

Bold, Underlined text indicates additions.

~~Bold, Strikethrough~~ text indicates deletions.

The Depository Trust Company,
a subsidiary of The Depository Trust & Clearing Corporation

OPERATIONAL ARRANGEMENTS

(Necessary for Securities to Become
and Remain Eligible for DTC Services)

~~January 2012~~ **October 2016**

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I. Eligibility Requirements

The Depository Trust Company (“DTC”), a subsidiary of The Depository Trust & Clearing Corporation (“DTCC”), through its Underwriting Department (“Underwriting”), serves the financial industry by making securities eligible for depository services. DTC Participants (“Participants”)¹ have the ability to distribute new and secondary offerings quickly and economically by electronic book-entry delivery and settlement through DTC. Securities² may be made eligible for either DTC’s full range of depository services (“full service”) or the limited custody service offered by DTC³. This document addresses full book-entry service eligibility.

All issuers of securities deposited at DTC (“Issuers”), Agents⁴ and underwriters⁵ are required to adhere to the requirements stated in these Operational Arrangements (“OA”). A transfer/paying agent must be appointed by the Issuer, prior to a security issued by such Issuer becoming eligible for DTC services. This Agent must have on file with DTC a completed Operational Arrangements Agent Letter (the “Agent Letter”) pursuant to which the Agent agrees to be bound by the terms and conditions of the OA in respect of the Agent’s obligations to DTC for a Security to become and remain eligible at DTC. In circumstances where these requirements cannot be met, DTC can choose to deny eligibility.

A. Standards

1. Submission of an Eligibility Request to DTC

Only Participants can request that DTC make a security eligible. It is therefore incumbent on an Issuer to have a relationship with an underwriter or other financial institution that is a Participant or is directly associated with a Participant that is willing to sponsor the eligibility process for the Issuer’s securities. A Participant may submit an eligibility request through the underwriting services of DTC at the time a security is initially being offered and distributed to the marketplace or at a later time for already issued and outstanding securities. (New securities that result from reorganizations of already held and Eligible Securities⁶ are also reviewed for continuing eligibility.)

¹ Participant as used in this document refers to a DTC Participant as defined in the rules and procedures of DTC (the “DTC Rules”).

² The term “Securities” as used in this document has the meaning provided in the DTC Rules.

³ Custody services are limited. Typically, securities that are custody-only are, for example, subject to transfer restrictions and not part of a fungible bulk and are not, therefore, eligible for nominee registration or for book-entry services. Additional information about DTC’s Custody Service may be obtained from DTCC’s website at www.dtcc.com/products/assets/services/custody.php

⁴ “Agent” in these Operational Arrangements means an Issuer’s auction agent, custodian, depository, dividend reinvestment plan administrator, exchange agent, issuing and/or paying agent, redemption agent, remarketing agent, registrar, tender agent, transfer agent, trustee, trust company, and/or any other person or entity acting in an agency capacity on behalf of Issuer.

⁵ The term “underwriter” as used in this document is more than the definition used under the securities laws and includes without limitation the roles of a placement agent, manager or initial purchaser, as appropriate.

⁶ Eligible Securities, as used in this document, has the meaning provided in the DTC Rules.

Participants⁷ are required to provide an eligibility request for specified securities to Underwriting by the submission of all required Issuer and securities data and all related offering documents, at a minimum, through the online Securities Origination, Underwriting and Reliable Corporate Action Environment (“UW SOURCE”) system to be considered for full service eligibility at DTC. (See DTCC’s website for more information on UW SOURCE at:

<http://www.dtcc.com/leadership/issues/reengineering/underwriting/registration.php>)
<http://dtcc.com/matching-settlement-and-asset-services/underwriting/uw-source-info>).

In the case of an eligibility request for already issued and outstanding securities (an “Older Issue Eligibility Request”), the Participant also must present to DTC the appropriately completed “Older Eligibility Questionnaire” together with a copy of the physical certificate or certificates representing the securities and an Agent Attestation form **through UW SOURCE as an Eligibility Only request**. Further documents and information, many of which are addressed later in this document, may be required as part of the eligibility review. (Note that all eligibility requests, whether for an underwritten distribution through DTC or for older securities already outstanding in the secondary market, require a copy of the offering documentation be provided to DTC for review.)

It is the responsibility of the Participant requesting eligibility for the securities to provide evidence that the securities satisfy the criteria set forth in DTC’s OA. Once DTC has reviewed the information provided by the sponsoring Participant, DTC will advise the Participant whether an opinion of counsel to the Issuer is also required to substantiate the legal basis for eligibility. DTC expects, among other things, any such opinion to be provided by an experienced securities practitioner, is licensed to practice law in the relevant jurisdiction and in good standing in any bar to which such practitioner is admitted. Such counsel must be engaged in an independent private practice (i.e., not in-house counsel) and may not have a beneficial ownership interest in the security for which the opinion is being provided or be an officer, director or employee of the Issuer. DTC reserves the absolute discretion to approve or reject the counsel issuing the opinion which is being delivered to DTC.

⁷ Underwriters with an approved correspondent relationship with a Participant may also request DTC eligibility for a new security being offered and distributed.

Underwriting Service Guide

Older Issue Eligibility

About the Product

~~The Older Issue Eligibility area~~ The DTC Underwriting Department reviews eligibility requests ("Older Issue Eligibility Requests") from ~~DTC participants~~ Participants and other industry sources for equity, corporate and municipal securities previously distributed outside ~~the depository~~ DTC ("Older Issues"). ~~The area also supports DTC's Custody Service.~~

How the Product Works

For Older Issue Eligibility Requests, the Participant must present to DTC the appropriately completed "Older Eligibility Questionnaire"¹ together with a copy of the physical certificate or certificates representing the securities and an agent attestation form ("Agent Attestation Form")² through DTC's Securities Origination, Underwriting and Reliable Corporate Action Environment (UW SOURCE) system as an Eligibility Only request. Further documents and information may be required as part of the eligibility review. (Note that all eligibility requests, whether for an underwritten distribution through DTC or for older securities already

¹ The Older Eligibility Questionnaire is a form that a Participant must complete with respect to the Older Issue to provide DTC with the issuer's name, issue description, CUSIP number, information relating to compliance with Eligibility Requirements, contact information, and other information required in order for DTC to process the issue. In addition, by signing the Older Eligibility Questionnaire the Participant (i) represents and warrants (a) that the issuer complies with all applicable securities laws, rules and regulations, and banking regulations, (b) the registration or exemption status of the Older Issue under the Securities Act of 1933, and (c) that the information provided on the form is true, accurate and complete, (ii) agrees to indemnify DTC and its affiliates for any loss, damage, cost or expense, arising out of the eligibility request and the Deposit of the referenced Security, and (iii) certifies that it complies with the Rules regarding compliance with sanctions administered and enforced by the Office of Foreign Assets Control (OFAC) and that the Participant has implemented a risk-based OFAC compliance program.

² By signing the Agent Attestation Form, the Agent for the issue represents that the Agent will comply with the requirements stated in the DTC Operational Arrangements with respect to the issue upon acceptance of the issue as eligible for deposit at DTC ("OA"). The OA is available at <http://www.dtcc.com/~media/Files/Downloads/legal/issue-eligibility/eligibility/operational-arrangements.pdf>.

outstanding in the secondary market, require a copy of the offering documentation be provided to DTC for review.) Participants should see the OA³ for DTC's eligibility criteria and information on required documentation for eligibility requests.

~~You can submit requests for eligibility by submitting either copies of certificates (when your inventory is fewer than 1,000 certificates) or a PC file on diskette (when your inventory is greater than 1,000 certificates).~~

~~Certificate Copies~~

~~Certificate copies are examined to determine whether the issue meets DTC eligibility requirements as outlined in the Operational Arrangements and can be made eligible for full DTC services,~~

~~including deposits, withdrawals, and delivery of securities through DTC's book entry system. The review process includes:~~

- ~~• Validating the CUSIP number according to the Standard and Poor's (S&P) database~~
- ~~• Contacting the transfer agent to verify~~
- ~~• Transferability of the issue~~
- ~~• Payment information~~
- ~~• Fees, if applicable.~~

~~When a certificate is received that does not have a CUSIP number assigned to it, the issue is sent to S&P for assignment of an industry standard CUSIP number.~~

~~File Diskettes~~

~~Requests submitted with a diskette are compared with DTC's security master file to determine if the CUSIP numbers are depository eligible. A report is distributed to you indicating whether the issues are fully eligible, inactive, or not eligible on DTC's security master file. Issues that are not eligible or that do not contain a valid CUSIP number can be made eligible by submitting to DTC a copy of the certificate for review and assignment of CUSIP number.~~

³ Supra note 2.