



DTCC Board Code of Ethics

1. Introduction

The DTCC Board Code of Ethics (the “Code”) applies to all Directors of The Depository Trust & Clearing Corporation (“DTCC”) and its U.S. subsidiaries: The Depository Trust Company (“DTC”), National Securities Clearing Corporation (“NSCC”), and the Fixed Income Clearing Corporation (“FICC”) (collectively, the “Corporation”). In this Code, the terms “Board” and “Directors” refer to members of the boards of Directors of the Corporation.

This Code is intended to focus Directors on their duties as fiduciaries and provide guidance to Directors to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability.

In addition to this Code, directors must comply with the Board Mission Statement and Charter and the Principles of DTCC Governance.

The actions of every Director affect the **reputation and integrity** of the Corporation. Therefore, it is essential that Directors take the time to review this Code and develop a working knowledge of its provisions. Each Director is required to complete a certificate attesting to compliance with the Code upon becoming a Director and, thereafter, on an annual basis.

Key Board responsibilities include:

- Acting honestly, in good faith and in the best interests of the Corporation and all of the participants of the clearing agency subsidiaries;
- Using best efforts to avoid conflicts between personal and professional interests as they relate to the Corporation where possible;
- Disclosing any conflicts and otherwise pursuing the ethical handling of conflicts (whether actual or apparent) when conflicts or the appearance of conflicts are unavoidable;
- Complying with all applicable laws, regulations and policies of the Corporation;
- Promptly reporting any violations of this Code to the Non-Executive Chairman of the Board, the Chair of DTCC’s Governance Committee (the “Governance Committee”)

or to DTCC’s General Counsel;

- Seeking guidance where necessary; and
- Being accountable personally for adherence to the Code.

2. Background

DTCC is the holding company for three U.S. clearing agency subsidiaries – DTC, NSCC, FICC. The persons elected as members of the board of directors of DTCC also serve as members of the board of directors of each U.S. clearing agency subsidiary.

The Corporation’s objective is to operate its businesses and to meet its responsibilities in a manner consistent with effective corporate governance practices and sufficient to support the safe and sound operation of the global system for clearing and settling transactions in financial instruments and related activities (the “global clearance and settlement system”) while supporting members of the investment services industry in managing risk, reducing cost and increasing efficiency of post-trade processing.

The Board is responsible for the stewardship of the Corporation, assuring that DTCC and its clearing agency subsidiaries continue to have the critical capabilities needed to achieve their objectives. Given DTCC’s systemically important role to ensure the continued stable operations of the global clearance and settlement system and the containment and resolution of potential risks within the system, the Board recognizes that DTCC’s responsibilities for successful management, mitigation and progressive reduction in the risks of DTCC’s constituents and the global clearance and settlement system more broadly must be viewed as primary among its overall responsibilities.

Each of DTCC’s clearing agency subsidiaries is subject to comprehensive regulation by the Securities and Exchange Commission (the “SEC”) and, in the case of DTC, to supervision by the Federal Reserve Bank of New York and the New York State Department of Financial Services as well. As a result, DTCC directors have certain responsibilities that are specified by statute or regulation¹ and individual directors can be held accountable by the regulators for their performance as directors.²

3. User Representation/Requirement of Fair Representation

The Board is comprised of Directors associated with DTCC’s U.S. clearing agency subsidiaries (i.e., DTC, NSCC and FICC) representing the participant community of those

¹ For example, the Board must review examination findings and recommendations issued by DTC’s banking regulators.

² For example, under Section 19(h) of the Securities Exchange Act of 1934, as amended, a director may be removed from office or censured for willful abuse of his authority or for his failure, without reasonable justification, to enforce a participant’s compliance with clearing agency rules. There are similar provisions under banking law applicable to directors. For additional information, please see the Board Regulatory Obligations and Guidance document in the “Resources” section of Diligent.

subsidiaries as required by applicable law (“participant directors”), as well as Directors who are not associated with participants (“non- participant directors”). Each Director – whether a participant Director or a non- participant Director – is obligated as a matter of corporate law and the federal securities laws to act in good faith to promote the interests of DTCC and the common interest of all of the participants of the subsidiary clearing agencies. This is true even if the Director was elected to the Board solely because of the share ownership of his or her employer.

4. Duty of Care

As a fiduciary of the Corporation, each Director has a responsibility to:

- a. be reasonably well informed about the activities of the Corporation and to exercise independent judgment on all decisions;
- b. read the information provided for Board meetings sufficiently in advance of the meeting to provide an opportunity for reflection and/or request additional information should such be needed, recognizing that each Director may rely, when it is reasonable to do so, upon information and reports provided by management, a committee, advisory groups, DTCC’s independent auditors and other advisors retained by the Corporation, the Board or a committee; and
- c. regularly attend meetings of the Board and of the committees on which the Director sits in person when scheduled as such or by video conference. (The Non-Executive Chairman of the Board, together with the Chair of the Governance Committee, may request the voluntary resignation of a person who regularly misses meetings.

5. Duty of Loyalty/Conflict of Interest Policy

A. General

The duty of loyalty requires Directors to exercise their powers in good faith and in the best interests of the Corporation, rather than in their own interests or the interests of another entity or person (including without limitation, their employer).

Conflicts between the interests of the Corporation and the personal or financial interests of a Director may arise from time to time. While some transactions or arrangements involving conflicts of interest may subject the Corporation or its Directors to liability, other such transactions or arrangements may be in the best interests of the Corporation so long as appropriate procedures are followed. This Code is designed to assist Directors in identifying conflicts and in handling them appropriately.

Neither the Corporation nor any Director shall enter into any transaction or arrangement that involves an actual, potential, or apparent conflict of interest except in compliance with this Code.

B. Conflict of Interest

A conflict of interest is present whenever the interests of the Corporation compete with the interests of a Director, the Director's employer, or any other party with which a Director is associated, or otherwise whenever a Director's corporate or personal interests could be reasonably viewed as affecting his or her objectivity or independence in fulfilling the Director's duties to the Corporation.

While it is not possible to anticipate all possible conflict situations, conflicts of interest typically arise whenever a Director, an immediate family member or other personal associate of a Director or a firm with which a Director is associated as a Director, officer, employee or beneficial owner of 1% or more of the firm's equity interests, has (directly or indirectly) a business interest in a party with whom DTCC is doing business in some capacity or in a transaction or other activity that competes (directly or indirectly) with a transaction or activity which DTCC is pursuing or conducting.

Situations involving potential conflicts of interest may also include instances in which a Director, an immediate family member or other personal associate of a Director, or a firm with which a Director is associated as a Director, officer, employee or beneficial owner, has (directly or indirectly):

1. a personal or financial interest in an applicant being considered by the Corporation for clearing agency membership;
2. a compensation arrangement (other than with respect to fees payable to a Director in his or her capacity as an employee or Director) or other interest in a transaction with the Corporation;
3. a compensation arrangement or other interest in or affiliation (subject to de minimis exceptions) with any entity or individual that: (a) sells goods or services to, or purchases goods or services from, the Corporation; or (b) the Corporation has, or is negotiating, or contemplating negotiating, any other transaction or arrangement;
4. used his or her position, or confidential information or the assets of the Corporation to his or her (or an associated party's) personal advantage or for an improper or illegal purpose;
5. solicited or accepted any gift, entertainment, or other favor where such gift might create the appearance of influence on the director (other than gifts of nominal value, which are clearly tokens of respect and friendship unrelated to any particular transaction or arrangement);
6. acquired any property or other rights in which the Corporation has, or the Director knows or has reason to believe at the time of acquisition that the Corporation is likely to have, an interest;

7. taken advantage of an opportunity related to the activities of the Corporation that is available to the Corporation or to the Director, unless the Board has made an informed decision that the Corporation will not pursue that opportunity; or
8. any other circumstances that may, in fact or in appearance, make it difficult for the Director to exercise independence, objective judgment or otherwise perform effectively.

C. Disclosure of an Actual, Potential or Apparent Conflict of Interest

Conflict identification and analysis can be difficult and, therefore, Directors are at all times expected to act on the side of caution and immediately bring to the attention of the Non-Executive Chairman of the Board, the Chair of the Governance Committee or DTCC's General Counsel any matters that may involve conflicts of interest or be reasonably perceived by others to raise questions about potential conflicts even if the person does not believe that an actual conflict exists. Disclosures should be made in advance, before any action is taken on the matter.

In addition, each Director shall complete an annual Questionnaire Concerning Conflicts of Interest, disclosing any actual, potential, or apparent conflicts. They shall also promptly disclose any relevant change in circumstances. The Questionnaires shall be reviewed by DTCC's Corporate Secretary's Office and any issues shall be escalated first to the General Counsel and then to the Non-Executive Chairman of the Board and/or the Governance Committee as appropriate.

D. Evaluation of an Actual, Potential or Apparent Conflict of Interest

The Governance Committee, with advice from DTCC's General Counsel and the Non-Executive Chairman of the Board, shall evaluate conflict disclosures and make other necessary inquiries to determine the extent and nature of any actual or potential conflict of interest. If appropriate, the Non-Executive Chairman of the Board and the General Counsel shall consider alternatives to the proposed transaction or arrangement and consult with the Governance Committee when needed.

A director should consider whether it is advisable under the circumstances to recuse himself or herself from a Board or committee discussion and/or vote and shall recuse himself or herself if requested by the Chair of the meeting.

E. Resolution of an Actual, Potential or Apparent Conflict of Interest

The Corporation may enter into a transaction or other arrangement in which there is an actual or potential conflict of interest only if at a duly held meeting of the Governance Committee a majority of those Directors (if a quorum is present at such time) who have no interest in the transaction or arrangement approve the transaction or arrangement after determining, in good faith and after reasonable inquiry, that:

1. entering into the transaction or arrangement is in the best interests of the Corporation, while considering the Corporation's purpose and resources, and the possibility of creating an appearance of impropriety that might impair the confidence in, or the reputation of, the Corporation (even if there is no actual conflict or wrongdoing);
2. the transaction or arrangement in its entirety, and each of its terms, are fair and reasonable to the Corporation, after consideration of available alternatives;
3. the transaction or arrangement furthers the Corporation's purpose; and
4. the transaction or arrangement is not prohibited by law or regulation.

6. Duty of Confidentiality

A. Generally

Directors receive a considerable amount of confidential information during the course of their work. Directors must protect the confidentiality of information they acquire in the course of their activities for the Corporation. Confidential information includes all non-public information learned as a Director of the Corporation and includes, but is not limited to, the content and tenor of deliberations in the boardroom and information that the Corporation indicates through its policies, procedures or other instructions should not be disclosed to others or used for the personal benefit of Directors or others.

Directors must not, either during or after service with the Corporation:

1. Use confidential information for their own personal benefit, the benefit of others, or to the detriment of the Corporation; or
2. Disclose confidential information to others, without the prior written consent of the Non-Executive Chairman of the Board or DTCC's General Counsel, except:
 - (a) To others within the Corporation or to outside advisors who have been retained by the Board, committee, management or the Director and who are subject to confidentiality obligations if it is necessary for the performance of his or her responsibilities and the Director is acting solely in the Corporation's best interests; or
 - (b) If compelled to do so by valid legal process, provided that DTCC's General Counsel is immediately notified and provided a reasonable opportunity to challenge such process or obtain appropriate safeguards with respect to the information.

Confidential information could include, for example, information relating to participants, applicants, employees, suppliers, vendors and/or business practices, financial information, prospects, plans, trade secrets, know-how and potential transactions. All information received in connection with a Board or Board committee meeting and/or during such a meeting (including, without limitation, voting results, expressions of opinion and the conduct and tenor of deliberations), whether in closed session or in the presence of invited guests, is confidential unless otherwise indicated by the Non-Executive Chairman of the Board or Board committee, as applicable.

B. Information Relating to Participants and Applicants

As a matter of proper risk management, each clearing agency requires varying degrees of financial and other confidential and proprietary information to be filed with them by their participants as well as by applicants. In discussing such information with the Board and Board committees, management does not disclose the identity of the participant or applicant unless there is a need to know.

Clearing agencies have the responsibility to promulgate and enforce their own rules. In order to do so it is necessary for information to be provided by regulatory agencies and other self-regulatory organizations (“SROs”), such as the Financial Industry Regulatory Authority. The regulators and SROs are willing to share this data with the Corporation in the expectation that such information is to be used by management, and, only when necessary, provided to Directors.

Any information received by Directors regarding a participant’s or applicant’s financial ability or operational capability cannot be disclosed outside the Board or committee context and cannot be used for the Director’s personal benefit, the benefit of others and/or to the detriment of the Corporation. This obligation includes, specifically, a prohibition from sharing such information with other members of the Director’s own firm.

C. Confidential Supervisory Information (“CSI”)³

The Board of Directors is subject to confidential supervisory information (“CSI”) rules with respect to supervisory activities of the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York and the New York State Department of Financial Services (collectively, “Supervisors”). Directors are prohibited from disclosing CSI to any third parties, including service providers, unless certain contractual provisions are in place and, in some cases, there is prior written authorization from the relevant Supervisor.

³ Confidential Supervisory Information (“CSI”) includes reports of examinations and other supervisory communications prepared by the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, or the New York State Department of Financial Services, and any information derived from or related to such communications. Any portion of a document that contains or would reveal supervisory communications is also CSI.

7. Inquiries from the Media and Others

The Non-Executive Chairman of the Board and his designees are authorized in most circumstances to speak for the Corporation. The Corporation is committed to providing full, fair and accurate disclosure in all public communications and in compliance with all applicable law, regulations and rules. Inquiries from the media and others should be immediately directed to DTCC's General Counsel and Directors should refrain from responding to any inquiries unless compelled to do so by valid legal process.

8. Compliance with Laws, Rules and Regulations

Each Director must comply with all applicable laws, rules and regulations. Violation of laws and regulations may subject Directors, as well as the Corporation, to civil and/or criminal penalties. Legal compliance is not always intuitive. When there is any doubt as to the lawfulness of any proposed activity, Directors should seek advice from DTCC's General Counsel. Certain legal obligations and policies that are particularly important to the Corporation and its reputation are summarized in this Code. Further information on any of these matters may be obtained from DTCC's General Counsel.

9. Raising Questions and Concerns

Each Director is responsible for **promptly reporting** to the Non-Executive Chairman of the Board, the Chair of the Governance Committee or to DTCC's General Counsel any circumstances that the Director believes in good faith may constitute a violation of this Code, or any other policy of the Corporation, or applicable law, regulations and rules.

It is the Corporation's policy to encourage the communication of bona fide concerns relating to the lawful and ethical conduct of business and to protect those who communicate bona fide concerns from any retaliation for such reporting. No retribution against any individual who reports violations of this Code in good faith will be permitted.

Suspected violations will be investigated by the Board, the Governance Committee, or a person or persons designated by the Board, and appropriate action will be taken in the event of any violations of this Code.

10. Amendments and Waivers of this Code

Any amendment or waiver of this Code must be approved by the Board.

CERTIFICATE OF COMPLIANCE

I _____ hereby certify that I have read,
(Print name)

understand and am in compliance with the terms of the foregoing “DTCC Board Code of Ethics.”

Date: _____

Signature: _____

Title: _____

Please return the signed Certificate of Compliance via email to corporatesecretary@dtcc.com.

If you have any questions, please contact DTCC’s Corporate Secretary at the email noted above.