



**THE BOARD OF DIRECTORS OF
THE DEPOSITORY TRUST & CLEARING CORPORATION
THE DEPOSITORY TRUST COMPANY
FIXED INCOME CLEARING CORPORATION AND
NATIONAL SECURITIES CLEARING CORPORATION**

MISSION STATEMENT

The Boards of Directors (collectively, the “Board”) of The Depository Trust & Clearing Corporation (“DTCC”), The Depository Trust Company (“DTC”), Fixed Income Clearing Corporation (“FICC”), and National Securities Clearing Corporation (“NSCC”) (DTC, FICC, and NSCC together, the “SIFMUs” and collectively with DTCC, the “Company”) are responsible for providing direction to and overseeing the conduct of the affairs of the Company in the interests of the Company, its shareholders and other relevant stakeholders including investors, issuers, participants, participants’ customers, other persons that access the national system for clearance and settlement indirectly, and regulators of the financial markets in which the Company serves. The Board will discharge its oversight responsibilities and exercise its authority in a manner, consistent with applicable legal and regulatory provisions and with regulatory expectations of a systemically important market infrastructure, that:

- Promotes the safe, sound and efficient operation of the Company and its subsidiaries, including the prompt and accurate clearance and settlement of securities and related activities conducted by its registered clearing agency subsidiaries, the SIFMUs;
- Safeguards the securities and funds in the custody of its registered clearing agency subsidiaries, the SIFMUs and protects investors and the public interest;
- Fosters the safe, sound and efficient operation of services provided by DTCC, the SIFMUs and other DTCC subsidiaries supporting the global system for processing transactions in financial instruments and related activities;
- Fosters cooperation and coordination between parties engaged in the clearance and settlement of securities transactions;
- Seeks to develop the services and businesses of DTCC, the SIFMUs and other DTCC subsidiaries in a manner promoting further safety, soundness and efficiency broadly in the global system for processing transactions in financial instruments and related activities; and
- Leverages the Company’s role as a leader in financial services with respect to risk management and systemic risk management, promoting sound practices in governance and in transparency to its membership and user community and in its role as a systemic component of the financial market infrastructure supporting the operation of orderly, fair, and efficient markets in the interest of the investing public as required under Section 17A of the Securities Exchange Act of 1934.

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CHARTER

I. SCOPE

This Charter of the Boards of Directors (collectively, the “Board”) of The Depository Trust & Clearing Corporation (“DTCC”), The Depository Trust Company (“DTC”), National Securities Clearing Corporation (“NSCC”) and Fixed Income Clearing Corporation (“FICC”) (DTC, FICC and NSCC together, the “SIFMUs”, and collectively with DTCC, the “Company”) sets forth the duties and responsibilities of the Board and of its directors.

II. DUTIES AND RESPONSIBILITIES OF THE BOARD

In meeting its responsibilities under the corporate Mission Statement, the Board’s Mission Statement, and this Charter, the Board fulfills its role (directly, or by delegating certain responsibilities to its committees as permitted under Section VI) by:

1. Overseeing management’s activities in managing, operating and developing the Company as a firm and evaluating management’s performance in its responsibilities;
2. Selecting and overseeing the President and Chief Executive Officer, providing advice and counsel to the President and Chief Executive Officer, and, where appropriate, replacing the President and Chief Executive Officer;
3. Providing oversight of performance of the President and Chief Executive Officer to evaluate whether the business is being appropriately managed;
4. Setting expectations about the tone and ethical culture of the Company, and reviewing management efforts to instill an appropriate tone and culture throughout the Company;
5. Reviewing and approving DTCC’s financial objectives (including annual goals) and major corporate plans and actions (including material capital expenditures, transactions outside the ordinary course of business, actions relating to the Company’s operational and technology capabilities;

6. Reviewing and approving expenditures in accordance with the DTCC Signing Authority Policy then in effect, and equity capital contributions in accordance with the Policy on Capital Contributions to DTCC Subsidiaries and Joint Ventures;
7. Reviewing and approving the annual DTCC Consolidated Budget proposed by management;
8. Reviewing the performance of the Company's business lines, and the capabilities in support of those business lines, against the Company's strategy and financial, operational and other performance indicators;
9. Reviewing material fee changes for services provided by non-SIFMU subsidiaries;
10. Reviewing and approving any new initiatives, as required by and in accordance with the New Initiatives Policy or any other initiatives, as deemed appropriate by the Non-Executive Chairman, that have a significant impact on the financial, capital, processing, or technological resources of DTCC and the SIFMUs, along with any associated client outreach activities, if any;
11. Reviewing and approving proposed regulatory filings to be made pursuant to either Section 19(b) of the Exchange Act as a proposed rule change or Section 806(e) of the Dodd-Frank Act as an advance notice, with respect to new business initiatives, product expansions, service developments, and any changes to fees for SIFMU services; provided, however, the authority to review and approve such filings shall be delegated to the Company's General Counsel or Deputy General Counsels, with respect to changes which may be submitted for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Exchange Act, as well as rule filings that constitute clarifications, corrections or minor changes in the rules of the clearing agencies but that will not be submitted for immediate effectiveness (in each case, except where the aggregate annual fees generated by such changes are anticipated to be more than \$1,000,000). In addition, such regulatory filings may be approved by the Non-Executive Chairman; provided that the Non-Executive Chairman promptly reports such approval to the Board.
12. Reviewing and approving on an annual basis the Clearing Agency Capital Replenishment Plan and Clearing Agency Policy on Capital Requirements;
13. Reviewing and approving on an annual basis the policies and procedures governing the access models of FICC's Government Securities Division to determine whether such policies and procedures are reasonably designed are reasonably designed to ensure appropriate and flexible means to

facilitate access to clearance and settlement of all eligible secondary market transactions in U.S. Treasury securities, including those of indirect participants, consistent with FICC's responsibility to provide sound risk management and comply with its applicable regulatory requirements, as required by Rule 17Add-22(e)(18)(iv)(C);

14. Reviewing DTCC's long-range financial plans;
15. Providing guidance to the President and Chief Executive Officer and to management in formulating corporate strategy and approving strategic plans;
16. Providing oversight of risk assessment and risk management monitoring processes, including with respect to systemic risk and reviewing risk tolerances;
17. Providing input and direction to governance structures and practices to position the Board to fulfill its duties effectively and efficiently (including organizational structure and guidelines for escalation of matters to the Board) consistent with DTCC's Principles of Governance, DTCC's Corporate Risk Framework Policy, the Risk Tolerance Statements, and DTCC's New Initiatives Policy;
18. Providing oversight and guidance regarding the design of informational reporting to the Board;
19. Overseeing the Company's processes relating to new initiatives, business selection, and development of new businesses and new or expanded products and services, including review of analyses supporting any material operational or risk management changes that are proposed by management;
20. By delegation to the Audit Committee, providing oversight of internal and external audit processes, financial reporting, and disclosure controls and procedures as such may relate to DTCC and/or any individual SIFMU, including approving major changes in auditing and accounting principles and practices;
21. Fostering the Company's ability to ensure compliance with applicable laws and regulations including banking, securities and corporation laws and other applicable regulatory guidance and international standards including, but not limited to:
 - the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended, including the standards for covered clearing agencies under Rule 17Ad-22 and Regulation SCI adopted thereunder;

- the Payment System Risk Policy of the Board of Governors of the Federal Reserve System, which incorporates the CPMI-IOSCO Principles for financial market infrastructures and the Disclosure framework for financial market infrastructures; and
 - Guidance and/or standards as set forth in the Basel Committee on Banking Supervision’s Guidelines, Corporate Governance Principles for Banks issued July 2015, and the Organization for Economic Co-operation and Development Principles of Corporate Governance issued 2015.
22. By delegation to the Audit Committee, reviewing the results of and any significant findings from the annual audit of the Company’s financial statements, including the recommendations for improvements in accounting controls and administrative efficiency, and the results of internal control reviews.
 23. By delegation to the Compensation and Human Resources Committee (which shall submit recommendations to the Board for approval), regularly evaluating and fixing the compensation of the President and Chief Executive Officer, approving DTCC’s compensation policies and practices, and engaging in succession planning for key executives; and
 24. By delegation to the Governance Committee, overseeing the implementation and effectiveness of the Company’s policies and procedures for identifying and reviewing Board nominee candidates, including reviewing and modifying, as appropriate, the criteria for Board nominees;
 25. By delegation to the Risk Committee, overseeing risk management activities at DTCC and at the SIFMUs with respect to the following critical aspects: (1) oversight of risk management systems and processes designed to identify and manage credit, market, liquidity, and operational risks to DTCC and its subsidiaries, including the SIFMUs; and (2) due to the unique capabilities and position of DTCC and the SIFMUs, oversight of efforts to mitigate certain “systemic risks” that may undermine the stable operation of the financial system, and
 26. Periodically reviewing and approving the strategy and approach outlined within the SIFMU Recovery and Wind-down Plans pursuant to requirements of the Recovery and Wind-down Program Policy.
 27. In conformity with the Wind-down Rule of a SIFMU and the Board’s fiduciary duties, deciding whether to trigger and execute the SIFMU Wind-down Plan upon determination that the application of tools set forth in the Recovery and Wind-down Plans have failed, or will likely

fail, to restore the distressed SIFMU(s) to viability as a going concern, able to continue to provide its critical services to Members/Limited Members/Participant.

28. Performing such other functions as the Board believes appropriate or necessary, or as otherwise prescribed by rules or regulations.

III. BOARD COMPOSITION

Under the by-laws of each of DTCC, DTC, FICC and NSCC, the number of directors on the Board shall be fixed from time to time by Board resolution. All Board members, except those designated by the preferred shareholders (NYSE and the Financial Industry Regulatory Authority), are elected annually for one-year terms.

The majority of Board members are representatives of financial institutions which are users of the SIFMUs' services ("participant directors"). The President and Chief Executive Officer is an *ex officio* member of the Board ("management director"); from time-to-time other members of management may be elected as management directors, but at no time shall the number of management directors exceed one third of the total number of Board members. The Board also shall include some members who are not directly affiliated with any financial institution user of the SIFMUs' services ("non-participant directors")¹. The Governance Committee shall annually review the composition and size of the Board, paying close attention to whether the Board reflects the appropriate balance of participant and non-participant directors.

A director shall serve as Non-Executive Chairman of the Board. The Non-Executive Chairman of the Board shall not be the CEO.

In the event of the incapacity of the Non-Executive Chairman of the Board and the President and Chief Executive Officer, the Board shall select a non-participant director to temporarily assume the position of Non-Executive Chairman of the Board and work with the acting President and Chief Executive Officer.

IV. MEETINGS OF THE BOARD

The Board meets a minimum of six times per year. Directors are expected to attend all meetings of the Board, review all materials in advance and be prepared to participate fully in the meeting.

The Non-Executive Chairman of the Board establishes the agenda for each Board

¹ "Non-participant director" is specifically defined as an individual who is not an officer, employee, or member of the Board of Directors of a DTC participant or FICC/NSCC member, including Sponsored Members, but excluding Limited Members, as those terms are defined in the relevant Rulebooks.

meeting in consultation with management. At a minimum, agendas for Board meetings shall provide for discussion on risk issues at each regularly scheduled meeting, for a formal discussion of corporate strategy at least annually, and such other matters as shall be appropriate for the Board to consider. Information and data that is important to the Board's understanding of the business and consideration of such issues as may be scheduled for discussion is distributed to the Board generally in advance of the meeting.

V. ELECTIONS TO THE BOARD

The Company serves a broad range of constituencies including DTCC shareholders, its financial institution participants, their issuer and investor clients and the governmental and supervisory authorities responsible for the global clearance and settlement systems. In accordance with the statutory requirements of "fair representation," the Board must be representative of its participant shareholders, who by virtue of making deposits to a clearing fund or otherwise, share the risk of loss associated with settlement defaults or other clearing agency losses.

Each year, the Board proposes a slate of director nominees for election at the Annual Meeting of Shareholders. The Governance Committee of the Board is responsible for designating annually a proposed slate of nominees in accordance with procedures the Governance Committee may develop from time to time for such process. The Governance Committee shall review, and modify, as appropriate, the general criteria by which it will consider nominees to the Board prior to the issuance of a solicitation for nominations; these criteria are reaffirmed by the Governance Committee from time to time and are attached as Appendix A.

VI. BOARD COMMITTEES

The Board shall establish any standing committees that it deems necessary or appropriate to discharge its responsibilities. The Board currently has seven standing committees: the Audit Committee, the Compensation and Human Resources Committee, the Enterprise Services Committee, the Executive Committee, the Governance Committee, the Risk Committee, and the Technology & Cyber Committee. Each standing committee's role is one of delegated oversight on behalf of the Board. The Board retains the authority to review matters brought to any standing committee and to request immediate escalation to the Board should the Board deem appropriate.

For each such committee the Board shall establish a written charter which shall set forth the responsibilities of that committee, as well as committee structure and operations, and any required reporting to the full Board. On an annual basis, usually at the first Board meeting after the Annual Shareholders Meeting, the Board shall approve the membership of each Committee for the Board year upon recommendation of the Governance Committee. For Committee membership changes that occur throughout the year, the Governance Committee shall have the

authority to approve such changes without further Board action. The Non-Executive Chairman of the Board shall serve as an *ex officio* member of each Committee. Directors are expected to attend all meetings of Committees to which they are appointed, review all materials in advance and be prepared to participate fully in the meeting.

The Chairman of each committee shall determine the frequency and length of committee meetings consistent with the requirements set forth in the committee's charter. The Chairman of the committee, in consultation with appropriate members of management, will develop the committee's agenda. Management will be responsible for ensuring that information and data important to the committee's understanding of the matters to be considered and acted upon by the committee are distributed to each member of the committee in advance of the meeting to allow a reasonable time for review and evaluation of such information and data.

VII. DUTIES AND RESPONSIBILITIES OF DIRECTORS

Each director is required to act in good faith in the best interests of the Company and with due regard to his or her fiduciary responsibilities to the Company as a business and a systemically important market infrastructure. In addition, each director is required to comply with the provisions relating to conflicts of interest and confidentiality as set forth in the DTCC Board Code of Ethics (the "Code"). Each director and director nominee will be asked to read the Code and provide a certificate attesting to his/her compliance with the Code on an annual basis. If the nominee certifications are not received within a reasonable timeframe, the Office of the General Counsel will notify the Non-Executive Chairman of the Board.

A. Commitment and Limits on Other Activities

Service on the Board requires a substantial commitment from directors. As such, directors must be prepared to devote the time required to prepare for and attend Board meetings and fulfill their responsibilities effectively. Because of the time commitment associated with Board service, directors are expected to limit the number of other boards (excluding non-profits) on which they serve. Directors shall advise the Non-Executive Chairman of the Board and the Chairman of the Governance Committee in advance of accepting an invitation to serve on another board in order to allow them to consider whether this shall have any adverse effect on the Company.

B. Board Orientation

All new Directors will receive orientation education materials from the Company and have the opportunity to attend education and information sessions with Company management throughout the year.

C. Board Tenure and Qualifications

Participant directors are expected to serve on the Board for a period not exceeding five (5) years, and non-participant directors are expected to serve on the Board for a period not exceeding twelve (12) years. The Board has not established term limits for the directors appointed by the preferred shareholders. Additionally, directors of the Company are required to retire from the Board at age 75 provided, however, any director, who attains or has attained the age of 75 during his/her term as director, may delay retirement until completion of such term. The Board may decide to extend a director's tenure beyond the stated term limits or retirement age if it so chooses. The Governance Committee considers the continued service of each director as part of the annual nomination process in determining whether to re-nominate directors for election. The Board's composition and the qualifications of the directors will also be in accordance with applicable laws and regulations.

D. Resignation Upon a Job Change

When a director's principal occupation or business association changes substantially from the position such director held when originally invited to join the Board, the director shall submit to the Non-Executive Chairman of the Board and the Secretary of the Company a letter of resignation. The Governance Committee shall review whether it would be appropriate for the director to continue serving on the Board and recommend to the Board whether, in light of the circumstances, the Board should accept the resignation or request that the director continue to serve.

E. Vacancies

In the event that a seat on the Board is left vacant, as a result of a director resignation or other cause, the Secretary must notify the Superintendent of the New York State Department of Financial Services, in writing, of such vacancy and any elections held to fill the vacant seat.

VIII. DIRECTORS' ACCESS TO MANAGEMENT AND INDEPENDENT ADVISERS

The Board and its committees are authorized to retain independent (non-management) advisers to assist them in carrying out their activities and the DTCC shall provide, if necessary, adequate resources to compensate such advisers. Directors have complete access to senior management and to the Board's advisers.

IX. ANNUAL BOARD AND COMMITTEE PERFORMANCE EVALUATIONS

The Board conducts an annual self-evaluation of its performance and the performance of its committees. The evaluation is moderated by the Chairman of the Governance Committee, and the results of the evaluation are summarized and presented to the full Board. The Board shall also conduct an annual assessment of individual directors in connection with its performance evaluation. The Governance Committee recommends to the Board and its committees the methodology for such

evaluations and oversees its execution.

X. DIRECTOR COMPENSATION

From time to time the Compensation and Human Resources Committee reviews the form and amount of director compensation for non-participant directors and makes recommendations thereon to the Board.

XI. BOARD MISSION STATEMENT AND CHARTER

The Governance Committee reviews this Mission Statement and Charter periodically and recommends amendments to the Board as necessary.

APPENDIX A

DIRECTOR QUALIFICATION STANDARDS

Selection of Board Nominees

Each year, the Board proposes a slate of director nominees for election at the Annual Meeting of Shareholders. The process of screening potential director candidates has been delegated to the Governance Committee by the Board. In accordance with the statutory requirements of “fair representation,” the Board must be representative of DTCC’s participant shareholders, who by virtue of making deposits to a clearing fund or otherwise, share the risk of loss associated with settlement defaults or other clearing agency losses. Invitations to stand for election are extended to director nominees by the Non-Executive Chairman of the Board and the Chair of the Governance Committee.

The criteria used by the Governance Committee in considering nominees to the Board include:

For Participant Directors and Non-Participant Directors:

1. Characteristics essential for effectiveness as a Board member, including such factors as integrity, independence, objectivity, sound judgment and leadership;
2. Relevant expertise and experience, such as in the areas of: (a) strategic planning; (b) risk management (specifically relevant to the following risk areas: credit; market; liquidity; operational; compliance/legal/regulatory; payment systems; clearance/settlement; new products; risk modeling/valuation; systemic); (c) information technology; (d) operations; (e) management of a business unit or function; (f) finance; (g) audit; (h) governmental/legislative relationship management; (i) regulatory affairs; (j) compensation and human resources; and (k) legal, regulatory and compliance expertise;
3. Substantial seniority in their own firms;
4. Industry affiliations; and
5. Education / other certification(s).

The Board also strives to ensure diversity of representation among its members. When considering prospects for possible recommendation to the Board, the

Governance Committee reviews available information about the expertise, qualifications, attributes and skills of prospects, as well as their gender, race, ethnicity and other diversity considerations.

For Participant Directors:

1. The ability to represent users of the services of DTC, FICC and NSCC. With respect to user representation, the Governance Committee will consider the nature of the firm a prospective director is associated with, and will include among nominees one or more representatives of subsidiary participants that are engaged in one or more of the following activities: (a) custodian bank; (b) investment bank; (c) retail broker-dealer; (d) clearing firm; (e) government securities dealer; and (f) mortgage-backed securities dealer; and
2. Ownership of DTCC common stock by the entity employing the nominee.

For Non-Participant Directors:

1. The ability to bring additional skills and expertise to the Board;
2. The ability to mitigate potential conflicts of interest of participant directors; and
3. The ability to introduce different perspectives.

The Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate criteria that directors are required to fulfill (including experience, qualifications, attributes, skills and other characteristics) in the context of the current make-up of the Board and the needs of the Board given the circumstances of the Corporation.

The Governance Committee values the input of participant shareholders in identifying director candidates, and it solicits suggestions from industry members for prospective director nominees. The Governance Committee also considers possible nominations on its own initiative. The Governance Committee considers recommendations for Board candidates submitted by industry members and participant shareholders using the same criteria it applies to recommendations from the Governance Committee, directors and members of management. Participant shareholders of each of the clearing agency subsidiaries are allocated entitlements to purchase the common stock of DTCC based upon their usage, and participant shareholders who take advantage of the opportunity to purchase such stock are thereby able to vote in the election of directors.