



NATIONAL
SECURITIES
CLEARING
CORPORATION

RULES & PROCEDURES

TEXT OF PROPOSED RULE CHANGE

Underlined and boldface text indicates new text
~~**Strikethrough and boldface**~~ indicates deleted text

RULE 64. DTCC SHAREHOLDERS AGREEMENT

SEC. 1. For purposes of this Rule 64:

“DTCC” means The Depository Trust & Clearing Corporation, the holder of all of the capital stock of the Corporation.

“Shareholders Agreement” means the Shareholders Agreement of DTCC, dated as of November 4, 1999, as heretofore or hereafter amended and restated.

“Common Shares” has the meaning given to such term in the Shareholders Agreement.

“Mandatory Purchaser Participant” has the meaning given to such term in the Shareholders Agreement.

“Voluntary Purchaser Participant” has the meaning given to such term in the Shareholders Agreement.

SEC. 2. As a condition to its use of the services and facilities of the Corporation, a Member (other than a Member that is a ~~non-U.S. based~~ central securities depository, **Federal Reserve bank, or central counterparty**) shall be required to purchase and own Common Shares in accordance with the terms of the Shareholders Agreement and be a party to the Shareholders Agreement. For purposes of the Shareholders Agreement, a Member (other than a Member that is a ~~non-U.S. based~~ central securities depository, **Federal Reserve bank, or central counterparty**) shall be a Mandatory Purchaser Participant.

SEC. 3. A Fund Member, Insurance Carrier/Retirement Services Member, Municipal Comparison Only Member or Mutual Fund/Insurance Services Member **(other than any central securities depositories, Federal Reserve banks, and central counterparties)** shall be permitted (but not required) to purchase and own Common Shares in accordance with the terms of the Shareholders Agreement and be a party to the Shareholders Agreement. For purposes of the Shareholders Agreement, a Fund Member, Insurance Carrier/Retirement Services Member, Municipal Comparison Only Member or Mutual Fund/Insurance Services Member shall be a Voluntary Purchaser Participant.

SEC. 4. This Rule 64 shall have no application to a Data Services Only Member, Commission Billing Member, Settling Bank Only Member, Investment Manager/Agent Member, TPP Member, TPA Member, AIP Member or AIP Settling Bank Only Member.*

* Note that, if a Fund Member, Insurance Carrier/Retirement Services Member, Municipal Comparison Only Member or Mutual Fund/Insurance Services ~~mm~~ member is also a member or participant of another clearing agency subsidiary of DTCC, such Fund Member, Insurance Carrier/Retirement Services Member, Municipal Comparison Only Member or Mutual Fund/Insurance Services Member

SEC. 5. The Corporation shall execute and deliver the Shareholders Agreement as attorney in fact for a Person that purchases Common Shares pursuant to Section 2 or Section 3 of this Rule 64 if such Person is not already a party to the Shareholders Agreement. In addition, the Corporation may on behalf of DTCC pursuant to the Shareholders Agreement, without duplication of payment, (A) debit a Person for any amount payable by the Person to DTCC for Common Shares purchased by the Member and (B) credit a Person for any amount payable by DTCC to the Person for Common Shares sold by the Person.

may be a Mandatory Purchaser Participant pursuant to the terms of the Shareholders Agreement and the rules and procedures of such other subsidiary. If a Data Services Only Member, Commission Billing Member, Settling Bank **Only Member, Investment Manager/Agent** Member, TPP Member, TPA Member, AIP Member or AIP Settling Bank Member is also a member or participant of another clearing agency subsidiary of DTCC, such Data Services Only Member, Commission Billing Member, Settling Bank **Only** Member, Investment Manager/Agent Member, TPP Member, TPA Member, ~~or~~ AIP Member or AIP Settling Bank Only Member may be a Mandatory Purchaser Participant or a Voluntary Purchaser Participant pursuant to the terms of the Shareholders Agreement and the rules and procedures of such other subsidiary.