



An Introduction to DTCC's Issuer Services

The Depository Trust & Clearing Corporation (DTCC) helps process multibillion dollar mergers and acquisitions and provides for the safe and efficient sale and transfer of securities involving trillions of dollars in both the United States and Europe – all to the benefit of issuers around the globe.

You may not know us, but as the central depository for the United States, we hold in custody an estimated 90 percent of all U.S. securities valued at \$33.9 trillion.

As the largest post-trade infrastructure organization in the world, DTCC seamlessly processes trillions of dollars worth of securities without “the person on the street” knowing who we are or what we do.



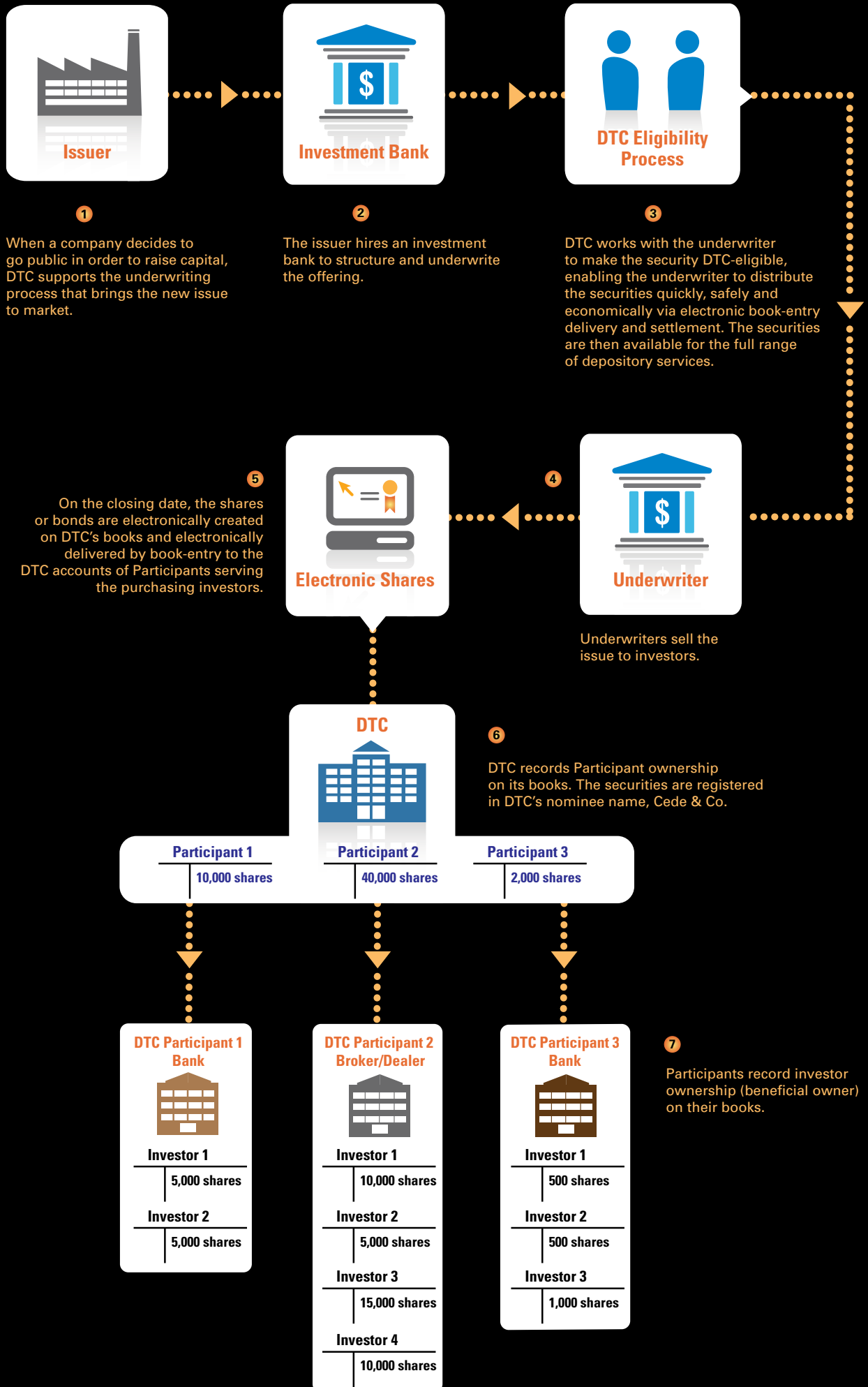
Likewise, many issuers are unaware that we process the underwriting of their stock and bond offerings, electronically register their securities and help ensure that their dividend payments are accurate and made on time.

Corporations and other issuers may only have a passing knowledge of DTCC and our businesses, yet we work for many of you on a daily basis – interacting both directly and indirectly – to reduce risk and costs, and offer a range of services to help you and your business partners meet the challenges of today’s global marketplace.

And because we serve a diverse audience of issuers of equity, debt, mutual funds, structured securities and annuities, we know that one size does not fit all. Services that may work for a corporate issuer with an initial or a secondary offering wouldn’t necessarily apply to a mutual fund issuer.

We are dedicated to helping issuers efficiently raise capital to support their funding needs. Our goal is to tailor our services to meet your needs, help you better serve your customers and shareholders, and help grow your business.

From Issuer to Investor: The Path of a Security



As an issuer, you know what happens when you initiate a stock offering. You contact your investment banker who, in turn, structures and underwrites the offering. But what happens after that, and how does the new issue get to market?

This is where our subsidiary, The Depository Trust Company (DTC), enters the picture with a host of services that our customers – broker/dealers and investment banks – use to issue and service your securities throughout their lifetime, helping to boost efficiencies, reduce risk and lower costs for you and your investors.

We begin with the eligibility process, which enables the initial distribution of a securities offering electronically to broker/dealers and banks and then to the investors themselves. Once in the marketplace, we maintain custody of your securities, routinely processing dividend and interest payments and managing the electronic “book-entry” transfer of ownership of securities when investors buy or sell them. If a reorganization such as a corporate merger or tender offer occurs, we handle the transfer of cash and stock to the appropriate investment bank or broker/

dealer, which then passes it on to their investors. By maintaining custody of these securities, DTC eliminates the risk of lost certificates, a missed election on a corporate action or a missed dividend payment.

Here are some of the ways DTC automates the lifecycle of your securities:

Underwriting

Services: We work with your investment banker to make the new offering DTC-eligible. This enables the underwriter to distribute the securities quickly, safely and economically via electronic book-entry delivery and settlement and make them available for the appropriate DTC services. The underwriter then sells the issue to investors and the shares are created electronically on DTC’s books and delivered – again electronically – to the



accounts of the DTC customers who purchased the shares for their investors. The broker/dealer or bank then records on its books the name of the investor who purchased the shares.

Direct Registration System (DRS): Our Direct Registration System gives investors the option of holding their assets on the books of your transfer agent in book-entry form, eliminating the expense of issuing paper certificates as well as the risk of having those securities lost or stolen. In place of a stock certificate, investors receive a statement of ownership. This electronic registration also facilitates the quick, easy and efficient sale of your securities – a great benefit to investors as it reduces their chances of “missing the market.”

Dividend Service: DTC plays a key role in making sure your shareholders receive prompt, accurate payments on their investments. DTC provides for the distribution of dividend, interest and certain principal payments for securities held at DTC, eliminating the need for broker/dealers and banks to deal with thousands of paying agents. We also ensure that your shareholders’ dividend reinvestments

are captured accurately via our Dividend Reinvestment Program, which provides for the automatic reinvestment of shareholder dividends in the shares of your company.

Reorganization Service: We carefully monitor the industry for news of upcoming corporate reorganization events such as mergers, takeovers or bankruptcies, and alert our customers to events that may affect them. We act as a centralized hub, collecting investors’ instructions and communicating them to the issuer. We help process these actions for our customers as well. For mergers or acquisitions, it often involves transferring billions of dollars in cash and stock between companies and shareholders, all in a single day.

Tax Services: DTC has a range of tax services for both domestic and international investors. These include our TaxReliefSM Service, which enables investors in foreign issues to obtain “at source” tax relief. This means the correct amount of tax is withheld from their dividend or interest payment. The alternative is applying for a refund for overwithheld taxes – an onerous, paper-intensive and lengthy process.

Cede & Co: DTC automates the sale of securities by holding securities in “street name.” As the country’s central depository, DTC holds in custody an estimated 90 percent of all U.S securities. These securities are registered with you, the issuer, or your transfer agent in DTC’s nominee name, Cede & Co. (pronounced “see dee”), also known as “street name.” DTC keeps track of its bank and broker/dealer customers who hold the positions on behalf of their clients. The name of the actual investor or “beneficial owner” is recorded on the books of the investor’s bank or brokerage firm. When an investor sells securities, the shares are debited electronically from the bank or broker/dealer’s account at DTC and credited to the DTC account of the firm whose client bought the securities. The banks or brokerage firms then update their own books to reflect the change in ownership.

We help put you in touch with your shareholders. Whether you're getting ready for your annual meeting or need to reach out to your investors on another matter, DTC can facilitate shareholder communications with:

Security Position Reports:

These reports give you the information needed to contact your shareholders directly about corporate events such as annual meetings.

Proxy Services:

These services enable DTC customers to communicate with DTC-eligible issuers on a variety of proxy-related events including consent solicitations, bankruptcies, legal notices and appraisal or dissenter's rights.

Legal Notice System:

This system provides issuers, their agents and the courts with a means of communicating with shareholders on a range of topics including information concerning a security, defaults, class actions, taxation and bankruptcies.

DTC has been a leader in the industry push for dematerialization – getting rid of paper certificates altogether – to boost efficiencies and reduce risk and costs for issuers and investors alike.

An industry study has shown that the cost to issue, process and maintain physical certificates is more than \$300 million annually – and this includes an estimated \$49 million to replace lost or stolen certificates each year.

In the U.S., the dematerialization movement began in the late 1960s with the Wall Street “paper crisis.” During this crisis, hundreds of messengers scurried about Wall Street with portfolios filled with checks and paper certificates that brokers exchanged to buy and sell stocks. The crisis became so acute that the exchanges closed every Wednesday and shortened trading hours on other days to manage the paper backlog.

Fast forward to the present. Today all exchange-listed issues are eligible

for DTC’s Direct Registration System (DRS). DRS enables investors to have their assets held on the records of their transfer agent, eliminating the expense of issuing paper certificates and providing for accurate, quick and cost-effective transfers between the transfer agent and the broker/dealer.

Using DRS, many companies, such as Intel Corporation, Chevron and Nuveen Investments, have gone completely “certificateless” and eliminated paper certificates entirely.

The goal of DTC and the industry has always been to boost efficiencies by eliminating the cost of paper certificates for the issuer and investor, while also eliminating the risk of lost or stolen certificates.

Corporate actions can range from a simple dividend or interest payment to more complicated events like stock splits, corporate reorganizations or mergers or acquisitions. These events impact both the issuer and the investor.

DTC is dedicated to automating and improving corporate actions processing and the mandatory issuer-to-investor communications that accompany them.

We have joined forces with SWIFT and XBRL US – leading industry organizations working to automate and standardize corporate actions information – as well as major issuers in the U.S. to bring greater accuracy, efficiency and reduced risk and cost to corporate actions communications. The aim of this collaboration is to electronically capture data directly in a standardized format from issuers when a corporate action is announced.

What's more, DTC has moved ahead on its own with major corporate action services, including the **Global Corporate Action (GCA) Validation Service (VS)**, which provides the highest quality corporate actions information for nearly

two million equities, fixed income and structured securities from more than 160 countries and territories. With this information, GCA VS provides a valuable link in issuer/investor communications.

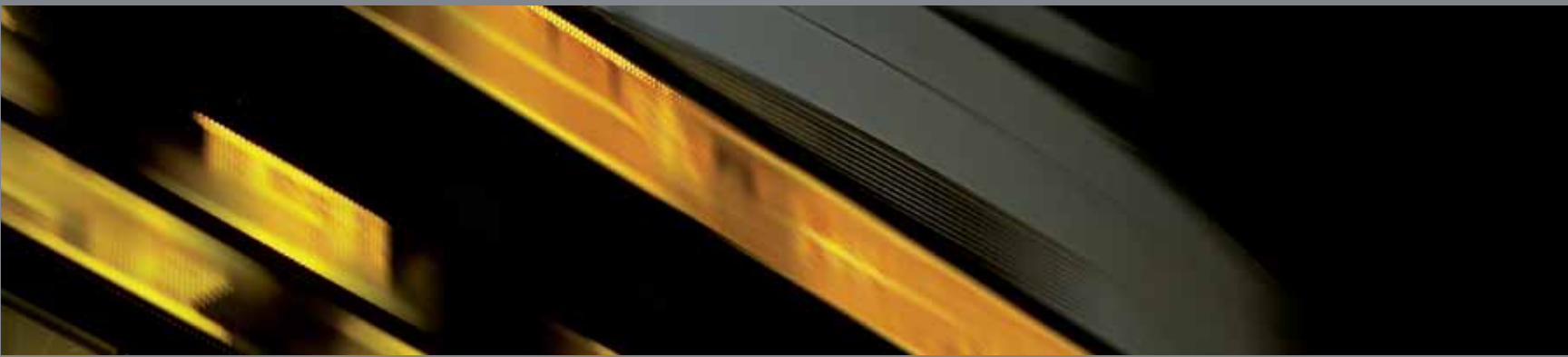
Issuers will face a growing list of compliance issues as legislators mandate financial reform. One of the pressing requirements is that issuers report adjusted cost basis information to investors and the Internal Revenue Service on all equity stock acquired on or after January 1, 2011. DTC has leveraged its **Cost Basis Reporting Service (CBRS)** to help issuers and other financial firms meet this deadline. While CBRS does not calculate or store cost basis information for firms, it does provide an automated system that enables issuers, transfer agents and other financial organizations to move cost basis information from one financial firm to another quickly and cost-effectively.

We've worked with you, other issuers and a broad range of financial services firms for the last 35 years to automate, standardize and streamline securities processing.

And we'll continue working with you to ensure that your dividends are paid on time, that your shareholder information is correct and up-to-date, and that your stock offerings are processed quickly and cost-effectively.

At the same time, we want you to know that we're working on new and better ways to serve you in the coming months and years with reengineered underwriting and corporate actions systems, solutions for recordkeeping and compliance issues, and ways to further boost efficiencies, reduce risk and lower costs for you and, ultimately, your investors.

For more information on how DTCC can work for you, please visit us at www.dtcc.com/issuerservices or contact us at issuerservices@dtcc.com.





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Clearing Corporation*

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