have agreed to appear by counsel on the hearing of the application by the Company to sanction this Scheme and to submit thereto. Each of Citivic and the Common Depositary have agreed to undertake to the High Court at the High Court Hearing to be bound by and to execute and do and procure to be executed and done by Citivic and the Common Depositary respectively all such documents, acts and things as may be necessary or desirable to be executed or done by Citivic or the Common Depositary respectively for the purpose of giving effect to this Scheme.

THE SCHEME

1. Definitions

In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

the “**Act**”, the Companies Act 2014 of Ireland;

the “**Board**”, the board of directors of the Company from time to time;

“**Business Day**”, a day (other than a Saturday, Sunday or public holiday in Ireland) when banks in Ireland are open for general banking business;

“**Circular**”, the document dated 8 February 2016 sent to Shareholders of which this Scheme forms part;

“Citivic”, Citivic Nominees Limited, a private company limited by shares and incorporated under the laws of England and Wales with registration number 01807082 and having its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom;

the **“Common Depositary”**, Citibank Europe plc;

the **“Company”**, iShares III public limited company, an umbrella investment company with variable share capital incorporated in Ireland under registration number 452278;

“Effective Date”, the date and time on which the Scheme is to become binding and effective on the Company and the Scheme Shareholders as fixed by the High Court in the Scheme Order;

“Excluded Shares”, any and all Participating Shares in (i) iShares Emerging Europe Local Government Bond UCITS ETF, iShares Emerging Latin America Local Govt Bond UCITS ETF, iShares Euro Corporate Bond BB-B UCITS ETF, iShares Global Aggregate Bond UCITS ETF, iShares MSCI Frontier Markets 100 UCITS ETF, iShares MSCI Saudi Arabia Capped IMI UCITS ETF, iShares MSCI Target Europe ex-UK Real Estate UCITS ETF and iShares Short Duration EM Local Government Bond UCITS ETF; and (ii) any other Fund which uses the ICSD Model from launch; in each case whether in issue at any time before, on or after the date of the Circular;

“Extraordinary General Meeting” or **“EGM”**, the extraordinary general meeting of the Company to be convened in connection with this Scheme, expected to be held on the same day as the Scheme Meeting (and any adjournment thereof);

“Forms of Proxy”, the form of proxy for the Scheme Meeting, and the form of proxy for the EGM, as the context may require;

“High Court”, the High Court of Ireland;

“Holder”, in relation to any Participating Share, a Member whose name is entered in the Register of Members as the holder of the Participating Share and any Joint Holder, including any person(s) entitled by transmission;

“International Central Securities Depositories”, Euroclear Bank S.A./N.V. and/or Clearstream Banking S.A., Luxembourg;

“Irish Standard Time”, Irish standard time, as set out in the Standard Time (Amendment) Act 1971 and the Summer Time Act 1925;

“Joint Holder”, Members whose names are entered in the Register of Members as the joint holders of a Participating Share;

“Member”, a member of the Company on its Register of Members at any relevant date;

“Participating Shares”, participating shares of no par value in the capital of the Company;

“Register of Members”, the register of members maintained by the Company pursuant to the Act;

“Registrar of Companies”, the Registrar of Companies in Ireland;

“Restricted Jurisdiction”, any jurisdiction in respect of which it would be unlawful for the Circular or the related Forms of Proxy to be released, published or distributed, in whole or in part;

“Restricted Overseas Shareholder”, a Shareholder (including an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, executor, administrator or other legal representative) in, or resident in, or any Shareholder whom the Company believes to be in, or resident in, a Restricted Jurisdiction;

“Scheme” or **“Scheme of Arrangement”**, the proposed scheme of arrangement under Chapter 1 of Part 9 of the Act with or subject to any modification(s), addition(s) or condition(s) approved or imposed by the High Court and agreed to by the Company and Citivic;

“Scheme Meeting”, the meeting or meetings of the Scheme Shareholders (and any adjournment thereof) convened by resolution of the Board pursuant to Section 450 of the Act to consider and vote on a resolution proposing that this Scheme (with or without amendment) be agreed to;

“Scheme Order”, the order or orders of the High Court under Section 453 (2) (c) of the Act sanctioning this Scheme;

“Scheme Shareholder”, a Holder of Scheme Shares;

“Scheme Shares”, means:

- (i) the Participating Shares in issue at the date of the Circular;
- (ii) any Participating Shares issued after the date of the Circular and before the Voting Record Time; and
- (iii) any Participating Shares issued at or after the Voting Record Time and before the Effective Date;

but excluding the Excluded Shares;

“Shareholders”, Holders of Participating Shares;

“Voting Record Time”, at 7.00 am (Irish Standard Time) on 22 March 2016 or, if the Scheme Meeting is adjourned, 7.00 am (Irish Standard Time) on the day before the day appointed for the adjourned Scheme Meeting.

2. **Transfer of Scheme Shares**

Automatically, and without any further action or instrument required, the legal (but not beneficial) interest in the Scheme Shares of each Holder appearing in the Register of Members at the Effective Date shall transfer to Citivic, free from all liens, equities, charges, encumbrances and other interests and together with all and any rights at the date of this Scheme or thereafter attached thereto including voting rights and the right to receive and retain in full all dividends and other distributions declared, paid or made thereon, on the Effective Date.

3. **Consideration for the Transfer of the Scheme Shares**

In consideration for the transfer of the Scheme Shares pursuant to Clause 2, the Company shall register the transfer of the Scheme Shares to Citivic and Citivic shall hold the Scheme Shares as nominee of the Common Depositary on behalf of the International Central Securities Depositories.

4. **Overseas Shareholders**

- 4.1 The provisions of Clauses 2 and 3 shall be subject to any prohibition or condition imposed by law.
- 4.2 Notwithstanding the provisions of Clause 4.1, the Company retains the right to permit the release, publication or distribution of the Circular or the Forms of Proxy to any Restricted Overseas Shareholder who satisfies the Company (in its sole discretion) that doing so will not infringe the laws of the relevant Restricted Jurisdiction, or require compliance with any governmental or other consent or any registration, filing or other formality that the Company is unable to comply with or regards as unduly onerous to comply with.

5. The Effective Date

5.1 This Scheme shall become effective on the Effective Date subject to:

5.1.1 a copy of the Scheme Order having been delivered to the Registrar of Companies for registration in accordance with Section 454 of the Act on or before the Effective Date; and

5.1.2 the Company and Citivic not having agreed prior to the Effective Date, with the consent of the High Court (where required), not to proceed with the Scheme and in such case all undertakings given to the Court in respect of this Scheme shall be deemed to have lapsed with immediate effect.

6. Modification

The Company and Citivic may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or any condition that the High Court may approve or impose.

7. Costs

The costs of the Scheme directly incurred by the Company, including costs of the preparation, approval and implementation of the Scheme, will be borne by BlackRock Asset Management Ireland Limited.

8. Governing Law

This Scheme shall be governed by, and construed in accordance with, the laws of Ireland. The Company and the Scheme Shareholders hereby agree that the High Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding or to settle any dispute which may arise in relation thereto.

Dated: 8 February 2016

PART 3 – CONDITIONS OF THE SCHEME OF ARRANGEMENT

The Scheme will be conditional upon:

- (i) the approval of the Scheme by a majority in number of the Scheme Shareholders representing three-fourths (75 per cent.) or more in value of the Scheme Shares held by such holders, present and voting (either in person or by proxy) at the Scheme Meeting (or at any adjournment of such meeting);
- (ii) such resolution(s) required to approve or implement the Scheme and set out in the notice convening the Extraordinary General Meeting being duly passed by the requisite majority at the Extraordinary General Meeting (or at any adjournment of such meeting);
- (iii) the sanction by the High Court (with or without modification) of the Scheme pursuant to Section 453 (2) (c) of the Act;
- (iv) a copy of the Scheme Order having been delivered to the Registrar of Companies for registration in accordance with Section 454 of the Act on or before the Effective Date; and
- (v) the Directors not having resolved to abandon, discontinue and/or withdraw the Scheme prior to the High Court Hearing.

PART 4 – NOTICE OF SCHEME MEETING

NOTICE is hereby given that a Scheme Meeting of the holders of the Scheme Shares (as defined in the Scheme referred to below) will be held at the offices of BlackRock, Floor 1, 2 Ballsbridge Park, Ballsbridge, Dublin 4, Ireland on 23 March 2016 at 10.40 am (Irish Standard Time) for the purposes of their considering and voting on the following resolution:

“THAT the Scheme (as defined in the circular issued to shareholders of the Company on 8 February 2016 and a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman thereof) in its original form or with or subject to any modification(s), addition(s) or condition(s) approved or imposed by the High Court be agreed to.”

A copy of the said Scheme and a copy of the scheme circular required to be furnished pursuant to Section 452 of the Companies Act 2014 are incorporated in the document of which this Notice forms part.

To be passed, the resolution requires the approval of a majority in number of Scheme Shareholders representing not less than three-fourths (75 per cent.) in value of the Scheme Shares held by such holders voting in person or by proxy.

Capitalised terms used, but not defined, in this Notice shall bear the meanings given to those terms in the document of which this Notice forms part.

The said Scheme will be subject to the subsequent sanction of the High Court.

By order of the Board



**CHARTERED CORPORATE SERVICES
SECRETARY**

Dated: 8 February 2016

NOTES:

1. The required quorum at the Scheme Meeting is two Scheme Shareholders entitled to vote on the business to be transacted present in person or by proxy. If a quorum is not present within half an hour from the appointed time for the Scheme Meeting, or if during the Scheme Meeting a quorum ceases to be present, the Scheme Meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine. At the adjourned Scheme Meeting, if a quorum is not present within half an hour from the time appointed for holding the meeting, any Scheme Shareholder or Scheme Shareholders present at the meeting shall be a quorum.
2. Only those Scheme Shareholders registered in the Register of Members at the Voting Record Time, being 7.00 am (Irish Standard Time) on 22 March 2016 or, if the Scheme Meeting is adjourned, 7.00 am (Irish Standard Time) on the day before the day appointed for the adjourned Scheme Meeting shall be entitled to attend, speak, ask questions and vote at the Scheme Meeting, or if relevant, any adjournment thereof. The number and value of Scheme Shares which you are entitled to vote at the Scheme Meeting will be determined by reference to the Register of Members as at the Voting Record Time. Furthermore, the value attributable to each Scheme Share for the purpose of voting at the Scheme Meeting shall be the Net Asset Value (as calculated in accordance with the Prospectus of the Company) of such Scheme Share at the Voting Record Time. Changes in the Register of Members after that time will be disregarded in determining the right of any person to attend and/or vote at the Scheme Meeting.

3. Please note that you are only entitled to attend and vote at the Scheme Meeting (or any adjournment thereof) if you are a Scheme Shareholder. If you have invested in the Company through a broker/dealer/other intermediary please contact this entity to confirm your right to vote. A Scheme Shareholder may appoint a proxy or proxies to attend, speak and vote on his/her behalf. A proxy need not be a member of the Company.
4. A Form of Proxy is enclosed for use by Scheme Shareholders unable to attend the Scheme Meeting (or any adjournment thereof). To be valid, the original, signed Form of Proxy and any power of attorney under which it is signed must be received by the Company Secretary at Taney Hall, Eglinton Terrace, Dundrum, Dublin 14, Ireland or at JPMorgan House, International Financial Services Centre, Dublin 1 (being the registered office of the Company) or a copy must be sent by fax to +353 (0)1 216 9866 or e-mail to blackrock@corporateservices.ie, in each case not less than 24 hours before the time appointed for the holding of the Scheme Meeting (or any adjourned meeting) or, in the case of a poll taken otherwise than at or on the same day as the Scheme Meeting or adjourned Scheme Meeting, not less than 24 hours before the time appointed for the poll to be taken. Failure to return the Form of Proxy by the required time will result in the Form of Proxy being void and therefore your proxy will not be entitled to vote on your behalf as directed.
5. At the Scheme Meeting, the resolution put to the vote of the meeting shall be decided on a poll. On a poll every Scheme Shareholder present in person or by proxy shall have one vote for every Scheme Share of which he is the holder.

PART 5 – NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting of iShares III public limited company (the “Company”) will be held at the offices of BlackRock, Floor 1, 2 Ballsbridge Park, Ballsbridge, Dublin 4, Ireland on 23 March 2016 at 10.50 am (Irish Standard Time) (or as soon thereafter as the Scheme Meeting (as defined in the document of which this Notice forms part) shall have been concluded or adjourned) to transact the following business:

Ordinary Business

1. To consider, and if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT, subject to the approval of the requisite majorities of the Scheme (as defined in the circular issued to shareholders of the Company on 8 February 2016 (the “Circular”)) at the Scheme Meeting (as defined in the Circular), the Scheme (a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman thereof) in its original form or with or subject to any modification(s), addition(s) or condition(s) approved or imposed by the High Court be approved and the directors of the Company be authorised to take all such action as they consider necessary or appropriate for carrying the Scheme into effect.”

Special Business

2. To consider, and if thought fit, pass the following resolution as a special resolution of the Company:

“THAT new Articles of Association of the Company be adopted in the form initialled by the Chairman and tabled at the meeting, in substitution for the existing Articles of Association with effect from the end of the meeting.”

Capitalised terms used, but not defined, in this Notice shall bear the meanings given to those terms in the document of which this Notice forms part.

By order of the Board



**CHARTERED CORPORATE SERVICES
SECRETARY**

Dated this the 8th day of February 2016

Notes:

1. The required quorum at the Extraordinary General Meeting is two shareholders of the Company entitled to vote on the business to be transacted present in person or by proxy. If a quorum is not present within half an hour from the appointed time for the Extraordinary General Meeting, or if during the meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine. At the adjourned Extraordinary General Meeting, if a quorum is not present within half an hour from the time appointed for holding the meeting, then any Member or Members present at the meeting shall be a quorum.
2. Only those shareholders of the Company registered in the Register of Members at 7.00 am (Irish Standard Time) on 22 March 2016 or, if the Extraordinary General Meeting is adjourned, 7.00 am (Irish Standard Time) on the day before the day appointed for the adjourned Extraordinary General Meeting shall be entitled to attend, speak, ask questions and vote at the Extraordinary General Meeting, or if relevant, any adjournment thereof. The number of shares you are entitled to vote at the Extraordinary General Meeting will be determined by reference to the Register of Members as at the Voting Record Time. Changes in the Register of Members after that time will

be disregarded in determining the right of any person to attend and/or vote at the Extraordinary General Meeting.

3. Please note that you are only entitled to attend and vote at the Extraordinary General Meeting (or any adjournment thereof) if you are a registered shareholder. If you have invested in the Company through a broker/dealer/other intermediary please contact this entity to confirm your right to vote. A shareholder may appoint a proxy or proxies to attend, speak and vote on his/her behalf. A proxy need not be a member of the Company.
4. A Form of Proxy is enclosed for use by shareholders unable to attend the Extraordinary General Meeting (or any adjournment thereof). To be valid, the original signed Form of Proxy and any power of attorney under which it is signed must be received by the Company Secretary at Taney Hall, Eglinton Terrace, Dundrum, Dublin 14, Ireland or at JPMorgan House, International Financial Services Centre, Dublin 1 (being the registered office of the Company) or a copy must be sent by fax to +353 (0)1 216 9866 or e-mail to blackrock@corporateservices.ie, in each case not less than 24 hours before the time appointed for the holding of the Extraordinary General Meeting (or any adjourned meeting) or, in the case of a poll taken otherwise than at or on the same day as the Extraordinary General Meeting or adjourned Extraordinary General Meeting, not less than 24 hours before the time appointed for the poll to be taken. Failure to return the Form of Proxy by the required time will result in the Form of Proxy being void and therefore your proxy will not be entitled to vote on your behalf as directed.
5. At the Extraordinary General Meeting, the resolutions put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded. Unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the Extraordinary General Meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such a resolution. The demand for a poll may be withdrawn before the poll is taken but only with the consent of the Chairman, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. On a poll every shareholder of the Company present in person or by proxy shall have one vote for every share of which he is the holder.

ISHARES III PUBLIC LIMITED COMPANY

FORM OF PROXY FOR SCHEME MEETING

*I/We _____

of _____

being a Scheme Shareholder of the above named Company hereby appoint

_____ or failing *him/her, the Chairman of the Scheme Meeting or failing him any one director of the Company or failing him/her any one of the representatives of Chartered Corporate Services of Taney Hall, Eglinton Terrace, Dundrum, Dublin 14, Ireland as the Company Secretary, or any one of the representatives of BlackRock Asset Management Ireland Limited of JPMorgan House, IFSC, Dublin 1, Ireland, as the Manager of the Company, as *my/our proxy to vote for *me/us and on *my/our behalf at the Scheme Meeting to be held at the offices of BlackRock, Floor 1, 2 Ballsbridge Park, Ballsbridge, Dublin 4, Ireland on the 23rd day of March 2016 at 10.40 and at any adjournment thereof.

Please indicate in the table below the number of your Scheme Shares per each Fund that you wish to be cast FOR and/or AGAINST the resolution and the number of your Scheme Shares per each Fund (if any) in respect of which you wish to abstain from voting. If you wish to vote all of your Scheme Shares in a particular Fund FOR or AGAINST the resolution or abstain from voting in respect of all of your Scheme Shares in a particular Fund, please place an "x" in the relevant box in the below table related to that Fund. If no specific direction as to voting is given the proxy will vote or abstain from voting at his discretion.

Capitalised terms used, but not defined, in this Form of Proxy shall bear the meanings given to those terms in the document dated 8 February 2016 accompanying this Form of Proxy.

Resolution		To Agree to the Scheme of Arrangement		
Fund		No. of Scheme Shares to vote FOR the Resolution	No. of Scheme Shares to vote AGAINST the Resolution	No. of Scheme Shares ABSTAINED
1.	iShares £ Corporate Bond ex-Financials UCITS ETF (ISIN: IE00B4L60H17)			
2.	iShares Core Euro Corporate Bond UCITS ETF (ISIN: IE00B3F81R35)			
3.	iShares Core Euro Government Bond UCITS ETF (ISIN: IE00B4WXJJ64 / DE000A0YBRZ7)			
4.	iShares Core MSCI Japan IMI UCITS ETF (ISIN: IE00B4L5YX21/ DE000A0YBR53)			
5.	iShares Core MSCI World UCITS ETF (ISIN: IE00B4L5Y983)			
6.	iShares Emerging Asia Local Government Bond UCITS ETF (ISIN: IE00B6QGFW01/ DE000A1J0ZB9)			

Resolution		To Agree to the Scheme of Arrangement		
Fund		No. of Scheme Shares to vote FOR the Resolution	No. of Scheme Shares to vote AGAINST the Resolution	No. of Scheme Shares ABSTAINED
7.	iShares Emerging Markets Local Government Bond UCITS ETF (ISIN: IE00B5M4WH52/ DE000A1JB4Q0)			
8.	iShares Euro Aggregate Bond UCITS ETF (ISIN: IE00B3DKXQ41/ DE000A0RM447)			
9.	iShares Euro Corporate Bond 1-5yr UCITS ETF (ISIN: IE00B4L60045/ DE000A0YEEZ9)			
10.	iShares Euro Corporate Bond BBB-BB UCITS ETF (ISIN: IE00BSKRK281/ DE000A12HUB1)			
11.	iShares Euro Corporate Bond ex-Financials 1-5yr UCITS ETF (ISIN: IE00B4L5ZY03/ DE000A0YEEY2)			
12.	iShares Euro Corporate Bond ex-Financials UCITS ETF (ISIN: IE00B4L5ZG21/ DE000A0YEEEX4)			
13.	iShares Euro Covered Bond UCITS ETF (ISIN: IE00B3B8Q275/ DE000A0RFEE5)			
14.	iShares Euro Government Bond 0-1yr UCITS ETF (ISIN: IE00B3FH7618/ DE000A0RM462)			
15.	iShares Euro Government Bond 10-15yr UCITS ETF (ISIN: IE00B4WXJH41/ DE000A0YBRX2)			
16.	iShares Euro Government Bond 5-7yr UCITS ETF (ISIN: IE00B4WXJG34/ DE000A0YBRY0)			
17.	iShares Global Government Bond UCITS ETF (ISIN: IE00B3F81K65/ DE000A0RM439)			
18.	iShares Global Inflation Linked Government Bond UCITS ETF (ISIN: IE00B3B8PX14/ DE000A0RFED7)			
19.	iShares MSCI Australia UCITS ETF (ISIN: IE00B5377D42)			
20.	iShares MSCI Emerging Markets Small Cap UCITS ETF (ISIN: IE00B3F81G20/ DE000A0YBR04)			

Resolution		To Agree to the Scheme of Arrangement		
Fund		No. of Scheme Shares to vote FOR the Resolution	No. of Scheme Shares to vote AGAINST the Resolution	No. of Scheme Shares ABSTAINED
21.	iShares MSCI Emerging Markets UCITS ETF (Acc) (ISIN: IE00B4L5YC18/ DE000A0YBR46)			
22.	iShares MSCI Europe UCITS ETF (Acc) (ISIN: IE00B4K48X80)			
23.	iShares MSCI GCC ex-Saudi Arabia UCITS ETF (ISIN: IE00B3F81623/ DE000A0RM470)			
24.	iShares MSCI Japan Small Cap UCITS ETF (Dist) (ISIN: IE00B2QWDY88)			
25.	iShares MSCI Pacific ex-Japan UCITS ETF (Dist) (ISIN: IE00B4WXJD03/ DE000A0YBR12)			
26.	iShares MSCI South Africa UCITS ETF (ISIN: IE00B52XQP83)			
27.	iShares MSCI Target UK Real Estate UCITS ETF (ISIN: IE00BRHZ0398/ DE000A14PKP1)			
28.	iShares MSCI Target US Real Estate UCITS ETF (ISIN: IE00BRHZ0620/ DE000A12HP18)			
29.	iShares S&P Small Cap 600 UCITS ETF (ISIN: IE00B2QWCY14/ DE000A0RFEB1)			
30.	iShares UK Gilts 0-5yr UCITS ETF (ISIN: IE00B4WXJK79)			

Dated this the day of , 2016

Signed / For and on behalf of

PLEASE PRINT YOUR NAME OR THE NAME OF THE CORPORATION YOU ARE EXECUTING THIS FORM ON BEHALF OF AND YOUR ADDRESS UNDERNEATH

_____ (Print Name)

_____ (Print address)

*Delete as appropriate

Notes:

- (a) A Scheme Shareholder must insert his full name and registered address in type or block letters. In the case of joint accounts the names of all holders must be stated.
- (b) If you desire to appoint a proxy other than the Chairman of the Scheme Meeting, a director of the Company or any representative of Chartered Corporate Services as the Company Secretary, or any representative of BlackRock Asset Management Ireland Limited as the Manager then please insert his/her name and address in the space provided.
- (c) The Form of Proxy must:-
 - (i) in the case of an individual Scheme Shareholder be signed by the Scheme Shareholder or his attorney; and
 - (ii) in the case of a corporate Scheme Shareholder be given either under its common seal or signed on its behalf by an attorney or by a duly authorised officer of the corporate Scheme Shareholder.
- (d) In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
- (e) A corporation being a Scheme Shareholder may authorise such person as it thinks fit to act as representative at the Scheme Meeting and the person so authorised shall be entitled to vote as if it were an individual Scheme Shareholder.
- (f) To be valid, the original signed Form of Proxy and any power of attorney under which it is signed must be received by the Company Secretary at Taney Hall, Eglinton Terrace, Dundrum, Dublin 14, Ireland or at JPMorgan House, International Financial Services Centre, Dublin 1 (being the registered office of the Company) or a copy must be sent by fax to +353 (0)1 216 9866 or e-mail to blackrock@corporateservices.ie, in each case not less than 24 hours before the time appointed for the holding of the Scheme Meeting (or any adjourned meeting) or, in the case of a poll taken otherwise than at or on the same day as the Scheme Meeting or adjourned Scheme Meeting, not less than 24 hours before the time appointed for the poll to be taken. Failure to return the Form of Proxy by the required time will result in the Form of Proxy being void and therefore your proxy will not be entitled to vote on your behalf as directed.
- (g) A proxy need not be a member of the Company but must attend the Scheme Meeting in person, or any adjourned Scheme Meeting, to represent you.

ISHARES III PUBLIC LIMITED COMPANY

FORM OF PROXY FOR EXTRAORDINARY GENERAL MEETING

*I/We _____

of _____

being a shareholder of the above named Company hereby appoint

_____ or failing *him/her, the Chairman of the Extraordinary General Meeting or failing him any one director of the Company or failing him/her any one of the representatives of Chartered Corporate Services of Taney Hall, Eglinton Terrace, Dundrum, Dublin 14, Ireland as the Company Secretary, or any one of the representatives of BlackRock Asset Management Ireland Limited of JPMorgan House, IFSC, Dublin 1, Ireland, as the Manager of the Company, as *my/our proxy to vote for *me/us and on *my/our behalf at the Extraordinary General Meeting to be held at the offices of BlackRock, Floor 1, 2 Ballsbridge Park, Ballsbridge, Dublin 4, Ireland on the 23rd day of March 2016 at 10.50 am (or as soon thereafter as the Scheme Meeting (as defined in the document of which this Form of Proxy forms part) shall have been concluded or adjourned).

Please indicate in the space below the number of your Shares you wish your votes to be cast FOR and/or AGAINST each resolution and the number of your Shares (if any) in respect of which you wish to abstain from voting. If you wish to vote all of your Shares FOR or AGAINST a resolution or abstain from voting in respect of all of your Shares, please place an "x" in relevant box below. If no specific direction as to voting is given the proxy will vote or abstain from voting at his discretion.

Capitalised terms used, but not defined, in this Form of Proxy shall bear the meanings given to those terms in the document dated 8 February 2016 accompanying this Form of Proxy.

RESOLUTION	FOR	AGAINST	ABSTAIN
1. To approve the Scheme of Arrangement.			
2. That new Articles of Association of the Company be adopted in the form initialled by the Chairman and tabled at the meeting, in substitution for the existing Articles of Association.			

Dated this the _____ day of _____, 2016

Signed / For and on behalf of

PLEASE PRINT YOUR NAME OR THE NAME OF THE CORPORATION YOU ARE EXECUTING THIS FORM ON BEHALF OF AND YOUR ADDRESS UNDERNEATH

_____ (Print Name)

_____ (Print address)

*Delete as appropriate

Notes:

- (a) A shareholder must insert his full name and registered address in type or block letters. In the case of joint accounts the names of all holders must be stated.
- (b) If you desire to appoint a proxy other than the Chairman of the Extraordinary General Meeting, a director of the Company or any representative of Chartered Corporate Services as the Company Secretary, or any representative of BlackRock Asset Management Ireland Limited as the Manager then please insert his/her name and address in the space provided.
- (c) The Form of Proxy must:-
 - (i) in the case of an individual shareholder be signed by the shareholder or his attorney; and
 - (ii) in the case of a corporate shareholder be given either under its common seal or signed on its behalf by an attorney or by a duly authorised officer of the corporate shareholder.
- (d) In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
- (e) A corporation being a shareholder may authorise such person as it thinks fit to act as representative at the Extraordinary General Meeting and the person so authorised shall be entitled to vote as if it were an individual shareholder.
- (f) To be valid, the original signed Form of Proxy and any power of attorney under which it is signed must be received by the Company Secretary at Taney Hall, Eglinton Terrace, Dundrum, Dublin 14, Ireland or at JPMorgan House, International Financial Services Centre, Dublin 1 (being the registered office of the Company) or a copy may be sent by fax to +353 (0)1 216 9866 or e-mail to blackrock@corporateservices.ie, in each case not less than 24 hours before the time appointed for the holding of the Extraordinary General Meeting (or any adjourned meeting) or, in the case of a poll taken otherwise than at or on the same day as the Extraordinary General Meeting or adjourned Extraordinary General Meeting, not less than 24 hours before the time appointed for the poll to be taken. Failure to return the Form of Proxy by the required time will result in the Form of Proxy being void and therefore your proxy will not be entitled to vote on your behalf as directed.
- (g) A proxy need not be a member of the Company but must attend the Extraordinary General Meeting in person, or any adjourned Extraordinary General Meeting, to represent you.
- (h) At the Extraordinary General Meeting, all shareholders of the above named Company, including Scheme Shareholders and shareholders of iShares Emerging Europe Local Government Bond UCITS ETF (ISIN: IE00B6TQLL84), iShares Emerging Latin America Local Govt Bond UCITS ETF (ISIN: IE00B6SQKV27), iShares Euro Corporate Bond BB-B UCITS ETF (ISIN: IE00BYTSJG15), iShares Global Aggregate Bond UCITS ETF (ISIN: IE00B3F81409), iShares MSCI Frontier Markets 100 UCITS ETF (ISIN: IE00BYR0158), iShares MSCI Saudi Arabia Capped IMI UCITS ETF (ISIN: IE00BYR0489), iShares MSCI Target Europe ex-UK Real Estate UCITS ETF (ISIN: IE00BYM6C411) and iShares Short Duration EM Local Government Bond UCITS ETF (ISIN: IE00BCRY5W53), may vote.
- (i) As iShares Emerging Europe Local Government Bond UCITS ETF (ISIN: IE00B6TQLL84), iShares Emerging Latin America Local Govt Bond UCITS ETF (ISIN: IE00B6SQKV27), iShares Euro Corporate Bond BB-B UCITS ETF (ISIN: IE00BYTSJG15), iShares Global Aggregate Bond UCITS ETF (ISIN: IE00B3F81409), iShares MSCI Frontier Markets 100 UCITS ETF (ISIN: IE00BYR0158), iShares MSCI Saudi Arabia Capped IMI UCITS ETF (ISIN: IE00BYR0489), iShares MSCI Target Europe ex-UK Real Estate UCITS ETF (ISIN: IE00BYM6C411) and iShares Short Duration EM Local Government Bond UCITS ETF (ISIN: IE00BCRY5W53) already or, where relevant, will upon launch use the International Central Securities Depository (ICSD) model of settlement and Citivic Nominees Limited is the sole registered shareholder of such funds, investors in such funds should submit their voting instructions through the relevant ICSD or the relevant participant in an ICSD (such as a local central securities depository), instead of submitting this proxy form to the Company Secretary.