

Bold, underlined text indicates proposed added language.

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CUSTODY SERVICE GUIDE

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IMPORTANT LEGAL INFORMATION

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CUSTODY SERVICES

Requesting Custody Eligibility for a Security

Custody Eligibility Requests must be submitted by Participants through the Custody Eligibility Application within USA which is accessible through the secure Internet portal generally used for DTC's online applications, <https://portal.dtcc.com>.

Note

A Participant should contact its relationship manager with any questions it has regarding access to the DTC portal and the Custody Eligibility Application.

Custody Eligibility Requests must contain certain Data Elements and copy of the security certificate, or other relevant documentation for an asset that is not a security, as applicable, in order to be processed. Participants seeking to make multiple Custody Eligibility Requests at one time have the option to submit a

spreadsheet containing the Data Elements for all the securities and other assets for which eligibility is being requested at that time.

Data Elements include CUSIP (if available); Sub Issue Type (required); Description (required); U.S./Non U.S. (This field is required for corporate debt and equity issues. For all certificates of deposit, and collateralized mortgage obligations must be U.S. issues. For municipal securities, this field is set to U.S. and is not updateable); Issuer Country of Origin (required for corporate debt and equity issue types); State of Incorporation (required for all U.S. issues), Dated Date (required for corporate debt and municipal security types); Accrual Date (required for corporate debt and municipal security types); Certificate Type (required and defaulted to R for Registered, can be updated to Bearer or Interchangeable); Maturity Date (required for corporate debt, municipal securities and warrants); Interest Rate (required for corporate debt and municipal security types); DTC Participant Number, Name of Paying Agent (required for corporate debt and municipal security types); and Exercise Price (required for warrants). If the Participant does not enter the required Data Elements then the Custody Eligibility Application would prompt the Participant to include the missing information.

Once the Custody Eligibility Request is submitted by a Participant, DTC will validate the Data Elements. DTC will send an automated email to notify the Participant if a Custody Eligibility Request requires further review by DTC prior to adding the security or other asset, as applicable to the Custody system as eligible for deposit. DTC may require other information it deems necessary to complete its processing of a Custody Eligibility Request. If DTC requires additional information to complete its review of a Custody Eligibility Request, or otherwise identifies an issue that may affect processing of the Custody Eligibility Request (e.g., incorrect sub-issue type, OFAC issue, etc.), DTC staff will contact the Participant in this regard directly by phone and/or in writing.

If the security subject of the Custody Eligibility Request complies with the requirements set forth in these Procedures but has not been assigned a CUSIP, DTC will assign a CUSIP which the Participant may view on the Custody Eligibility Application screen. DTC will send the Participant making the Custody Eligibility Request an automated email communication to notify the Participant if the applicable security or other asset becomes eligible for Custody services.

~~Participants with questions regarding the above should call the DTC Underwriting Hotline phone number at 866-724-4402.~~

CUSTODY REORGANIZATION

Reorganization and Redemption Activities

All DTC Reorganization and Redemption activity types are eligible for Custody Reorganization services. These include, but are not limited to:

- Cash mergers
- Stock/stock mergers
- Stock/cash mergers
- Partial calls

- Liquidations
- Full calls
- Maturities
- Warrants
- Conversions
- Rights offerings
- Reverse splits
- Tenders
- ~~Short-term maturities.~~

Mandatory Reorganizations

A Participant can move to the Mandatory Reorg Prep box securities that are already in custody in one of two ways:

1. Designate custody box locations as "sweepable" (moveable), allowing DTC to automatically make a daily comparison of all positions to the RIPS database and identify all mandatory items and then to move those items to the Mandatory Reorg Prep box.
2. Designate custody box locations as "nonsweepable." A Participant can then decide at any time to transmit a message instructing DTC to sweep (move) the securities to the Mandatory Reorg Prep box.

Once securities are moved to the Mandatory Reorg Prep box, the system automatically generates Letters of Transmittal (LTs). The LT shows the name and address of the agent and the cash or stock proceeds to which a Participant is entitled. The LT further instructs the agent to pay cash proceeds to DTC and to register the new certificates in the same Participant's or customer name as that of the old securities.

Note

A Participant will not be charged for rejects resulting from DTC error. DTC will correct and resubmit, at no charge to the Participant, any rejects that can be corrected.

Voluntary Reorganizations

The voluntary portion of the Custody Reorganization product applies to conversions, warrants, tenders, and rights. DTC has designated a special voluntary box location for these items. During the life of a conversion or warrant, a Participant can submit instructions for custody positions through the PTS/PBS functions WARR (warrants) and RCNV (conversions).

Currently, a Participant cannot give instructions on custody positions for tenders and rights offerings through PTOP and PSOP. The Participant should move its custody position to the free account, and if the securities are DTC-eligible, follow the same instructions as those for regular reorg tenders and rights offerings. If the securities are non-negotiable, restricted or if the offer is not being handled by DTC, DTC will accept hard-copy LTs.

Short-Term Maturity

~~Certificated bankers acceptances, municipal Variable Rate Demand Obligations (VRDO), institutional certificates of deposit (CD), and certain other instruments held in custody must be presented to the paying agent on the scheduled payable date, not before. The short-term component of Custody Reorganization is designed to help the Participant comply with these requirements.~~

~~When DTC receives short-term maturity certificates into custody, the payable date and other relevant payment details are captured at the individual certificate level. DTC produces a short-term redemption payment projection report daily, detailing certificates with payable dates that are within the next 5 business days, and sends it to the Participant to be balanced. Securities shown on the projection report are automatically routed to the Participant's Short-Term Maturity Prep box. DTC then arranges for the securities to be delivered to the paying agent on the payable date along with a system-generated LT instructing the agent to wire the proceeds to the bank account that is designated. It is the Participant's responsibility to inform DTC if there are errors on the projection report.~~

Reorganization and Redemption Research

DTC's staff tracks certificates from issuance date to the current date in order to determine reorganizations or redemption events and their associated entitlements. DTC attempts to contact the current exchange or redemption agent if one is available to verify status in this regard, as applicable.

The Participant can move an issue into the Custody Reorg Prep box even if the issue does not have an existing DTC RIPS envelope. DTC will research the issue and will either create an envelope or move the position to the Participant's research or reject box. If the latter, DTC will explain why the envelope cannot be created.

Reasons include:

- Offer expired
- Security is worthless or bankrupt
- Escheatment
- Agent cannot be located.

Agent Follow-up, Collection and Payment

Custody Reorganization also has the following features:

- Agent follow-up on Custody Reorganization presentations. (Note: No allocation of entitlement is processed before it is received from the agent.)
- Payment of cash entitlement (cash mergers, cash-in-lieu, and cash dividends) are allocated through the existing reorganization settlement system and identified as custody allocations.

- All completed stock entitlements are routed to the Custody Reorganization Hold Box (Box 949). The Participants are responsible for moving the securities to a final location (DTC free, Custody vault).

Custody Reorganization Boxes

Six box locations are associated with Custody Reorganization; all locations appear as Seg 22 sub accounts:

1. 934: Participant Research (rejects from transfer agent also included)
2. 936: Conversion and Warrant
3. 938: DTC Research
4. 939: Mandatory and Voluntary Reorg Prep
5. 949: Completed Reorganization Hold
- ~~6. 953: Short-Term Maturity Prep~~
6. 7. 955: At Agent

UNDERWRITING SERVICE GUIDE

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ABOUT UNDERWRITING SERVICES

Overview

DTC, through its underwriting department (“Underwriting Department”), serves the financial industry by making securities eligible for depository services. Through DTC, Participants have the ability to distribute new and secondary offerings quickly and economically by electronic book-entry delivery and settlement. These securities are then available for depository services. DTC maintains a master file of all CUSIP numbers representing securities made eligible at DTC.

This guide describes services offered through Underwriting and related requirements.

Note:

It is the sole responsibility of Participants to perform a daily reconciliation of their activity and positions with the information, reports and statements provided by DTC. Participants must immediately report to DTC any discrepancy between their activity and positions with the information, reports and statements provided by DTC or other issues relating to the accuracy of the information, reports and statements provided by DTC. Such reports must be made to DTC by (i) calling the Client Support hotline at 1-888-382-2721 (and selecting Option 1, Option 1) to speak with a DTC representative and (ii) providing a written detailed description of the discrepancy to the DTC representative, or as otherwise directed by DTC in writing. DTC shall not be liable for any loss resulting or arising directly or indirectly from mistakes, errors, or omissions related to the information, reports or statements provided by DTC, other than those caused directly by gross negligence or willful misconduct on the part of DTC.

In addition, DTC’s Operational Arrangements (“OA”), available at <http://www.dtcc.com/~media/Files/Downloads/legal/issue-eligibility/eligibility/operational-arrangements.pdf>, set forth the criteria for an issue to become and remain eligible at DTC and should be used in conjunction with this Service Guide. The OA outlines the various eligibility requirements, including, but not limited to:

- Securities Eligible for DTC’s services
- Standard time frames for providing underwriting information to DTC
- Documentation including Letters of Representations and applicable riders
- Opinions of counsel
- Ownership thresholds

Note:

DTC, as it deems appropriate, may extend any deadline, timeframe, or cutoff established by DTC, including, without limitation, to (i) address operational or other delays that could reasonably affect the ability of DTC, a Participant or other stakeholder from meeting the deadline, timeframe, or cutoff; or (ii) allow DTC time operationally to exercise its existing rights under the Rules and Procedures. In addition, times applicable to DTC are standards and not deadlines; actual processing times may vary, based upon the circumstances. Any action taken by DTC in connection with this paragraph shall not establish a precedent for any situation that may occur in the future (or otherwise bind DTC in any manner). DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder or any third-party resulting from, relating to, or arising from (i) any action taken by DTC in connection with this paragraph, (ii) the determination of DTC to decline to take action pursuant to this paragraph, and/or (iii) the failure of a Participant, stakeholder or any third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC.

Glossary Term	Abbreviation	Definition
book-entry-only security	BEO	An issue authorized for deposit at DTC in the form of one or more global certificates for each tranche of an issue. Ownership positions and transactions in each security are reflected in DTC's records and in the records of participating banks and brokers. Transaction confirmations and periodic account statements provided to investors identify securities the investor owns and report on activity in the investor's account.
Blanket Letter of Representations	BLOR	An agreement accepted by DTC from issuers in which the issuer agrees to comply with the requirements stated in the Operational Arrangements, as they may be amended from time to time. DTC requires an issuer to submit a BLOR only once for all its future issuances distributed through DTC.
closing date		The date on which the Underwriting Department will distribute an issue to the underwriter's DTC participant account for book-entry delivery and settlement upon notification by both the underwriter and the issuer that an issue has closed. Also referred to as the distribution date.
CUSIP number		The identification number created by the American Banking Association's Committee on Uniform Security Identification Procedures (CUSIP) to uniquely identify issuers and issues of securities and financial instruments. The CUSIP number consists of nine digits; the first six digits identify the issuer and have been assigned to issuers in alphabetic sequence, and the next two characters (alphabetic or numeric) identify the issue. The ninth digit is the check digit.
data distribution box	DD	A receptacle located in the central delivery area of DTC used for distributing hard-copy reports and notices to participants.
Fast Automated Securities Transfer	FAST	An arrangement between DTC and transfer agents to eliminate the movement of securities certificates. By signing the Balance Certificate Agreement with DTC, agents agree to maintain DTC-eligible inventory in the form of jumbo certificates registered in the name of DTC's nominee name, Cede & Co. DTC and FAST agents electronically reconcile the results of participants' daily deposit and withdrawal activities.
flipping		The sale of shares of a security in the secondary market during the stabilization period or penalty-bid period.
global		An issue that is eligible to trade and settle at a domestic as well as an international depository.
initial public offering	IPO	A corporation's first offering of stock to the public. In an IPO, a corporation must comply with registration requirements of the Securities and Exchange Commission (SEC).
lead manager		The institution that organizes and leads a syndicate of underwriters in purchasing and distributing shares of an offering to investors. Also known as lead underwriter.
Letter of Representations	LOR	An agreement that contains certain representations that must be made to DTC by the issuer and others before various issue types (for

Glossary Term	Abbreviation	Definition
		example, book-entry-only issues, Rule 144A issues, and Regulation S issues) can be made eligible for DTC's services.
offering documents		A formal written offer to sell securities that sets forth the plan for the proposed business enterprise (or the facts concerning an existing one) that an investor needs in order to make an informed investment decision.
operational arrangements		The requirements for an issue to become eligible for DTC services that incorporates standards for income, reorganization, and redemption payments ("Principal and Income Payments"), adopting the guidelines set by the U. S. Working Committee Group of Thirty (G-30) Clearance and the Settlement Project Same-Day Funds Task Force (P Task Force).
penalty-bid period		Established time period in which the lead manager has the right to penalize syndicate members for their customers' flipping activity.
private placement		The sale of securities directly to private persons, institutional investors, or both outside a public offering. Unlike a public offering, a private placement does not have to be registered with the SEC.
SEC-registered company		An offering of securities that is filed with the Securities and Exchange Commission (SEC).
stabilization period		The duration of time immediately after the closing of an issue during which the lead manager may purchase securities in the open market in order to stop a decline in the price of the securities.
syndicate		A group of investment banks assembled by a lead manager to underwrite a new issue. Also known as a selling group.

SERVICE TOPICS

IPO TRACKING SYSTEM

About the Product

The IPO Tracking System tracks the movement of IPO shares for a designated period. The system monitors the market activity of an IPO issue, including the sale ("flipping") of IPO shares during the tracking (stabilization) period and generates daily reports for the lead manager and syndicate members itemizing that activity. ~~Cumulative IPO tracking reports for lead managers and syndicate members are issued daily in hard-copy form and are distributed through DTC's data distribution (DD) boxes or through DTC's Interface Department.~~

Daily reports are also available in machine-readable format from approximately 4:00 a.m. to 5:00 p.m. eastern time.

How the Product Works

In order to track a new issue, the lead manager must submit the necessary documentation as required by DTC's Underwriting Department to make an issue DTC-eligible (see New Issue Eligibility). In addition, the IPO tracking indicators must be activated as more fully described in the next subsection.

Note

You must learn to use the appropriate IPO functions to deliver IPO-tracked shares or you will be unable to successfully complete transactions. Moreover, brokers must be prepared to include their IPO Control Account when balancing their internal records. Therefore, all lead managers will be required to test with DTC before tracking their first issue. For information on scheduling a test, please call the Underwriting Department at (212) 855-3704.

The following table shows you how to set up the tracking of an IPO issue by DTC.

Action	Result
Submit to DTC's Underwriting Department a prospectus and completed Eligibility Questionnaire at least 10 days before the closing date.	DTC will call the underwriter to confirm that the issue can be made DTC-eligible.
Provide the Underwriting department with the CUSIP numbers of the issue 7 days before the closing date.	CUSIP numbers will be added to the CUSIP master file and become eligible for all DTC services. For issues that are non-FAST, DTC will provide a denominational breakdown of the certificates to be submitted before closing.
The lead manager should notify DTC's Underwriting Department as early as possible that an IPO issue should be tracked, but must instruct DTC in writing no later than 3:00 p.m. eastern time 2 days before the issue closes. The manager should include the estimated length of the tracking period (the maximum tracking period is 90 calendar days).	When DTC makes the issue eligible, a tracking indicator on DTC's master file is turned on. The indicator defaults to "on" for all common stock IPO CUSIPs but will be turned off if DTC is not instructed in writing by 3:00 p.m. eastern time to track the IPO issue. Tracking information is available via the PTS functions IPOI and GWIZ and over the Computer-to-Computer Facility (CCF) eligibility files (ELISCA).

DTC ends tracking at the close of business on the 90th calendar day of tracking, or any day prior, as instructed by the lead manager. If the lead manager wants to extend or shorten the end tracking date after the issue closes, the Underwriting Department must receive a written request by 3:00 p.m. two days before the current end tracking date.

After DTC ends tracking, at the close of business on the specified date, shares in the brokers' IPO control accounts are moved to their free accounts and are subject to normal collateralization rules, unless the lead underwriter has made prior arrangements to move shares into the subaccount segregation locations. You can perform activities (such as COD withdrawals and deposits) that were chilled during the tracking period. DTC updates the PTS function GWIZ and the CCF file ELISCA to indicate that tracking for that issue has been turned off and generates a final tracking report. ~~(See About the Product for instructions on DD boxes.)~~

For more information on IPO Tracking, refer to the *IPO Tracking System User Guide* at <http://www.dtcc.com/~media/Files/Downloads/Settlement-Asset-Services/Underwriting/IPO.pdf>.

Associated PTS Functions

You can use the following PTS functions in association with IPO Tracking:

This function	Allows you to
GWIZ	View whether tracking for an IPO issue has been turned on or off.
IPOI	View information about tracked IPO issues.
IPOU	Perform transactions for IPO tracked issues

IPO Tracking Contact Number

For more information on the IPO Tracking System, call DTC's Customer Support Center at (888) 382-2721.

CUSTODY SERVICE

~~Some issues cannot be made eligible for full DTC services because of transfer restrictions or other factors. In these cases, the issue can be made eligible for DTC's Custody Service. The Custody Service enables participants to outsource the safekeeping and processing of physical securities not eligible for regular depository services and allows participants to deposit securities not traditionally eligible for DTC, including~~

- ~~• Restricted securities~~
- ~~• Customer-registered custodial assets~~
- ~~• Non-DTC-eligible securities, including certificated and money market instruments, private placements, and limited partnerships.~~

~~DTC's Custody Service, used in conjunction with the New York Window Service and DTC's Branch Deposit Service, allows you to retain control of your securities without having to physically handle and secure them. The Older Issue Eligibility area supports the Custody Service by reviewing issues for eligibility and adding the CUSIP numbers to the security master file.~~

~~Preparing to Use the Custody Service~~

~~In order to use the Custody Eligibility service, a Participant must have access to the Underwriting System Applications (USA).~~

~~How Custody Eligibility Works~~

~~In order for a Participant to make a deposit through the Custody Service, the security must first be setup on DTC's masterfile.~~

~~Participants should see the Custody Service Guide, available at <http://www.dtcc.com/~media/Files/Downloads/legal/service-guides/Custody.pdf>, for DTC's Procedures on how to make a security eligible for the Custody Service.~~

~~For more on Custody visit our website: <http://www.dtcc.com/matching-settlement-and-asset-services/securities-processing/custody-service>.~~

~~Associated PTS Functions~~

~~You can use the PTS function GWIZ to view the details of a DTC-eligible issue.~~

RULES

BY-LAWS

ORGANIZATION CERTIFICATE

POLICY STATEMENT

ON THE

ELIGIBILITY OF FOREIGN SECURITIES

Section 3. Procedures of the Corporation. The Corporation implements a variety of measures designed to facilitate compliance by issuers and Participants with their obligations to the

Corporation and pursuant to the federal securities laws. These measures are set forth below, with particular reference to Foreign Securities.

(a) *New Issues*. With respect to Foreign Securities deposited with the Corporation at the time that such Foreign Securities are first distributed (referred to as “new issues”):

(1) For *all Foreign Securities*, the Corporation will require (i) from the Participant seeking eligibility (e.g., the underwriter), an **Eligibility Questionnaire request, to be submitted to the Corporation in accordance with the Procedures**, that sets forth *inter alia* the basis on which the securities are eligible for deposit and book-entry transfer through the facilities of the Corporation, and (ii) from the issuer, a Letter of Representations with representations that incorporate by reference substantially all of the standard representations set forth in the “Operational Arrangements (Necessary for an Issue to Become and Remain Eligible for DTC Services)” of the Corporation.
