



RULES

BY-LAWS

ORGANIZATION CERTIFICATE

THE DEPOSITORY TRUST COMPANY

SEPTEMBER 2009

**RULES, BY-LAWS
AND ORGANIZATION CERTIFICATE
OF
THE DEPOSITORY TRUST COMPANY
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RULE 1

DEFINITIONS; GOVERNING LAW

Section 1. Unless the context requires otherwise, the terms defined in this Rule shall, for all purposes of these Rules, have the meanings herein specified:

Account

The term “Account” means a Securities Account or a Settlement Account, as the context may require. Any reference in these Rules to the Account (or the Securities Account or Settlement Account) of a Participant or Pledgee shall be deemed to be a reference to the appropriate Account or Accounts of the Participant or Pledgee if the Participant or Pledgee has more than one such Account. Any reference in these Rules to the Account (or the Securities Account or Settlement Account) of the Corporation shall be deemed to be a reference to the appropriate Account or Accounts of the Corporation if the Corporation has more than one such Account.

Account Family

The term “Account Family” means an Account or group of Accounts, designated as such by a Participant in the manner specified in the Procedures, using a common set of risk management controls pursuant to Rule 9(B) and Rule 9(C).

Actual Participants Fund Deposit

The term “Actual Participants Fund Deposit” of a Participant means the actual amount the Participant has Deposited to the Participants Fund, including both its Required Participants Fund Deposit and any Voluntary Participants Fund Deposit.

Actual Preferred Stock Investment

The term "Actual Preferred Stock Investment" of a Participant means the actual amount of Preferred Stock the Participant owns, expressed in dollars by multiplying (i) the number of shares of Preferred Stock the Participant owns by (ii) the Preferred Stock Par Value.

Affiliated Family

The term “Affiliated Family” means each Participant that controls or is controlled by another Participant and each Participant that is under the common control of any Person. For purposes of this definition, “control” means the direct or indirect ownership of more than 50% of the voting securities or other voting interests of any Person.

Aggregate Actual Deposit and Investment

The term "Aggregate Actual Deposit and Investment" of a Participant means the sum of its (i) Actual Participants Fund Deposit and (ii) Actual Preferred Stock Investment.

Aggregate Affiliated Family Net Debit Cap

The term "Aggregate Affiliated Family Net Debit Cap" means the sum of the Net Debit Caps for the Participants that are part of an Affiliated Family in the manner specified in the Procedures; provided, however, that the maximum Aggregate Affiliated Family Net Debit Cap shall not exceed the total available liquidity resources of the Corporation.

Aggregate Required Deposit and Investment

The term "Aggregate Required Deposit and Investment" of a Participant means the sum of its (i) Required Participants Fund Deposit and (ii) Required Preferred Stock Investment.

Back-Up Settling Bank

The term "Back-Up Settling Bank" means a Settling Bank selected by a Participant to perform settlement services for the Participant if the Settling Bank ordinarily used by such Participant is unable to perform such services.

Board of Directors

The term "Board of Directors" means the Board of Directors of the Corporation.

Business Day

The term "Business Day" means any day on which the Corporation is open for business.

By-Laws

The term "By-Laws" means the By-Laws of the Corporation, as amended from time to time.

Certificated Security

The term "Certificated Security" has the meaning given to the term "certificated security" in Section 8-102 of the NYUCC.

Clearing Agency Agreement

The term “Clearing Agency Agreement” means any agreement between the Corporation and any other clearing agency registered under Section 17A of the Exchange Act which provides, with respect to any Person that is concurrently a Participant and member of the other clearing agency, for (i) a netting of the settlement payments due to and from such Person, (ii) the provision of liquidity to the Corporation or the other clearing agency on account of a default by such Person in the performance of its obligations and/or (iii) a guaranty of any of the obligations of such Person to the Corporation or the other clearing agency.

Collateral

The term “Collateral” of a Participant on any Business Day means the sum of (i) the Actual Participants Fund Deposit of the Participant, (ii) the Actual Preferred Stock Investment of a Participant, (iii) all Net Additions of the Participant and (iv) any settlement progress payments wired by the Participant to the account of the Corporation at the Federal Reserve Bank of New York in the manner specified in the Procedures.

Collateral Monitor

The term “Collateral Monitor” of a Participant means the record maintained by the Corporation for the Participant which records, in the manner specified in Procedures, the algebraic sum of (i) the Net Credit or Debit Balance of the Participant and (ii) the aggregate Collateral Value of the Collateral of the Participant.

Collateral Value

The term "Collateral Value" means (i) with respect to the Actual Participants Fund Deposit of a Participant, the amount of such Actual Participants Fund Deposit, (ii) with respect to the Actual Preferred Stock Investment of a Participant, the amount of such Actual Preferred Stock Investment, (iii) with respect to the Net Additions of a Participant, an amount determined by applying to the Market Value of such Net Additions a percentage determined by the Corporation, in its sole discretion, and (iv) with respect to any settlement progress payments wired by a Participant to the account of the Corporation at the Federal Reserve Bank of New York in the manner specified in the Procedures, the amount of such settlement progress payments.

Control

The term “Control” has the meaning given to the term “control” in Section 8-106 of the NYUCC. A Pledgee has Control of Pledged Securities until they are Delivered, Released or Withdrawn by the Pledgee.

Controlling Management

The term “Controlling Management” shall mean the Chief Executive Officer, the Chief Financial Officer, and the Chief Operations Officer, or their equivalents, of an applicant or Participant.

Corporation

The term “Corporation” means The Depository Trust Company.

Deliverer

The term “Deliverer”, as used with respect to a Delivery of a Security, means the Person which Delivers the Security.

Delivery

The term “Delivery”:

- (1) means the issuance of a Security;
- (2) as used with respect to a Certificated Security, has the meaning provided in Section 8-301(a) of the NYUCC;
- (3) as used with respect to an Uncertificated Security, has the meaning provided in Section 8-301(b) of the NYUCC; and
- (4) as used with respect to a Security held in the form of a Security Entitlement on the books of the Corporation, means debiting the Security from an Account of the Deliverer and crediting the Security to an Account of the Receiver.

A Delivery may be a Delivery Versus Payment or a Free Delivery, or both collectively, as the context may require.

Delivery Versus Payment

The term “Delivery Versus Payment” means a Delivery against a settlement debit to the Account of the Receiver, as provided in Rule 9(A) and Rule 9(B) and as specified in the Procedures.

Deposit

The term “Deposit”:

- (1) as used with respect to a Certificated Security, means (A) Delivering a Security Certificate to the Corporation and (B) crediting the Security to an Account of a Participant;
- (2) as used with respect to an Uncertificated Security, means (A) registering of a Security in the name of the Corporation (or its nominee) on the books of an issuer and (B) crediting the Security to an Account of a Participant;
- (3) as used with respect to a Security held in the form of a Security Entitlement on the books of a Securities Intermediary other than the Corporation, means (A) crediting the Security to the Corporation (or its Securities Intermediary) on the books of such other Securities Intermediary and (B) crediting the Security to an Account of a Participant; and
- (4) as used with respect to a Required Participants Fund Deposit or Voluntary Participants Fund Deposit, means causing the appropriate amount in cash to be paid to the Corporation for credit to the Participants Fund in accordance with Section 1 of Rule 4.

Deposited Security

The term “Deposited Security” means an Eligible Security credited to the Account of a Participant by Deposit or Delivery. A Deposited Security shall cease to be such if it becomes a Pledged Security or is Withdrawn.

Devaluation

The term “Devaluation” means a markdown of the Collateral Value of a Deposited Security to a reduced amount or zero.

Eligible Security

The term “Eligible Security” means a Security described in the first paragraph of Section 1 of Rule 5.

Entitlement Holder

The term “Entitlement Holder” has the meaning given to the term “entitlement holder” in Section 8-102 of the NYUCC. A Participant or Pledgee is an Entitlement Holder with respect to a Security credited to its Account.

Entitlement Order

The term “Entitlement Order” has the meaning given to the term “entitlement order” in Section 8-102 of the NYUCC. An instruction from a Participant or Pledgee to the Corporation with respect to a Delivery, Pledge or Withdrawal of a Security credited to a Securities Account is an Entitlement Order.

Exchange Act

The term “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

Family Net Credit

The term “Family Net Credit” means the amount by which the sum of all money credits to the Accounts in an Account Family exceeds the sum of all money debits and charges thereto.

Family Net Debit

The term “Family Net Debit” means the amount by which the algebraic sum of all money debits and charges to the Accounts in an Account Family exceeds the sum of all money credits thereto.

Fedwire

The term “Fedwire” means the wire system for the transfer of funds operated by the Federal Reserve System.

Free Delivery

The term “Free Delivery” means a Delivery free of any payment by the Receiver through the facilities of the Corporation, as provided in Rule 9(A) and Rule 9(B) and as specified in the Procedures.

Free Pledge

The term “Free Pledge” means a Pledge free of any payment by the Pledgee through the facilities of the Corporation, as provided in Section 3 of Rule 2 and as specified in the Procedures.

Free Release

The term “Free Release” means a Release free of any payment by the Pledgor through the facilities of the Corporation, as provided in Rule 2 and Rule 9(B) and as specified in the Procedures.

Gross Credit Balance

The term “Gross Credit Balance” of a Participant on any Business Day means the aggregate amount of money the Corporation credits to all of the Accounts in all of the Account Families of the Participant without accounting for any amount of money the

Corporation debits or charges thereto. The Aggregate Actual Deposit and Investment of a Participant shall not constitute a part of the Gross Credit Balance of the Participant.

Gross Debit Balance

The term “Gross Debit Balance” of a Participant on any Business Day means the aggregate amount of money the Corporation debits or charges to all of the Accounts in all of the Account Families of the Participant without accounting for any amount of money the Corporation credits thereto. Any obligation of a Participant to make a Required Participants Fund Deposit or Required Preferred Stock Investment or satisfy a deficiency therein shall not constitute a part of the Gross Debit Balance of the Participant.

Income Payment Refusal

The term “Income Payment Refusal” means the refusal of an MMI Paying Agent to pay for an Income Presentment, as provided in Rule 9(C) and as specified in the Procedures.

Income Presentment

The term “Income Presentment” means an instruction initiated by the Corporation to credit the Account of the Corporation with an amount of interest or dividend income payable to the Corporation by an issuer of MMI Securities (other than an amount of interest or dividend income or other distribution of cash or property payable to the Corporation by an issuer of MMI Securities in connection with a Maturity Presentment or a Reorganization Presentment) and to debit the designated Paying Agent Account for that issue with the same amount, as provided in Rule 9(C).

Incomplete Transaction

The term “Incomplete Transaction”:

- (1) as used with respect to a Delivery, means a Delivery Versus Payment of Securities from a Deliverer to a Receiver where, pursuant to Rule 9(B), the Securities (A) have been credited to the Account of the Corporation, (B) have not yet been credited to the Account of the Receiver, except provisionally in the manner specified in the Procedures, and (C) have not been Delivered, Pledged or Withdrawn by the Receiver;
- (2) as used with respect to a Pledge, means a Pledge Versus Payment of Securities from a Pledgor to a Pledgee where, pursuant to Rule 9(B), the Securities (A) have been credited to the Account of the Corporation, (B) have not yet been credited to the Account of the Pledgee, except provisionally in the manner specified in the Procedures, and (C) have not been Delivered, Released or Withdrawn by the Pledgee; and

- (3) as used with respect to a Release, means a Release Versus Payment of Securities from a Pledgee to a Pledgor where, pursuant to Rule 9(B), the Securities (A) have been credited to the Account of the Corporation, (B) have not yet been credited to the Account of the Pledgor, except provisionally in the manner specified in the Procedures, and (C) have not been Delivered, Pledged or Withdrawn by the Pledgor.

Instructor

The term “Instructor” means a Participant or Pledgee which gives the Corporation an instruction with respect to (i) a Delivery, Pledge, Release or Withdrawal of Securities, (ii) a payment in connection with a transaction in Securities or (iii) any other instruction pursuant to these Rules and the Procedures.

Investment Advisers Act

The term “Investment Advisers Act” means the Investment Advisers Act of 1940, as amended from time to time.

Investment Company Act

The term “Investment Company Act” means the Investment Company Act of 1940, as amended from time to time.

Issuing Agent Account

The term “Issuing Agent Account” means the Account of an MMI Issuing Agent, designated as such by the MMI Issuing Agent in the manner specified in the Procedures, as the Account to be used in connection with the issuance of MMI Securities for which it is the MMI Issuing Agent.

Lender

The term “Lender” means a bank which has extended credit to the Corporation for purposes authorized by these Rules.

Limited Participant

The term “Limited Participant” means a person approved as a Limited Participant by the Corporation pursuant to Section 1 of Rule 2.

Market Value

The term “Market Value” means the current market value of a Deposited Security, as determined by the Corporation in the manner specified in the Procedures.

Maturity Payment Refusal

The term “Maturity Payment Refusal” means the refusal of an MMI Paying Agent to pay for a Maturity Presentment, as provided in Rule 9(C) and as specified in the Procedures.

Maturity Presentment

The term “Maturity Presentment” means a Delivery Versus Payment of matured MMI Securities from the Account of a Presenting Participant to the designated Paying Agent Account for that issue, as provided in Rule 9(C) and as specified in the Procedures.

Minimum Amount Securities

The term “Minimum Amount Securities” (sometimes referred to as “Minimum Amount”) of a Participant on any Business Day means (i) Securities credited to the Account of the Participant at the opening of business which the Participant has not designated as Net Addition Securities in the manner specified in the Procedures and (ii) Securities credited to the Account of the Participant during the Business Day which the Participant designates as Minimum Amount Securities in the manner specified in the Procedures. Minimum Amount Securities shall cease to be such if (x) they become Pledged or Segregated Securities, (y) they are Delivered or Withdrawn by the Participant or (z) they are designated as Net Addition Securities by the Participant in the manner specified in the Procedures.

MMI Issuing Agent

The term “MMI Issuing Agent” means a Participant, acting as an issuing agent for an issuer with respect to a particular issue of MMI Securities of that issuer, which has executed such agreements as the Corporation shall require in connection with the participation of such Participant in the MMI Program in that capacity.

MMI Paying Agent

The term “MMI Paying Agent” means a Participant, acting as a paying agent for an issuer with respect to a particular issue of MMI Securities of that issuer, which has executed such agreements as the Corporation shall require in connection with the participation of such Participant in the MMI Program in that capacity.

MMI Program

The term “MMI Program” means the Program for transactions in MMI Securities, as provided in Rule 9(C) and as specified in the Procedures.

MMI Security

The term “MMI Security” means an Eligible Security described in the second paragraph of Section 1 of Rule 5.

Net Addition Securities

The term “Net Addition Securities” (sometimes referred to as “Net Additions”) of a Participant on any Business Day means (i) Securities subject of Deliveries Versus Payment to the Participant, (ii) Securities credited to the Account of the Participant (such as Deposits of Eligible Securities and Free Deliveries of Securities) and designated as Net Addition Securities by the Participant in the manner specified in the Procedures and (iii) Minimum Amount Securities designated as Net Addition Securities by the Participant in the manner specified in the Procedures. Net Addition Securities shall cease to be such if (x) they become Pledged or Segregated Securities, (y) they are Delivered or Withdrawn by the Participant or (z) they are designated as Minimum Amount Securities by the Participant in the manner specified in the Procedures.

Net Credit Balance

The term “Net Credit Balance” of a Participant means the amount by which the Gross Credit Balance of the Participant exceeds its Gross Debit Balance.

Net Debit Balance

The term “Net Debit Balance” of a Participant means the amount by which the Gross Debit Balance of the Participant exceeds its Gross Credit Balance.

Net Debit Cap

The term “Net Debit Cap” of a Participant means an amount determined by the Corporation in the manner specified in the Procedures; provided, however, that the maximum Net Debit Cap of the Participant shall be the least of (i) a maximum amount applicable to all Participants based on the liquidity resources of the Corporation, (ii) the Settling Bank Net Debit Cap applicable to such Participant or (iii) any other amount determined by the Corporation, in its sole discretion.

NSCC

The term “NSCC” means the National Securities Clearing Corporation.

NYUCC

The term “NYUCC” means the Uniform Commercial Code of New York, as amended from time to time.

Participant

The term “Participant” means a Person approved as a Participant by the Corporation pursuant to Section 1 of Rule 2.

Participants Fund

The term “Participants Fund” means the fund created pursuant to Section 1 of Rule 4.

Participants Investment

The term “Participants Investment” means the investment made pursuant to Section 2 of Rule 4.

Payee

The term “Payee”, as used with respect to a Delivery, Pledge or Release Versus Payment of Securities, means the Participant, Pledgor or Pledgee which receives a money credit.

Paying Agent Account

The term “Paying Agent Account” means the Account of an MMI Paying Agent, designated as such by the MMI Paying Agent in the manner specified in the Procedures, as the Account to receive Presentments for which it is the MMI Paying Agent.

Payment Refusal

The term “Payment Refusal” means an Income Payment Refusal, Maturity Payment Refusal, Principal Payment Refusal or Reorganization Payment Refusal, as the context may require.

Payor

The term “Payor”, as used with respect to a Delivery or Pledge Versus Payment of Securities, means the Participant, Pledgee or Pledgor which is charged a money debit.

Person

The term “Person” means the Corporation, a Participant or Pledgee or any other natural or legal person, as the case may be.

Pledge

The term “Pledge”:

- (1) for purposes of Rule 4(A), has the meaning specified in Rule 4(A); and
- (2) for all purposes under these Rules, means creating a security interest in a Certificated or Uncertificated Security, a Securities Account or a Securities Entitlement in accordance with the NYUCC.

A Pledge may be a Free Pledge or a Pledge Versus Payment, as the context may require.

Pledged Security

The term “Pledged Security”, as used with respect to a Participant, means a Deposited Security which is the subject of (i) Free Pledge to a Pledgee in connection with a loan made by the Pledgee (on its own behalf or on behalf of a third party) to the Participant outside the facilities of the Corporation pursuant to an agreement between the Participant, as Pledgor, and the Pledgee or (ii) a Pledge Versus Payment to a Pledgee in connection with a loan made by the Pledgee (on its own behalf or on behalf of a third party) to the Participant through the facilities of the Corporation pursuant to an agreement between the Participant, as Pledgor, and the Pledgee. Pledged Securities shall cease to be such if they are Released, Delivered or Withdrawn by the Pledgee.

Pledgee

The term “Pledgee” means the Corporation or a Person approved as a Pledgee which has entered into an agreement with the Corporation pursuant to Section 3 of Rule 2, including a Participant which is so approved.

Pledge Versus Payment

The term “Pledge Versus Payment” means a Pledge against a settlement debit to the Account of the Pledgee, as provided in Section 3 of Rule 2, including a Participant which is so approved.

Pledgor

The term “Pledgor” means the Corporation or a Participant which Pledges Deposited Securities through the facilities of the Corporation.

Preferred Stock

The term "Preferred Stock" means the Series A Preferred Stock of the Corporation.

Preferred Stock Dividend Date

The term "Preferred Stock Dividend Date" means the date a dividend is paid on the Preferred Stock.

Preferred Stock Par Value

The term "Preferred Stock Par Value" means \$100 per share of Preferred Stock.

Presenting Participant

The term "Presenting Participant" means a Participant holding in its Account MMI Securities which are the subject of a Presentment.

Presentment

The term "Presentment" means an Income Presentment, Maturity Presentment, Principal Presentment or Reorganization Presentment, as the context may require.

Principal Payment Refusal

The term "Principal Payment Refusal" means the refusal of an MMI Paying Agent to pay for a Principal Presentment, as provided in Rule 9(C).

Principal Presentment

The term "Principal Presentment" means an instruction initiated by the Corporation to credit the Account of the Corporation with an amount of principal payable to the Corporation by an issuer of MMI Securities (other than an amount of principal payable to the Corporation by an issuer of MMI Securities in connection with a Maturity Presentment or Reorganization Presentment) and to debit the designated Paying Agent Account for that issue with the same amount, as provided in Rule 9(C).

Procedures

The term "Procedures" means the Procedures, service guides, and regulations of the Corporation adopted pursuant to Rule 27, as amended from time to time.

Program

The term "Program" means a discrete group of services provided by the Corporation, designated as such by the Corporation in the manner specified in the Procedures.

Receiver

The term "Receiver", as used with respect to a Delivery of a Security, means the Person which receives the Security.

Release

The term “Release” means the release of a Security from Pledge. A “Release” may be a Free Release or a Release Versus Payment, as the context may require.

Release Versus Payment

The term “Release Versus Payment” means a Release against a settlement debit to the Account of the Pledgor, as provided in Rule 2 and Rule 9(B) and as specified in the Procedures.

Reorganization Action

The term “Reorganization Action”, as used with respect to an issue of MMI Securities, means any action (other than an action in connection with periodic income and principal payments on, or the maturity of, an issue of MMI Securities), either mandatory or voluntary, including puts, calls, tender offers and exchange offers, which affects some or all of such issue of MMI Securities.

Reorganization Payment Refusal

The term “Reorganization Payment Refusal” means the refusal of an MMI Paying Agent to pay for a Reorganization Presentment of MMI Securities, as provided in Rule 9(C) and as specified in the Procedures.

Reorganization Presentment

The term “Reorganization Presentment” means a Delivery Versus Payment of MMI Securities in response to a Reorganization Action from the Account of a Presenting Participant to the designated Paying Agent Account for that issue, as provided in Rule 9(C).

Required Participants Fund Deposit

The term “Required Participants Fund Deposit” of a Participant means the amount the Participant is required to Deposit to the Participants Fund pursuant to Section 1 of Rule 4.

Required Preferred Stock Investment

The term "Required Preferred Stock Investment" of a Participant means the amount of Preferred Stock the Participant is required to own pursuant to Section 2 of Rule 4, expressed in dollars by multiplying (i) the number of shares of Preferred Stock the Participant is required to own by (ii) the Preferred Stock Par Value.

Rule

The term “Rule” means one of these Rules, as amended from time to time.

SEC

The term “SEC” means the United States Securities and Exchange Commission.

Securities Account

The term “Securities Account”:

- (1) as used with respect to a Participant or Pledgee, means an account maintained by the Corporation for the Participant or Pledgee to which Securities transactions of the Participant or Pledgee effected through the facilities of the Corporation are debited and credited in the manner specified in the Procedures; and
- (2) as used with respect to the Corporation, means an internal account of the Corporation to which Securities transactions are debited and credited to the Corporation.

Securities Act

The term “Securities Act” means the Securities Act of 1933, as amended from time to time.

Securities Intermediary

The term “Securities Intermediary” has the meaning given to the term “securities intermediary” in Section 8-102 of the NYUCC. The Corporation is a Securities Intermediary.

Security

The term “Security” has the meaning given to the term “financial asset” in Section 8-102 of the NYUCC. Any item credited to an Account (by the act of being credited to the Account) shall be deemed a Security under these Rules and shall be treated as a financial asset under Article 8 of the NYUCC. A Security may be an Eligible Security, a Deposited Security, a Pledged Security, a Segregated Security or an MMI Security, or some or all of them collectively, as the context may require. The term “Security” shall not include Preferred Stock.

Security Certificate

The term “Security Certificate” has the meaning given to the term “security certificate” in Section 8-102 of the NYUCC.

Security Entitlement

The term “Security Entitlement” has the meaning given to the term “security entitlement” in Section 8-102 of the NYUCC. The interest of a Participant or Pledgee in a Security credited to its Account is a Security Entitlement.

Segregated Account

The term “Segregated Account” means an Account to which Deposited Securities may be Delivered by a Participant for purposes of segregation in the manner specified in the Procedures.

Segregated Security

The term “Segregated Security” means a Deposited Security credited to a Segregated Account.

Settlement Account

The term “Settlement Account”:

- (1) as used with respect to a Participant or Pledgee, means an account maintained by the Corporation for the Participant or Pledgee to which money transactions of the Participant or Pledgee effected through the facilities of the Corporation are debited and credited in the manner specified in the Procedures, and
- (2) as used with respect to the Corporation means an internal account of the Corporation to which money transactions are debited and credited to the Corporation.

A Settlement Account is not a “securities account” for purposes of Section 8-501 of the NYUCC.

Settling Bank

The term “Settling Bank” means a Participant which is a bank or trust company, subject to supervision or regulation pursuant to Federal or State banking laws, and a party to an effective Settling Bank Agreement.

Settling Bank Agreement

The term “Settling Bank Agreement” means an agreement by and among the Corporation, a Settling Bank and a Participant pursuant to which the Settling Bank undertakes to perform settlement services for the Participant on terms approved by the Corporation.

Settling Bank Net Debit Cap

The term “Settling Bank Net Debit Cap” has the meaning provided in Rule 9(D).

Uncertificated Security

The term “Uncertificated Security” has the meaning given to the term “uncertificated security” in Section 8-102 of the NYUCC.

Voluntary Participants Fund Deposit

The term “Voluntary Participants Fund Deposit” of a Participant means any amount the Participant has Deposited to the Participants Fund in excess of its Required Participants Fund Deposit.

Withdrawal

The term “Withdrawal”, as used with respect to a Security held in the form of a Security Entitlement of a Participant or Pledgee on the books of the Corporation, means (i) debiting the Security from an Account of a Participant or Pledgee and (ii) Delivering the Security to a Participant or Pledgee (or its designee) outside the facilities of the Corporation.

Section 2. Set forth below are certain other terms defined in these Rules, and the place in these Rules where such other terms are defined and used:

<u>Defined Term</u>	<u>Rule</u>	<u>Section</u>
Cash	Rule 4(A)	Section 1
Contra Party	Rule 9(B)	Section 1
Custodian	Rule 2	Section 1
Deemed Net Additions	Rule 9(B)	Section 2
Defaulting Participant	Rule 9(B)	Section 2
End-of-Day Credit Facility	Rule 4	Section 2
Interested Person	Rule 22	Section 1
Largest Provisional Net Credit	Rule 9(B)	Section 1
Net-Net Credit Balance	Rule 9(D)	
Net-Net Debit Balance	Rule 9(D)	
Panel	Rule 22	Section 3
Participant Representative	Rule 7	Section 1
P&I Cash Advance	Rule 4(A)	Section 3
P&I Credit Facility	Rule 4(A)	Section 3
P&I Finance Cost	Rule 4(A)	Section 3
P&I Finance Period	Rule 4(A)	Section 3
P&I Payment Date	Rule 4(A)	Section 3
P&I Receipt Date	Rule 4(A)	Section 3
P&I Reversal Date	Rule 4(A)	Section 3

P&I Scheduled Payment	Rule 4(A)	Section 3
P&I Security Interest	Rule 4(A)	Section 3
Pool	Rule 22	Section 3
Preferred Stock Security Interest	Rule 4	Section 2
Section 8 Pro Rata Charge	Rule 4	Section 6
Settling Bank Refusal	Rule 9(D)	
Short Charge	Rule 9(B)	Section 2
Special Representative	Rule 6	
Time of Insolvency	Rule 12	Section 4
Transaction	Rule 6	
Voting Rights	Rule 6	

Section 3. Unless the context otherwise requires, in these Rules (a) words using the singular number include the plural number, (b) words of masculine gender include the feminine gender, (c) words defined as nouns shall have their correlative meanings as adjectives or verbs and words defined as verbs shall have their correlative meanings as adjectives or nouns, (d) the terms “Rule” or “Section” refer to the specified Rule or Section of these Rules, (e) the terms “Chairman of the Board”, “President”, “Secretary”, “Managing Director” and “Vice President” refer to the Chairman of the Board, President, Secretary and any Managing Director or Vice President of the Corporation, (f) any reference to a number of days shall mean calendar days unless Business Days are specified and (g) any reference to notice shall mean written notice unless another form of notice is specified.

Section 4. The Rules, Procedures and the rights and obligations under the By-Laws, the Rules and the Procedures, shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed and performed therein.

RULE 2

PARTICIPANTS AND PLEDGEEES

Section 1. The Corporation shall make its services, or certain of its services, available to partnerships, corporations or other organizations or entities which (i) apply to the Corporation for the use of such services, (ii) meet the qualifications specified in Rule 3, (iii) are approved by the Corporation and (iv) if required, make a Required Participants Fund Deposit pursuant to Section 1 of Rule 4 and Required Preferred Stock Investment pursuant to Section 2 of Rule 4. The Corporation shall approve applications only upon a determination by the Corporation that the applicant meets the standards of financial condition, operational capability and character defined below:

(a) the applicant has demonstrated that it has sufficient financial ability to make any Required Participants Fund Deposit and Required Preferred Stock Investment and meet all of its anticipated obligations to the Corporation;

(b) the applicant has demonstrated that it has adequate personnel capable of handling transactions with the Corporation and adequate physical facilities, books and records and procedures to fulfill its anticipated commitments to, and to meet the operational requirements of, the Corporation, other Participants and Pledgees with necessary promptness and accuracy and to conform to any condition and requirement which the Corporation reasonably deems necessary for its protection; and

(c) the Corporation has received no substantial information which would reasonably and adversely reflect on the applicant or its Controlling Management to such extent that access of the applicant to the Corporation should be denied; and any such applicant may be deemed not to meet the qualifications set forth in this paragraph if:

(i) the Corporation shall have reasonable grounds to believe that the applicant or its Controlling Management to be responsible for (A) making a misstatement of a material fact or omitting to state a material fact to the Corporation in connection with its application to become a Participant or thereafter or (B) fraudulent acts or the violation of the Securities Act, the Exchange Act, the Investment Company Act, the Investment Advisers Act or any rule or regulation thereunder;

(ii) the applicant or its Controlling Management has been convicted within the ten years preceding the filing of its application to become a Participant or at any time thereafter of any crime, felony or misdemeanor which involves the purchase, sale or transfer of any security or the breach of fiduciary duty, or arose out of conduct of the business of a broker, dealer, investment company, investment adviser, underwriter, bank, trust company, fiduciary, insurance company or other financial institution; or involves robbery, larceny, embezzlement, fraudulent conversion, forgery or misappropriation of funds, securities or other property; or involves any violation of Section 1341, 1342 or 1343 of Title 18 of the United States Code;

(iii) the applicant or its Controlling Management is permanently or temporarily enjoined by order, judgment or decree of any court or other governmental authority of competent jurisdiction from acting as a broker, dealer, investment company, investment adviser, underwriter, bank, trust company, fiduciary, insurance company or other financial institution or from engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase, sale or Delivery of any security, and the enforcement of such injunction or prohibition has not been stayed;

(iv) the applicant or its Controlling Management has been expelled or suspended, or had its participation terminated from a national securities association or exchange registered under the Exchange Act, a self-regulatory organization as defined in Section 3(a)(26) of the Exchange Act, or a corporation which engages in clearance and settlement activities or a securities depository or has been barred or suspended from being associated with any member of such an exchange, association, corporation or securities depository;

(v) the applicant is subject to statutory disqualification as defined in Section 3(a)(39) of the Securities Exchange Act of 1934, or an order of similar effect issued by a Federal or State banking authority, or other examining authority or regulator, including a non-U.S. examining authority or regulator.

In addition to items (a) through (c) above, the Corporation shall retain the right to deny membership to an applicant if the Corporation becomes aware of any factor or circumstance about the applicant or its Controlling Management which may impact the suitability of that particular applicant as a Participant of the Corporation. Further, applicants are required to inform the Corporation as to any member of its Controlling Management that is or becomes subject to statutory disqualification (as defined in Section 3(a)(39) of the Exchange Act).

The Corporation may approve the application of any applicant, either unconditionally or on an appropriate temporary or other conditional basis, if the Corporation determines that any standard specified in this Section, as applied to such applicant or its Controlling Management, is unduly or disproportionately severe or that the conduct of such applicant or its Controlling Management has been such as not to make it against the interest of the Corporation, other Participants or Pledgees or the public to approve such application.

Notwithstanding the foregoing, the Corporation may decline to accept the application of any applicant upon a determination by the Corporation that the Corporation does not have adequate personnel, space, data processing capacity or other operational capability at that time to perform its services for additional Participants without impairing the ability of the Corporation to provide services for its existing Participants, to assure the prompt, accurate and orderly processing and settlement of Securities transactions, to safeguard the funds and Securities held by or for the Corporation for Participants or Pledgees or otherwise to carry out its functions; provided, however, that applicants whose applications are denied pursuant to this paragraph shall be approved as promptly as the capabilities of the Corporation permit in the order in which their applications were filed with the Corporation.

The Corporation shall apply the foregoing requirements on a nondiscriminatory basis. Any applicant aggrieved by action taken by the Corporation in applying such qualifications shall be entitled to a right of appeal in accordance with Rule 22.

The entities which have made a Required Participants Fund Deposit pursuant to Section 1 of Rule 4 and Required Preferred Stock Investment pursuant to Section 2 of Rule 4 and to which the Corporation makes all of its services available shall be known as Participants. The entities which, if required, have made a Required Participants Fund Deposit pursuant to Section 1 of Rule 4 and Required Preferred Stock Investment pursuant to Section 2 of Rule 4 and to which the Corporation makes only certain of its services available shall be known as Limited Participants. For purposes of these Rules, the term "Participant" shall include the term "Limited Participant" unless the (i) context otherwise requires or (ii) the Procedures otherwise provide.

The Corporation may at any time cease either temporarily or definitively to make its services available to a Participant in accordance with these Rules and the Participant shall, upon receipt of notice thereof given by the Corporation as provided in these Rules cease to be a Participant; provided, however, that if the Corporation notifies a Participant that it has ceased to act for it only with respect to a particular transaction or transactions, the Participant shall continue to be a Participant. A Participant may terminate its business with the Corporation by notifying the Corporation as provided in Sections 7 or 8 of Rule 4 or, if for a reason other than those specified in said Sections 7 and 8, by notifying the Corporation thereof; the Participant shall, upon receipt of such notice by the Corporation, cease to be a Participant. In the event that a Participant shall cease to be a Participant, the Corporation shall thereupon cease to make its services available to the Participant, except that the Corporation may perform services on behalf of the Participant or its successor in interest necessary to terminate the business of the Participant or its successor with the Corporation, and the Participant or its successor shall pay to the Corporation the fees and charges provided by these Rules with respect to services performed by the Corporation subsequent to the time when the Participant ceases to be a Participant. The Corporation shall immediately notify the SEC if it temporarily or definitively ceases to make its services available to a Participant in accordance with these Rules.

Upon the request of the Corporation, a Participant shall furnish to the Corporation information sufficient to demonstrate its satisfactory financial condition and operational capability; provided, however, that the furnishing of any such financial or operational information to the Corporation shall be subject to any applicable laws or rules and regulations of regulatory bodies having jurisdiction over the Participant which relate to the confidentiality of records.

An entity whose application to become a Participant has been approved by the Corporation (i) shall, if required, make its original Required Participants Fund Deposit to the Participants Fund, determined in accordance with the provisions of Section 1 of Rule 4, and Required Preferred Stock Investment, determined in accordance with the provisions of Section 2 of Rule 4, and (ii) shall, in every case, sign and deliver to the Corporation an instrument in writing whereby such applicant shall agree that:

(a) The Participant shall abide by the By-Laws and Rules of the Corporation and shall be bound by all of the provisions thereof including the provisions prescribing the rights and remedies which the Corporation shall have with respect to Securities held by or for the Corporation for the Participant's account, and the Corporation shall have all of the rights and remedies contemplated by the By-Laws and Rules of the Corporation. Notwithstanding that the Participant may have ceased to be a Participant, the Participant shall continue to be bound by the By-Laws and Rules of the Corporation as to all matters and transactions occurring while the Participant was a Participant.

(b) The By-Laws and Rules of the Corporation shall be a part of the terms and conditions of every contract or transaction which the Participant may make or have with the Corporation.

(c) The Participant shall pay to the Corporation the compensation due it for services rendered to the Participant based on the Corporation's fee schedules, and such fines as may be imposed or deposits as may be required in accordance with the By-Laws and Rules of the Corporation for the failure to comply therewith.

(d) The Participant shall pay to the Corporation any amounts which, pursuant to the provisions of Rule 4, shall become payable by the Participant to the Corporation.

(e) The Participant's books and records, to the extent only that they relate to services rendered to the Participant by the Corporation, shall at all times during the regular business hours of the Participant (and at such other times as may be acceptable to the Participant) be open to the inspection of the duly authorized employees or agents of the Corporation, and the Corporation shall be furnished with all such information with respect to such services rendered to the Participant as it may require; provided, however, that (i) the Corporation's right to inspect the books and records of the Participant and to be furnished with information as provided herein shall extend only to books, records and information relating to the Participant's relationship with the Corporation or to contracts or transactions which the Participant has made or had with the Corporation and shall not extend to books, records and information relating to the Participant's relationship with Persons upon whose behalf it may obtain the services of the Corporation nor to books, records and information relating to such persons, their accounts or market activity and (ii) the Corporation's right to inspect the books and records of the Participant and to be furnished with information as provided herein shall be subject to any applicable laws or rules and regulations of regulatory bodies having jurisdiction over the Participant which relate to the confidentiality of records.

(f) The Corporation is authorized to provide to the issuer of any Security at any time credited to the Account of the Participant the name of the Participant and the amount of the issuer's Securities so credited, and the Corporation is authorized to provide similar information to any appropriate governmental authority.

(g) The determination of the Corporation by its Board of Directors shall be final and conclusive on all questions relating to (i) any charge against the Participant, (ii) any application of, or other action taken with respect to, the Actual Participants Fund Deposit

of the Participant or (iii) any Pledge or sale of, or other action taken with respect to, the Actual Preferred Stock Investment of the Participant.

(h) The Participant appoints the Corporation its agent and attorney-in-fact (i) to enter into a custody agreement with any bank, trust company or other appropriate entity (a "Custodian") chosen by it, such agreement to be in such form and containing such terms and provisions as the Corporation may, in its sole discretion, approve, and the Participant hereby ratifies and confirms any and all action heretofore taken by the Corporation in this connection, and (ii) to instruct each Custodian as to the delivery of any and all Securities held by any such Custodian pursuant to any such agreement.

(i) The Participant shall, except as otherwise permitted by the Corporation, give all instructions by it concerning any Securities held by the Corporation for the Participant's account, or by any Custodian subject to the instructions of the Corporation, through the Corporation and not otherwise.

(j) Each Custodian shall be entitled to act and rely in all respects upon, and as regards such Custodian the Participant shall be bound by, the instructions of the Corporation with respect to any Securities held by or for the Corporation for the Participant's account or by any such Custodian subject to the instructions of the Corporation.

(k) Each Security delivered for the Participant's account to the Corporation for Deposit with the Corporation may be transferred into the name of any nominee designated by the Corporation or by such Custodian as the Corporation may select, if it is Delivered to such Custodian, and retained by the Corporation or Delivered to such Custodian as the Corporation may select, and the Participant shall indemnify the Corporation, and any nominee of the Corporation in the name of which Securities credited to the Participant's Account are registered, against all loss, liability and expense which they may sustain, without fault on the Corporation's part, as a result of Securities credited to the Participant's Account being registered in the name of any such nominee, including (i) assessments, (ii) losses, liabilities and expenses arising from claims of third parties and from taxes and other governmental charges, and (iii) related expenses with respect to any such Securities.

(l) The Participant shall be bound by any amendment to the By-Laws or Rules of the Corporation with respect to any transaction occurring subsequent to the time such amendment takes effect as fully as though such amendment were now a part of the By-Laws and Rules of the Corporation; provided, however, that (i) no such amendment shall affect the Participant's right to cease to be a Participant, and (ii) unless the Participant is given ten Business Days notice thereof and the opportunity to give written notice to the Corporation of its election to terminate its business with the Corporation, no such amendment shall change (A) the provisions of Section 1 of Rule 4 or the formula in accordance with which the Required Participants Fund Deposit of the Participant is determined or (B) the provisions of Section 2 of Rule 4 or the formula in accordance with which the Required Preferred Stock Investment of the Participant is determined.

(m) The Participant's agreement with the Corporation shall inure to the benefit of and be binding upon the parties thereto and their respective successors and assigns.

A Participant shall use its best efforts to provide to the Corporation, at the request of the Corporation, during the regular business hours of the Participant, current market prices and/or bid and asked quotations for any Eligible Security.

Section 2. A Participant which utilizes the services of the Corporation for a Person which is not a Participant shall, so far as the rights of the Corporation, other Participants and Pledges are concerned, be liable as principal.

Section 3. Subject to the By-Laws and these Rules, the services of the Corporation shall be available to banks, trust companies and other persons approved by the Corporation which have entered into an agreement with the Corporation satisfactory to it for the purpose of facilitating loans to Participants and effecting the Pledge of Securities held by or for the Corporation for a Participant's account. Such banks, trust companies and other persons as are approved by the Corporation and have entered into such an agreement shall be known as Pledges. A Pledgee may but need not be a Participant. Only a Pledgee which is a Participant may receive a Pledge Versus Payment.

Section 4. Any notice from the Corporation to a Participant or Pledgee under these Rules or under any agreement between the Corporation and a Participant or Pledgee shall be sufficiently served on such Participant or Pledgee if the notice is in writing and electronically made available or transmitted to the Participant or Pledgee by any means normally employed by the Corporation for the delivery of electronic communications to such Participant or Pledgee. Alternatively, any non electronic notice shall be sufficiently served on a Participant or Pledgee if it is in writing and delivered or mailed to the Participant's or Pledgee's office address as provided below. Any notice from a Participant or Pledgee to the Corporation, including any notice under any agreement between the Corporation and a Participant or Pledgee, shall be sufficiently served on the Corporation if the notice is in writing and delivered or mailed to the Corporation at 55 Water Street, New York, New York 10041, Attention: Secretary. Any such notice to a Participant or Pledgee, if made available or transmitted electronically, shall be deemed to have been given, respectively, at the time of availability or transmission. Any such notice to a Participant or Pledgee, if delivered or mailed, shall be deemed to have been given, respectively, at the time of delivery or when deposited in the United States Postal Service, with postage thereon prepaid, directed to the Participant or Pledgee at the Participant's or Pledgee's office address to the attention of such Person as the Participant or Pledgee shall have designated in writing or, if the Participant or Pledgee shall have filed with the Corporation a written request that notice, if made by delivery or mail, be delivered at some other address, then to such other address. Any such notice to the Corporation, if mailed, shall be deemed to have been given when received by the Corporation at the address specified above.

Section 5. These Rules and the Procedures and the terms and conditions of every agreement and transaction by and among Participants or Pledges and the Corporation in connection therewith and pursuant thereto are not intended to confer upon any persons other than such Participants or Pledges any rights or remedies against the Corporation.

Section 6. The Corporation is authorized, under conditions established by the Corporation in its sole discretion, to provide information throughout each Business Day relating to a Participant's Aggregate Actual Deposit and Investment (and each Component thereof), Collateral, Net Credit Balance and Net Debit Balance (i) to any other clearing agency that is registered with the SEC of which the Participant is a member, (ii) to any clearing organization that is affiliated with or has been designated by a futures contract market under the oversight of the Commodities Futures Trading Commission of which the Participant is a member and (iii) upon the request of the Participant, to such other entities, including information service providers, as the Participant may designate. This authorization shall in no manner be deemed to limit the Corporation's authority to provide such information to other self-regulatory organizations registered with the SEC and to regulators of the Corporation or as required by valid legal process served upon the Corporation.

Section 7. Notwithstanding any affiliation between the Corporation and any other entity, including another clearing agency, except as otherwise expressly provided by written agreement between the Corporation and such other entity:

- (a) the Corporation shall not be liable for any obligations of such other entity nor shall the Participants Fund or other assets of the Corporation be available to such other entity (or any person claiming through such other entity) for any purpose, and no participant or member of such entity shall assert against the Corporation any claim based upon any obligations of such other entity to such participant or member; and
- (b) such other entity shall not be liable for any obligations of the Corporation, nor shall the Clearing Fund or any other assets of such other entity be available to the Corporation (or any person claiming through the Corporation) for any purpose, and no Participant or Member shall assert against such other entity any claim based upon any obligations of the Corporation to such participant or member.

Section 8. In connection with their use of the Corporation's services, Participants and Pledgees must comply with all applicable laws, including all applicable laws relating to securities, taxation, and money laundering, as well as sanctions administered and enforced by the Office of Foreign Assets Control ("OFAC"). As part of their compliance with OFAC sanctions regulations, all Participants and Pledgees must agree not to conduct any transaction or activity through DTC that it knows violates sanctions administered and enforced by OFAC.

Participants and Pledgees subject to the jurisdiction of the United States are required to periodically confirm that the Participant or Pledgee has implemented a risk-based program reasonably designed to comply with applicable OFAC sanctions regulations.

RULE 3

PARTICIPANTS QUALIFICATIONS

Section 1. Subject to the provisions of Rule 2, a partnership, corporation or other organization or entity is eligible to become a Participant if it satisfies at least one of the following qualifications:

(a) it is a corporation which engages in clearance and settlement activities and which is a subsidiary of a national securities exchange or national securities association registered under the Exchange Act;

(b) it is a member or member organization in good standing of a corporation described in paragraph (a) above;

(c) it is a corporation which is authorized pursuant to Article 8 of the Uniform Commercial Code, or other similar statutory provision in effect in the jurisdiction in which such corporation engages in business, to engage in the business of effecting the transfer or pledge of Securities by book-entry and which engages in such business;

(d) it is a bank or trust company which is subject to supervision or regulation pursuant to the provisions of Federal or State banking laws or any subsidiary of such a bank or trust company or a bank holding company or any subsidiary of a bank holding company;

(e) it is an insurance company subject to supervision or regulation pursuant to the provisions of State insurance laws;

(f) it is an investment company registered under section 8 of the Investment Company Act;

(g) it is a pension fund or other employee benefit fund; or

(h) if it does not qualify under paragraphs (a) through (g) above, it is (i) a financial institution which demonstrates to the Board of Directors that its business and capabilities are such that it could reasonably expect material benefit from direct access to the Corporation's services or (ii) a broker-dealer registered under the Exchange Act.

Section 2. Subject to the provisions of Rule 2, a partnership, corporation or other organization or entity is eligible to become a Limited Participant if it satisfies such qualifications for participation as the Corporation may prescribe.

RULE 4

PARTICIPANTS FUND AND PARTICIPANTS INVESTMENT

Section 1. The Participants Fund shall comprise the Actual Participants Fund Deposits of all Participants, as provided in these Rules and as specified in the Procedures.

(a) Each Participant shall be required to make a Required Participants Fund Deposit in accordance with one or more formulas based upon the Participant's use of the facilities of the Corporation; provided, however, that (i) each Participant other than a Limited Participant shall be required to make at least a minimum Required Participants Fund Deposit and (ii) depending upon the services it utilizes, a Limited Participant may or may not be required to make a Required Participants Fund Deposit. The formulas for determining the Required Participants Fund Deposits of Participants and the amount of the minimum Required Participants Fund Deposit shall be fixed by the Corporation and specified in the Procedures so as to assure that the aggregate amount of Required Participants Fund Deposits of Participants will be increased to provide for costs and expenses incurred by it incidental to the voluntary liquidation of the Corporation, if any. The Corporation may from time to time change the formulas for determining the Required Participants Fund Deposits of Participants and the amount of the minimum Required Participants Fund Deposit; provided, however, that notice of such change shall be given to each Participant at least ten Business Days in advance of the effective date thereof. The Corporation may require a Participant to Deposit an additional amount to the Participants Fund pursuant to Section 2 of Rule 9(A). Any such additional amount shall be part of the Required Participants Fund Deposit of such Participant.

(b) The Corporation shall determine on a daily basis for each Participant the amount of its Required Participants Fund Deposit, and the Corporation shall notify each Participant of any change in the amount of its Required Participants Fund Deposit. If the Actual Participants Fund Deposit of a Participant is less than the amount of its Required Participants Fund Deposit, the Participant shall Deposit to the Participants Fund, in the manner specified in the Procedures, the amount needed to eliminate the deficiency. If the Actual Participants Fund Deposit of a Participant is more than the amount of its Required Participants Fund Deposit, the Corporation shall pay to the Participant from the Participants Fund, in the manner specified in the Procedures, the amount of the excess, or such lesser amount as the Participant may request; provided, however, that the Corporation may determine, in its sole discretion, not to return such excess deposit (i) if the Collateral Monitor with respect to any Account Family of the Participant is negative or will be negative as a consequence thereof, (ii) if any Account Family of the Participant will, immediately after the return of such excess deposit, have a negative balance which exceeds the Net Debit Cap for that Account Family, (iii) until any amount which is required to be charged or levied against the Participant or its Required Participants Fund Deposit is paid by the Participant to the Corporation, (iv) if the Corporation determines that the recent use of any service of the Corporation by the Participant is materially different from its prior use of such service and that a higher Required Participants Fund

Deposit is thereby justified and (v) until after the amounts, if any, to be charged or levied against the Participant or its Required Participants Fund Deposit on account of transactions which occurred previously have been satisfied. Notwithstanding the foregoing, the Corporation may withhold all or part of any excess deposit of a Participant if the Corporation determines, in its sole discretion, that such action is necessary for the protection of the Corporation, other Participants or Pledges.

(c) A Participant may make a Voluntary Participants Fund Deposit to the Participants Fund, as specified in the Procedures. A Voluntary Participants Fund Deposit shall not be part of the Required Participants Fund Deposit of the Participant but shall be part of its Actual Participants Fund Deposit.

(d) The Required Participants Fund Deposit and any Voluntary Participants Fund Deposit of a Participant shall be in cash. All amounts due to or from a Participant in connection with increases and decreases in its Required Participants Fund Deposit (pursuant to this Section or Section 2 of Rule 9(A)) and any Voluntary Participants Fund Deposit may be credited to or debited from its Settlement Account.

(e) A Participant with more than one Account Family may, in the manner specified in the Procedures, designate the portion of its Actual Participants Fund Deposit to be allocated to each Account Family at the opening of business each Business Day. The Corporation shall not be obligated to make any allocations in accordance with such instructions if the Corporation determines, in its sole discretion, that such action might result in financial loss to the Corporation, other Participants or Pledges. The Corporation may allocate, in the manner specified in the Procedures, any portion of the Actual Participants Fund Deposit of a Participant which is not allocated by the Participant.

(f) The Actual Participants Fund Deposits of Participants to the Participants Fund shall be held by the Corporation and shall be applied as provided in these Rules and as specified in the Procedures. The Participants Fund shall be limited to the satisfaction of losses or liabilities of the Corporation incident to the business of the Corporation. For purposes of this Section, the term "business" with respect to the Corporation shall mean the doing of all things in connection with or relating to the Corporation's performance of the services specified in the first and second paragraphs of Rule 6 or the cessation of such services. Notwithstanding anything to the contrary in this Rule, the Participants Fund may be used as provided in any Clearing Agency Agreement.

(g) The cash in the Participants Fund may be partially or wholly invested by the Corporation, in its sole discretion, for its account in securities issued or guaranteed as to principal and interest by the United States or agencies or instrumentalities of the United States or repurchase agreements relating to securities issued or guaranteed as to principal and interest by the United States or agencies or instrumentalities of the United States and to the extent not so invested shall be deposited by the Corporation in its name in a depository or depositories selected by the Corporation. Any securities, repurchase agreements or deposits in which cash in the Participants Fund is invested may be sold by the Corporation or Pledged as security for loans made to the Corporation, as provided in

Rule 4(A). The Corporation shall pay interest to a Participant on the cash such Participant has Deposited to the Participants Fund at the rate the Corporation earns on securities and repurchase agreements in which such cash is invested or as specified in the Procedures.

(h) After three months from when a Person has ceased to be a Participant, the Corporation shall return to such Person (or its successor in interest or legal representative) the amount of the Actual Participants Fund Deposit of the former Participant plus accrued and unpaid interest to the date of such payment (including any amount added to the Actual Participants Fund Deposit of the former Participant pursuant to Section 2(h) of this Rule), provided that the Corporation receives such indemnities and guarantees as the Corporation deems satisfactory with respect to the matured and contingent obligations of the former Participant to the Corporation. Otherwise, within four years after a Person has ceased to be a Participant, the Corporation shall return to such Person (or its successor in interest or legal representative) the amount of the Actual Participants Fund Deposit of the former Participant plus accrued and unpaid interest to the date of such payment, except that the Corporation may offset against such payment the amount of any known loss or liability to the Corporation arising out of a related to the obligations of the former Participant to the Corporation.

Section 2. The Participants Investment shall comprise the Required Preferred Stock Investments of all Participants, as provided in these Rules and as specified in the Procedures.

(a) Each Participant shall be required to make a Required Preferred Stock Investment in accordance with one or more formulas based upon the Participant's use of the facilities of the Corporation; provided, however, that (i) each Participant other than a Limited Participant shall be required to make at least a minimum Required Preferred Stock Investment and (ii) depending upon the services it utilizes, a Limited Participant may or may not be required to make a Required Preferred Stock Investment. The formulas for determining the Required Preferred Stock Investments of Participants and the amount of the minimum Required Preferred Stock Investment shall be fixed by the Corporation and specified in the Procedures. The Corporation may from time to time change the formulas for determining the Required Preferred Stock Investments of Participants and the amount of the minimum Required Preferred Stock Investment; provided, however, that notice of such change shall be given to each Participant at least ten Business Days in advance of the effective date thereof.

(b) The Corporation shall determine on a quarterly basis for each Participant the amount of its Required Preferred Stock Investment, and the Corporation shall notify each Participant of any change in the amount of its Required Preferred Stock Investment. If the Actual Preferred Stock Investment of a Participant is less than the amount of its Required Preferred Stock Investment, such Participant shall purchase, in the manner specified in the Procedures, the number of outstanding shares of Preferred Stock needed to eliminate the deficiency. If the Actual Preferred Stock Investment of a Participant is more than the amount of its Required Preferred Stock Investment, such Participant shall sell, in the manner specified in the Procedures, the number of its shares of Preferred Stock needed to eliminate the excess. The Corporation, acting as agent and attorney-in-

fact for its Participants, shall effect the foregoing purchases and sales of shares of Preferred Stock on their behalf, so that each Participant shall own the amount of its Required Preferred Stock Investment, as adjusted from time to time in accordance with the provisions of Paragraph (a) of this Section 2 and this Paragraph (b).

(c) A Participant may not purchase from the Corporation or any other Participant any shares of Preferred Stock in excess of the amount of its Required Preferred Stock Investment.

(d) Except as otherwise provided in this Paragraph or Paragraph (i) of this Section, all purchases and sales of Preferred Stock pursuant to these Rules shall be made in cash at a price equal to the aggregate Preferred Stock Par Value of the shares plus accrued and unpaid dividends thereon to the date of such purchase or sale; provided, however, that (i) the portion of the price equal to the aggregate Preferred Stock Par Value of the shares shall be paid on the date of such purchase and sale and (ii) the portion of the price equal to the accrued and unpaid dividends thereon shall be paid on the first Preferred Stock Dividend Date following the date of such purchase and sale if dividends are paid on the Preferred Stock on such Preferred Stock Dividend Date. All amounts due to or from Participants in connection with purchases and sales of Preferred Stock shall be credited to or debited from their Settlement Accounts, except that any amounts due to a Person which has ceased to be a Participant shall be paid to such account as the former Participant shall designate for this purpose. The Corporation, acting as agent and attorney-in-fact for its Participants, shall effect all payments on their behalf, at the times and in the amounts provided in these Rules and as specified in the Procedures, without any further action or consent required on the part of such Participants, and, without limiting the generality of the foregoing, the Corporation may apply all dividends paid on the Preferred Stock to the payments required to be made to all past and present holders of Preferred Stock pursuant to this Section. Any determination by the Corporation of a number of shares of Preferred Stock to be purchased or sold pursuant to these Rules shall be made by converting any fraction into a decimal rounded to the nearest one-hundred-thousandth and by rounding to the nearest one-hundred-thousandth the product of any such decimal and any number of shares of Preferred Stock. In order to make the products of all such determinations by the Corporation pursuant to any one provision of these Rules consistent with the total number of shares of Preferred Stock being purchased and sold, the Corporation shall randomly assign to a deduct from the number of shares of Preferred Stock being purchased from or sold to any Participant the difference between such total number of shares of Preferred Stock and the sum of such products.

(e) A Participant with more than one Account Family may, in the manner specified in the Procedures, designate the portion of its Actual Preferred Stock Investment to be allocated to each Account Family at the opening of business each Business Day. The Corporation shall not be obligated to make any allocations in accordance with such instructions if the Corporation determines, in its sole discretion, that such action might result in financial loss to the Corporation, other Participants or Pledgees. The Corporation may allocate, in the manner specified in the Procedures, any portion of the Actual Preferred Stock Investment of a Participant which is not allocated by the Participant.

(f) To secure the obligations of Participants to the Corporation, the Corporation, acting as agent and attorney-in-fact for its Participants, may (i) Pledge the entire right, title and interest of any Participant in and to some or all of its shares of Preferred Stock, together with all distributions thereon, proceeds thereof and replacements or substitutions therefor (a "Preferred Stock Security Interest"), as collateral security for the obligations of the Corporation to its Lenders under any credit facility maintained by the Corporation for the purpose of funding the end-of-day settlement of transactions processed through the facilities of the Corporation (an "End-of-Day Credit Facility") or (ii) sell some or all of the shares of Preferred Stock of any Participant to other Participants (who shall be obligated to purchase such shares pro rata their Required Preferred Stock Investments at the time of such purchase), and apply the proceeds of such sale to the obligations of such Participant to the Corporation. Any such Pledge of a Preferred Stock Security Interest pursuant to this Paragraph (f), shall be made by appropriate entries on the books of the Corporation (and such entries shall be deemed to be a security agreement for purposes of the NYUCC) or by any other means provided in the NYUCC, and each Participant hereby grants to the Corporation an irrevocable power of attorney (coupled with an interest) to execute and deliver, in the name and on behalf of such Participant, any and all additional documents, instruments, agreements and financing statements necessary or desirable as determined by the Corporation, in its sole discretion, to create and perfect the Pledge of the Preferred Stock Security Interest by the Corporation to its Lenders under the End-of-Day Credit Facility. Any such sale of shares of Preferred Stock pursuant to this Paragraph (f), and application of the proceeds thereof as provided herein, shall be effected by the Corporation without any further action or consent required on the part of the Participant whose shares of Preferred Stock are sold, and the Settlement Account of such Participant shall be credited with the full amount of such proceeds.

(g) The Corporation shall pay dividends on the Preferred Stock at a rate fixed by the Board of Directors in accordance with the Organization Certificate of the Corporation.

(h) Promptly after a Person has ceased to be a Participant, the Corporation, acting as agent and attorney-in-fact for such Person (or its successor in interest or legal representative), shall sell all of the shares of Preferred Stock of the former Participant to current Participants (who shall be required to purchase such shares pro rata their Required Preferred Stock Investments at the time of such purchase), and add the proceeds thereof to the Actual Participants Fund Deposit of the former Participant for disposition in accordance with Section 1(h) of this Rule.

(i) Shares of Preferred Stock may be transferred from a Participant to another Person, subject to the provisions of Paragraph (f) of this Section 2:

(A) if (1) such Participant gives the Corporation at least twenty Business Days prior written notice of the proposed transfer and (2) such transfer is effected in the course of or pursuant to (x) a merger or consolidation of such Participant into or with such Person or (y) a sale of all or substantially all of the business and assets of such Participant to such Person and (3) such Person is also a Participant; or

(B) if (1) such Participant (x) gives the Corporation and all other Participants at least twenty Business Days prior written notice of the proposed transfer and (y) offers to sell the shares to such other Participants (pro rata their Required Preferred Stock Investments at the time of such offer) at the lower of (I) the aggregate purchase price that such Person has agreed to pay for the shares or (II) the aggregate Preferred Stock Par Value of the shares and (2) the Corporation, acting as agent and attorney-in-fact for such other Participants, declines on their behalf to purchase the shares on such terms.

No shares of Preferred Stock may be purchased, sold or transferred except in accordance with this Paragraph (i) or in connection with the quarterly reallocation of shares of Preferred Stock pursuant to Paragraph (b) of this Section.

Section 3. If a Participant is obligated to the Corporation, other than for a pro rata charge pursuant to Section 5 of this Rule, and fails to satisfy such obligation, including without limitation the obligation of the Participant to reimburse the Corporation for the amount of any payment with respect to such Participant paid by or owing from the Corporation to any other clearing agency pursuant to a Clearing Agency Agreement, the Corporation shall, in such order and in such amounts as the Corporation shall determine, in its sole discretion, to the extent necessary to eliminate such obligation:

- (a) apply some or all of the Actual Participants Fund Deposit of such Participant to such obligation;
- (b) Pledge some or all of the shares of Preferred Stock of such Participant to its Lenders as collateral security for a loan under the End-of-Day Facility; and/or
- (c) sell some or all of the shares of Preferred Stock of such Participant to other Participants (who shall be required to purchase such shares pro rata their Required Preferred Stock Investments at the time of such purchase), and apply the proceeds of such sale to such obligation.

If the Corporation takes any of the foregoing actions, the Participant shall, upon the demand of the Corporation, within such time as the Corporation shall require:

- (a) Deposit to the Participants Fund the amount in cash needed to eliminate any resulting deficiency in its Required Participants Fund Deposit;
- (b) wire to the Corporation an amount in cash sufficient to discharge any loan secured by its shares of Preferred Stock; and/or
- (c) repurchase any of its shares of Preferred Stock sold to other Participants.

If the Participant shall fail to take any action demanded by the Corporation, the Corporation may take disciplinary action against the Participant pursuant to these Rules. Any disciplinary action which the Corporation takes pursuant to these Rules, or the voluntary or involuntary cessation of participation by the Participant, shall not affect the obligation of the Participant to the Corporation or any remedy to which the Corporation may be entitled under applicable law.

Section 4. If the Corporation incurs a loss or liability which is not satisfied by charging the Participant or Participants responsible for causing the loss or liability pursuant to Section 3 of this Rule, the Corporation shall, in such order and in such amounts as the Corporation shall determine, in its sole discretion, to the extent necessary to satisfy such loss or liability:

(a) apply some or all of the Actual Participants Fund Deposits of all other Participants to such loss or liability, in which case:

- (1) with respect to any loss or liability incurred by the Corporation in connection with any payment required to be made by the Corporation to any other clearing agency pursuant to a Clearing Agency Agreement, the Actual Participants Fund Deposit of each Participant that is concurrently a member of such other clearing agency, excluding the Participant or Participants responsible for causing the loss or liability, shall be applied pro rata (A) its Required Participants Fund Deposit (as such Required Participants Fund Deposit was fixed at the time the loss or liability was discovered) less (B) any portion of such Required Participants Fund Deposit attributable to any additional amount that such Participant was required to Deposit to the Participants Fund pursuant to Section 2 of Rule 9(A); or
- (2) with respect to any other loss or liability incurred by the Corporation, the Actual Participants Fund Deposit of each Participant, excluding the Participant or Participants responsible for causing the loss or liability, shall be applied pro rata (A) its Required Participants Fund Deposit (as such Required Participants Fund Deposit was fixed at the time the loss or liability was discovered) less (B) any portion of such Required Participants Fund Deposit attributable to any additional amount that such Participant was required to Deposit to the Participants Fund pursuant to Section 2 of Rule 9(A); and/or

(b) charge the existing retained earnings and undivided profits of the Corporation.

If the Participants Fund is applied to a loss or liability, the Corporation shall promptly after the event notify each Participant and the SEC of the amount applied and the reasons therefor.

Section 5. Except as provided in Section 8 of this Rule, if a pro rata charge is made pursuant to Section 4 of this Rule against the Required Participants Fund Deposit of a Participant, and, as a consequence, the Actual Participants Fund Deposit of such Participant is less than its Required Participants Fund Deposit, the Participant shall, upon the demand of the Corporation, within such time as the Corporation shall require, Deposit to the Participants Fund

the amount in cash needed to eliminate any resulting deficiency in its Required Participants Fund Deposit. If the Participant shall fail to make such deposit to the Participants Fund, the Corporation may take disciplinary action against the Participant pursuant to these Rules. Any disciplinary action which the Corporation takes pursuant to these Rules, or the voluntary or involuntary cessation of participation by the Participant, shall not affect the obligations of the Participant to the Corporation or any remedy to which the Corporation may be entitled under applicable law.

Section 6. Whenever a Participant ceases to be such, it shall continue to be obligated (a) to satisfy any deficiency in the amount of its Required Participants Fund Deposit and/or Required Preferred Stock Investment that it did not satisfy prior to such time, including (i) any deficiency resulting from a pro rata charge with respect to which the Participant has given notice to the Corporation of its election to terminate its business with the Corporation pursuant to Section 8 of this Rule (a "Section 8 Pro Rata Charge") and (ii) any deficiency the Participant is required to satisfy pursuant to Section 3 or 5 of this Rule (other than any deficiency referred to in the preceding clause (i) or, subject to Section 8 of this Rule, any pro rata charge under Section 5 of this Rule arising after the Section 8 Pro Rata Charge) and (b) to discharge any liability of the Participant to the Corporation resulting from the transactions of the Participant open at the time it ceases to be a Participant or on account of transactions occurring while it was a Participant; provided, however, that, subject to Section 8 of this Rule, the aggregate liability of the Participant for any Section 8 Pro Rata Charge shall not exceed the amount of its Aggregate Required Deposit and Investment, as fixed immediately prior to the time of such charge, plus 100% of the amount thereof.

Section 7. Except for any increase in the amount of the Required Participants Fund Deposit of a Participant pursuant to Section 2 of Rule 9(A), the Corporation shall give a Participant at least ten Business Days prior notice of any proposed increase in its Required Participants Fund Deposit or Required Preferred Stock Investment.

(a) If a Participant does not, within the time allowed, give the Corporation notice (in the manner specified in Section 4 of Rule 2) of its election to terminate its business with the Corporation, the Participant shall be required to Deposit the amount needed to satisfy any such increase in its Required Participants Fund Deposit, and the obligation of the Participant to make such deposit shall not be affected by any subsequent voluntary or involuntary cessation of participation of the Participant. From and after the time such increase becomes effective, the obligations of the Participant to the Corporation shall be determined in accordance with such increased Required Participants Fund Deposit of the Participant whether or not the appropriate amount has been Deposited in the Participants Fund. For purposes of this Section, an increase in the Required Participants Fund Deposit of a Participant shall include an increase resulting from the application of the formulas provided for in Section 1 of this Rule and shall also include an increase resulting from a change in such formulas.

(b) If a Participant does not, within the time allowed, give the Corporation notice (in the manner specified in Section 4 of Rule 2) of its election to terminate its business with the Corporation, the Participant shall be required to purchase the number of shares of Preferred Stock needed to satisfy any such increase in its Required Preferred Stock Investment, and the obligation of the Participant to make such purchase shall not be affected by any subsequent voluntary or involuntary cessation of participation of the Participant. From and after the time such increase becomes effective, the obligations of the Participant to the Corporation shall be determined in accordance with such increased Required Preferred Stock Investment of the Participant whether or not the appropriate number of shares of Preferred Stock have been purchased. For purposes of this Section, an increase in the Required Preferred Stock Investment of a Participant shall include an increase resulting from the application of the formulas provided for in Section 2 of this Rule and shall also include any increase resulting from a change in such formulas.

Section 8. If a Participant, within ten Business Days after receipt of notice of a pro rata charge for a loss or liability incurred by the Corporation pursuant to Section 4 of this Rule, gives notice to the Corporation of its election to terminate its business with the Corporation, the Participant shall nevertheless remain obligated for such pro rata charge.

The Corporation may also make additional pro rata charges attributable to the same loss or liability. In that event, notwithstanding the limitation set forth in Section 6 of this Rule, the obligation of a Participant which elects to terminate its business with the Corporation pursuant to this Section shall be limited to the greater of (a) the amount of its Aggregate Required Deposit and Investment, as fixed immediately prior to the time of the first pro rata charge, plus 100% of the amount thereof, or (b) the amount of all prior pro rata charges attributable to the same loss or liability with respect to which the Participant has not timely exercised its right to limit its obligation as provided above.

If the amount of the Actual Participants Fund Deposit of a Participant is insufficient to satisfy a pro rata charge, as limited by Section 6 of this Rule and this Section, the Participant shall be obligated to Deposit the amount of any such deficiency to the Participants Fund notwithstanding the fact that the Participant subsequently ceases to be a Participant.

Section 9. If a loss charged pro rata is afterward recovered by the Corporation, in whole or in part, the net amount of the recovery shall be credited to the Persons against whom the loss was charged in proportion to the amounts charged against them by (a) crediting the appropriate amounts to the Actual Participants Fund Deposits of Persons which are still Participants and (b) paying the appropriate amounts in cash to Persons which are not still Participants.

RULE 4(A)

PLEDGE OF PROPERTY TO THE CORPORATION AND ITS LENDERS

Section 1. In furtherance of the rights of the Corporation pursuant to these Rules and the Procedures and for the purpose of securing loans made to the Corporation, subject only to such terms and conditions as may be provided in these Rules, the Corporation shall have full power and authority to pledge, repledge, hypothecate, transfer, create a security interest in, or assign (any such act being referred to as a “Pledge” for purposes of this Rule) any or all of the following property or the proceeds thereof: (a) cash deposits to the Participants Fund (any such cash deposits being referred to as “Cash” for purposes of this Rule), and all securities, repurchase agreements or deposits in which such Cash is invested, (b) Net Additions, including any Security Entitlements of Participants in Net Additions, and (c) Preferred Stock. Such loans shall be on terms and conditions deemed necessary or advisable by the Corporation (including collateralization thereof), in its sole discretion, and may be in amounts greater, and extend for periods of time longer, than the obligations, if any, of any Participant to the Corporation secured by the Pledge (by book entry or otherwise) of such property. No Participant shall have any right, claim or action against any secured Lender (or any collateral agent of such secured Lender) for the return, or otherwise in respect, of any such collateral Pledged by the Corporation to such secured Lender (or its collateral agent), so long as any loans made by such Lender to the Corporation or other obligations, secured by such collateral, are unpaid and outstanding. The reduction in the amount of any Required Participants Fund Deposit or Required Preferred Stock Investment of a Participant at any time after property of the Participant has been Pledged by the Corporation to a Lender shall not be effective until that Pledge is Released by the Lender. Subject to the foregoing and to the terms and conditions of any loan to the Corporation secured by property Pledged pursuant hereto, the Corporation shall remain obligated to each Participant to return, and to allow substitution for or withdrawal of, Cash, Net Additions and Preferred Stock, under the circumstances and within the time frames provided in these Rules and specified in the Procedures. In the event of any conflict or inconsistency between this Rule 4(A) and any agreement between the Corporation and any Participant, this Rule 4(A) shall govern and prevail.

Section 2. Any of the property specified in items (a) through (c) of Section 1 of this Rule or the proceeds thereof which constitute Securities (or an interest therein) which (a) if certificated, are in the custody of the Corporation or its custodian bank and in bearer form or endorsed in blank by an appropriate person or registered in the name of the Corporation, its custodian bank or the nominee of either, or (b) if uncertificated, are registered in the name of the Corporation, its custodian bank or the nominee of either and (c) in either case, are credited to an Account of a Participant on the books of the Corporation, may be Pledged to the Corporation by the Participant and may be re-Pledged or transferred by the Corporation to its Lenders, or to its Participants as provided in Section 2 of Rule 9(B), by book entry on the books of the Corporation as provided herein. When the property is so Pledged or re-Pledged, the Corporation shall make appropriate entries to reflect the transfer of a security interest in the subject property from the Participant to the Corporation and from the Corporation to the Lender or to a Participant, as the case may be.

In the case of Net Additions other than Incomplete Transactions, when designated as Net Additions upon the instruction of the Participant or by operation of these Rules and the Procedures, the Corporation shall make appropriate book entries.

The Release of any such Pledge shall be effected by appropriate book entries made by the Corporation reflecting such Release either (a) when instructed by the Pledgee or (b) where the Corporation is the Pledgee, upon its determination, subject to the terms and conditions of any agreement between the Corporation and its Lenders, that such Release is in accordance with the requirements of these Rules and the Procedures.

Section 3. If the Corporation does not receive a scheduled principal, interest, dividend, reorganization or redemption payment (a “P&I Scheduled Payment”) on a Security held by or for the Corporation for the account of a Participant or Pledgee by a time specified in the Procedures on the payment date therefor (the “P&I Payment Date”), the Corporation may advance to the Participant or, as specified in the Procedures, to the Pledgee an amount equal to the P&I Scheduled Payment due on that Security on that P&I Payment Date (a “P&I Cash Advance”), as follows:

(a) To fund a P&I Cash Advance, the Corporation may borrow the required amount under a credit facility maintained by the Corporation for that purpose with one or more Lenders (a “P&I Credit Facility”), on such terms and conditions as the Corporation deems necessary or advisable.

(b) To secure repayment of a P&I Cash Advance, each Participant or Pledgee to whom a P&I Advance is made shall be deemed to (i) Pledge to the Corporation the entire right, title and interest of such Participant or Pledgee in and to the P&I Scheduled Payment with respect to which the P&I Cash Advance is made, including the contractual right to receive the P&I Scheduled Payment and all general intangibles related thereto, together with all proceeds thereof, including all instruments and money representing the P&I Scheduled Payment, all distributions thereon and all replacements and substitutions therefor (a “P&I Security Interest”) and (ii) authorize the Corporation to re-Pledge the P&I Security Interest to its Lenders as collateral security for all obligations of the Corporation under the P&I Credit Facility.

(c) A P&I Cash Advance from the Corporation to a Participant or Pledgee shall be made by an immediate credit to the Account of such Participant or the Account designated by such Pledgee.

(d) A Pledge of a P&I Security Interest by a Participant or Pledgee to the Corporation, and any re-Pledge of the P&I Security Interest by the Corporation to its Lenders under the P&I Credit Facility, shall be made by appropriate entries on the books of the Corporation (and such entries shall be deemed to be a security agreement for purposes of the NYUCC) or by any other means provided in the NYUCC, and each Participant or Pledgee to whom a P&I Cash Advance is made shall be deemed to give the Corporation an irrevocable power of attorney (coupled with an interest) to execute and deliver, in the name and on behalf of such Participant or Pledgee, any and all additional documents, instruments, agreements and financing statements necessary or desirable as

determined by the Corporation, in its sole discretion, to create and perfect (i) the Pledge of the P&I Security Interest by the Participant or Pledgee to the Corporation and (ii) the re-Pledge of the P&I Security Interest by the Corporation to its Lenders under the P&I Credit Facility.

(e) If the Corporation or its Lenders pursuant to their security interest receive a P&I Scheduled Payment, with respect to which the Corporation has made a P&I Cash Advance, on or after the P&I Payment Date (the “P&I Receipt Date”), (i) the P&I Cash Advance shall constitute full satisfaction of the obligation of the Corporation to credit the Account of the Participant or Pledgee for the amount of the P&I Scheduled Payment, (ii) the Corporation shall retain the P&I Scheduled Payment, and debit the Account of the Participant or Pledgee for the P&I Finance Cost (as defined below) of the Corporation for the P&I Finance Period (as defined below), in full satisfaction of the obligation of the Participant or Pledgee to repay the P&I Cash Advance, and (iii) the Pledge shall be released and the entries on the books of the Corporation effecting the Pledge shall be reversed.

(f) If the Corporation or its Lenders pursuant to their security interest do not receive a P&I Scheduled Payment, with respect to which the Corporation has made a P&I Cash Advance, within a time specified in the Procedures (the “P&I Reversal Date”), the Corporation shall debit the Account of the Participant or Pledgee in the aggregate amount of the P&I Cash Advance, together with the P&I Finance Cost of the Corporation for the P&I Finance Period, in full satisfaction of the obligation of the Participant or Pledgee to repay the P&I Cash Advance.

(g) Upon the repayment of all amounts due from the Corporation to its Lenders under the P&I Credit Facility, the re-Pledge shall be released and the entries on the books of the Corporation effecting the re-Pledge shall be reversed.

The term “P&I Finance Cost” with respect to a P&I Cash Advance shall mean the interest and other charges payable by the Corporation to its Lenders under the P&I Credit Facility on money borrowed by the Corporation to fund the P&I Cash Advance.

The term “P&I Finance Period” shall mean the period from and including the P&I Payment Date to but not including the earlier of (x) the P&I Receipt Date or (y) the P&I Reversal Date.

RULE 5

ELIGIBLE SECURITIES

Section 1. An Eligible Security shall only be a Security accepted by the Corporation, in its sole discretion, as an Eligible Security. The Corporation shall accept a Security as an Eligible Security only (a) upon a determination by the Corporation that it has the operational capability and can obtain information regarding the Security necessary to permit it to provide its services to Participants and Pledgees when such Security is Deposited and (b) upon such inquiry, or based upon such criteria, as the Corporation may, in its sole discretion, determine from time to time. The timing of additions of such issues shall be on a nondiscriminatory basis consistent with the Corporation's objective to provide the maximum practical degree of service in facilitating the prompt and orderly settlement of Securities transactions.

MMI Securities shall only be those money market instruments which meet the requirements of the preceding paragraph and which, in the sole discretion of the Corporation, are designated as eligible for the MMI Program as specified in the Procedures.

Participants and Pledgees shall not have credited, or continue to have credited, to their accounts at the Corporation, or seek to have the Corporation accept as an Eligible Security, any Security of an issuer that is listed on the Office of Foreign Assets Control ("OFAC") issuer list distributed by the U.S. Department of the Treasury, or of an issuer that is incorporated in a country that is on the OFAC list of "pariah" countries.

Section 2. An Eligible Security which the Corporation in its sole discretion, determines no longer meets the requirements of Section 1 of this Rule shall cease to be an Eligible Security. In addition, the Corporation may determine that an Eligible Security shall cease to be such in the event that (a) it shall have been suspended from being traded over-the-counter by the SEC pursuant to Section 15(c)(5) of the Exchange Act or from being traded on any national securities exchange, (b) the Board of Directors finds (i) that the level of activity concerning the Security during the period of three consecutive months preceding that determination is insufficient to produce benefits commensurate with the costs for Participants arising from its continued inclusion or (ii) that the availability of certificates representing the Security has been insufficient to permit the Corporation to render its services to Participants or Pledgees in respect thereof, (c) the Corporation determines that the Security must be exchanged for, or will be converted into, another Security which is not an Eligible Security or (d) the Security is subject to a tender offer or an exchange offer.

With respect to MMI Securities whose eligibility is premised (in whole or in part) on a published credit rating, if the rating of a particular MMI Security is lowered by a rating agency, as specified in the Procedures, or if the issuer of an MMI Security becomes insolvent, as defined in Rule 12 and as specified in the Procedures, or if there is a Payment Refusal, as provided in Rule 9(C) and as specified in the Procedures, the Corporation may, in its sole discretion and as specified in the Procedures, terminate eligibility and discharge that MMI Security from the MMI Program, or maintain eligibility but Devalue that MMI Security within the MMI Program. Any

such termination of eligibility or discharge or Devaluation shall be purely internal to the Corporation and the MMI Program and shall not be construed or deemed to reflect any independent credit judgment of the Corporation as to the MMI Security, the issuer, the MMI Issuing Agent or the MMI Paying Agent; a termination of eligibility or discharge or Devaluation is not intended to affect the underlying rights and obligations of parties to transactions in the MMI Security, subject to applicable law, rules and regulations, agreements or any subsequent adjudication thereof.

Notwithstanding any of the foregoing, and further to the purpose of the preceding paragraph, any Security (including any MMI Security) shall cease to be an Eligible Security as provided in the two preceding paragraphs or upon a finding by the Corporation, in its judgment, that the continued eligibility of the Security might endanger the financial condition of the Corporation, other Participants or Pledgees.

Section 3. If the Corporation refuses to accept a Security as an Eligible Security or determines that an Eligible Security shall cease to be such, the Corporation shall give notice thereof to all Participants and Pledgees, and from and after the effective date specified in the notice, the Corporation shall cease to render any service with respect to the Security. A refusal to accept a Security as an Eligible Security or a determination that an Eligible Security shall cease to be such shall be subject to appeal under Rule 22 by any Participant or the issuer of the Security; provided, however, that in the case of the MMI Program, if a Security does not satisfy the published credit rating criteria applicable to eligibility for the MMI Program, as specified in the Procedures, or if the issuer thereof is insolvent, as defined in Rule 12 and as specified in the Procedures, or if there is a Payment Refusal with respect thereto, as provided in Rule 9(C) and as specified in the Procedures, then a refusal to accept a Security as an MMI Security or a determination that an MMI Security shall cease to be such shall not be subject to appeal.

RULE 6
SERVICES

Subject to the provisions of these Rules and the Procedures, the Corporation, acting in accordance with duly authorized instructions from the Participant or Participants and the Pledgee or Pledges, if any, having an interest in the transaction, shall: accept Eligible Securities from Participants for Deposit with the Corporation; credit the Account of a Participant with the Securities it Deposits with the Corporation prior to such time as the registration of the transfer thereof into the name of the Corporation's nominee is effected unless (a) the Corporation rejects the Deposit due to its determination, in its sole discretion, that the Securities Deposited are not in proper form for registration of transfer or (b) the Securities are part of an issue with respect to which the Corporation, by reason of the historical transfer performance of the issuer thereof or the transfer agent therefor, shall have, at least ten Business Days prior to the day of the deposit, given notice to Participants and the SEC that it will not credit the Accounts of Participants which Deposit Securities of that issue until such time as it determines that the registration of the transfer thereof into the name of the Corporation's nominee has been effected, in which event such credit shall be effected upon the Corporation's determination that such registration of transfer has been effected; effect transfers by a Participant of its Deposited Securities to another Participant or Participants; effect Pledges by a Participant of its Deposited Securities to a Pledgee or Pledges and effect the release of such Pledges, except that if the Corporation has not made a determination that a specific issue of Securities may lawfully be the subject of a Pledge by book-entry or if the Corporation has designated Deposited Securities of such issue as ineligible for Pledge through its facilities, the Corporation shall not be obligated to effect Pledges of such Deposited Securities; Deliver to a Participant or its designee a Participant's Deposited Securities (x) registered in the name of and endorsed by the Corporation's nominee, (y) endorsed to the Corporation's nominee and endorsed by the Corporation's nominee or (z) subject to the availability of transfer services, registered in the name of such Participant or its designee; deliver dividends, distributions, rights, securities, proxy material and other property or documents received by the Corporation with respect to a Participant's Deposited Securities or Pledged Securities, except as provided below in this Rule or in the Procedures; disburse money to, and receive money from, Participants and Pledges on behalf of other Participants or Pledges in connection with related Securities transactions; and acting on its own or by appropriate instruction, provide to Participants and Pledges information and statements of account regarding their business with the Corporation. Such transactions shall be effected in accordance with the By-Laws, these Rules and the Procedures.

The Corporation may also provide such other services as are consistent with the purposes and powers of the Corporation; provided, however, that the Corporation shall not initiate any change in the nature of, or any service other than, the services specified in the first paragraph of this Rule without first notifying the SEC thereof.

The Corporation may limit certain services to particular issues of Eligible Securities.

Any or all Deposited Securities or Pledged Securities may be required by the Corporation to be removed from the Account of a Participant or Pledgee by Delivery of such Securities to such Participant or Pledgee outside the facilities of the Corporation when the Corporation in its discretion deems such removal necessary or expedient.

If the Corporation or its nominee is unable to exercise voting rights as contemplated by the Procedures as to all Deposited Securities and Pledged Securities of a given Eligible Security due to limitations imposed by law or the issuer on the exercise of voting rights by the Corporation's nominee, the Corporation shall have no obligation to Participants, Pledgees or others to provide for the exercise of any such voting rights.

In consideration of the Corporation's Delivery to a Participant or its designee of the Participant's Deposited Securities registered in the name of and endorsed by the Corporation's nominee, the Participant shall indemnify the Corporation and its nominee against all loss, liability and expense which they may sustain, without fault on the Corporation's or such nominee's part, as a result of such Securities being registered in the name of such nominee, including (a) assessments, (b) losses, liabilities and expenses arising from claims of third parties and from taxes and other governmental charges, (c) related expenses with respect to any such Securities, (d) the inability of any Person entitled to exercise any rights with respect to such Securities (including, but not limited to, voting rights, dissenters' rights, rights to purchase other Securities or exchange or conversion rights) so to exercise such rights or exercise such rights on a timely basis and (e) the inability of any such Person entitled to dividends or other distributions with respect to such Securities to obtain such dividends or other distributions on a timely basis.

Any instruction given to the Corporation by a Participant or Pledgee or by the Special Representative (as hereinafter defined in this Rule) shall be deemed to be an undertaking to the Corporation by such Participant, the Participant on behalf of which the Special Representative is acting or such Pledgee that it has and shall maintain sufficient Securities balances in its Accounts to support all transactions specified in such instruction.

Any instruction given to the Corporation by the Special Representative on any Business Day to Deliver Securities from the Account of the Special Representative to the Account of a Participant shall not be effective, and any entry made by the Corporation in accordance with such instruction shall not be final, until the "effective time" (as defined in the Rules and Procedures of NSCC) on such Business Day.

The Corporation may accept or rely upon any instruction given to the Corporation by a Participant or Pledgee, including any instruction given by physical delivery or delivery by other means such as wire transmission, facsimile copy, magnetic tape or other recording media, in form acceptable to the Corporation and in accordance with the Procedures, which reasonably is understood by the Corporation to have been given to the Corporation by the Participant or Pledgee, and the Corporation shall have no responsibility or liability for any errors which may occur, without negligence on the Corporation's part, in the course of transmission or recording of any transmissions or which may exist in any document, magnetic tape or other recording media so delivered to the Corporation.

The Corporation may accept and rely upon any instruction given to the Corporation by the Special Representative, including any instruction given by physical delivery or delivery by other means such as wire transmission, facsimile copy, magnetic tape or other recording media, in form acceptable to the Corporation in accordance with the Procedures, which reasonably is understood by the Corporation to have been given to the Corporation by the Special Representative, provided that such instruction relates only to the transfer of Securities from the Account of a Participant to the Account of the Special Representative, and the Corporation shall have no responsibility or liability for any errors which may occur, without fault on the Corporation's part, in the course of transmission or recording of transmission or which may exist in any document, magnetic tape or other recording media so delivered to the Corporation, and the Corporation shall be entitled to act pursuant to any such instruction as though such instruction had been received from the Participant from whose Account the transfer is to be made notwithstanding any information the Corporation may have to the contrary.

Any Participant or Pledgee delivering instructions as provided above, or on whose behalf the Special Representative shall deliver instructions as provided above, shall indemnify the Corporation, and any of its employees, officers, directors, stockholders, agents, Participants and Pledgees who may sustain any loss, liability or expense as a result of (a) any act done in reliance upon the authenticity of any instruction received by the Corporation, (b) the inaccuracy of the information contained therein or (c) effecting transactions in reliance upon such information or instruction against any such loss, liability or expense so long as such transactions are effected in accordance with such information and instructions even though they be inaccurate or not authentic and so long as the Person asserting a right to indemnification shall not have knowledge of such inaccuracy or lack of authenticity at the time of the event or events giving rise to such loss, liability or expense.

Notwithstanding the foregoing, the Corporation shall not act upon any instructions purporting to have been given by the Special Representative, or any instructions purporting to have been given by a Participant or Pledgee or the Special Representative by wire transmission, facsimile copy, magnetic tape or other recording media or any means other than in writing, commencing one Business Day after the Corporation receives notice from the Participant or Pledgee that the Corporation shall not accept such instructions until such time as the Participant or the Pledgee shall withdraw such notice.

In consideration of any action by the Corporation to provide for the exercise of dissenters' rights, appraisal rights or similar rights available to the Corporation's nominee as registered owner of Deposited Securities or Pledged Securities, any Participant or Pledgee seeking to avail itself of such rights, either on its own behalf or on behalf of others, shall indemnify and hold harmless the Corporation and any nominee of the Corporation in whose name such Securities are registered against all loss, liability and expense which they may sustain, without fault or negligence on the Corporation's or such nominee's part, as a result of any action they may take pursuant to the instructions of such Participant in exercising any such rights. The Corporation shall not be obligated to do any act in pursuance of such rights otherwise than pursuant to the reasonable instructions of such Participant and shall not be obligated to determine for itself, or for any other Person, the legal or other requirements to be followed or complied with in regard to the pursuit of such rights.

The term “Special Representative” of a Participant shall be NSCC but only insofar as NSCC acts on behalf of the Participant and (a) the Participant is a member of NSCC or (b) the Participant was a member of NSCC and the Corporation has not received notice that such Participant has ceased to be a member of NSCC.

If the Corporation (a) receives notice that an issuer of an Eligible Security has declared a stock or cash dividend on such Security or has authorized a stock split or combination or a distribution of rights or of other property or any other transaction with respect to such Security (a “Transaction”) prior to the record date for the Transaction or (b) receives notice of a proposed meeting of holders of an Eligible Security or other occasion for the exercise of voting rights or the giving of consents (“Voting Rights”) prior to the record date for the Voting Rights, the Corporation may (i) assign a cut-off date for the Transaction or Voting Rights or (ii) if such notice is received after the time which the Corporation, in its sole discretion, deems to be the proper cut-off date for such Transaction or Voting Rights, notify Participants that it will not assign a cut-off date for the Transaction or Voting Rights. If the Corporation assigns a cut-off date for the Transaction or Voting Rights and a Participant Deposits a Security subject to the Transaction or Voting Rights after the cut-off date, the Corporation shall not credit the proceeds of the Transaction to the Account of the Participant or provide for the exercise of the Voting Rights by the Participant. In the case of a Transaction, if a quantity of the Securities equivalent to the amount Deposited to the Account of the Participant after the cut-off date does not remain in the Account on the record date for the Transaction, the Corporation shall have the right to deduct from the Account the proceeds of the Transaction with respect to the quantity not remaining in the Account. In the case of Voting Rights, if a quantity of Securities equivalent to the amount Deposited to the Account of the Participant after the cut-off date does not remain in the Account on the record date for the exercise of the Voting Rights, the Corporation shall have the right to claim from the Participant, and the Participant shall be obligated to use its best efforts to obtain for the Corporation, appropriate proxies or Voting Rights from the registered owner of the Securities on the record date with respect to the quantity not remaining in the Account. The Corporation shall use its best efforts to effect the transfer of all certificates held by the Corporation representing such Security into the name of the Corporation’s nominee. On or immediately after the record date for the exercise of Voting Rights, the Corporation shall use its best efforts to permit Participants to exercise Voting Rights in accordance with this Rule and the Procedures. The Corporation shall have no responsibility or obligation to Participants or others with respect to the exercise of Voting Rights except to use its best efforts to act in accordance with this Rule and the Procedures. Without limiting the generality of the foregoing, the Corporation shall have no responsibility in the event that (x) the Corporation, without fault on its part, receives insufficient notice of a proposed meeting to permit action in accordance with this paragraph, (y) the Corporation is unable, without fault on its part, to effect transfer of all certificates into the name of the Corporation’s nominee prior to the record date or (z) no record date for a Transaction or the exercise of Voting Rights is established by the issuer.

The Corporation shall not have any lien on or other interest in any Segregated Securities. The Collateral Value of Segregated Securities shall not be included in the Collateral Monitor for a Participant.

The Corporation may, as necessary to protect itself and its Participants, in its reasonable judgment, Devalue Securities; any Devaluation shall apply for internal credit and

collateralization purposes only and is not intended to prejudice the underlying rights and obligations of the parties to any transaction in those Securities or of Participants generally, subject to applicable law, rules or regulations, or agreements as such rights and obligations may be determined or adjudicated outside the Corporation. The Corporation may, in its sole discretion, subsequently restore Devalued Securities to their original Collateral Value or any intermediate Collateral Value which the Corporation shall determine is appropriate and in the best interests of the Corporation and its Participants.

Under no circumstances will the Corporation be liable for the acts, delays, omissions, bankruptcy, or insolvency of any third party, including without limitation, any depository, custodian, sub-custodian, clearing or settlement system, transfer agent, registrar, data communication service or delivery service (“Third Party”), unless caused directly by the Corporation’s gross negligence, willful misconduct, or violation of Federal securities laws for which there is a private right of action.

Under no circumstance shall the Corporation be liable for selecting or accepting any Third Party as an agent of the Corporation, including as a transfer agent participating in the Fast Automated Securities Transfer (FAST) Program.

RULE 7

PARTICIPANT REPRESENTATIVES

Section 1. There shall be present at the location of each Participant on each Business Day between the hours of 9:15 A.M. and 5:30 P.M., New York City time, and until the Participant's account with the Corporation, in the judgment of the Corporation, is settled and in balance, a representative authorized in the name and on behalf of the Participant to sign all instruments, correct errors, perform such duties as may be required under these Rules and the Procedures and transact all business requisite in connection with the Participant's business with, and the operations of, the Corporation (a "Participant Representative"). In the case of a Participant which is a partnership, if the Participant Representative of the Participant is not a general partner of the Participant, such Participant Representative shall be authorized to act by written power of attorney. In the case of a Participant which is a corporation, such Participant Representative shall be authorized to act by resolution of the Board of Directors of such corporation. Such power of attorney or resolution, as the case may be, shall be in form approved by the Corporation.

Section 2. Every Participant shall file with the Corporation the signature of each Person who is authorized to act on behalf of the Participant pursuant to Section 1 of this Rule together with the power of attorney or resolution giving such authority.

Section 3. A Participant may appoint another Participant as its agent with respect to all of the appointing Participant's business carried out with the Corporation, provided such appointment has been consented to by the Corporation and is evidenced by such appointments, authorizations, certifications and other agreements in such form as the Corporation may require.

Section 4. Each Participant which does not appoint another Participant as its agent pursuant to Section 3 of this Rule shall make operational arrangements satisfactory to the Corporation to deliver to, and receive from, an office, agency or custodian of the Corporation Securities, instructions and other documents. In addition, if required by the Corporation because of the location of the Participant, the Participant shall arrange communications facilities between the Participant and the Corporation which shall be satisfactory to the Corporation.

Section 5. Each Settling Bank, in addition to satisfying the requirements of this Rule as a Participant, shall satisfy the requirements of this Rule with respect to its activities as a Settling Bank.

RULE 8

DELIVERIES OF NOTIFICATIONS AMONG PARTICIPANTS AND PLEDGEEES

The Corporation shall receive on Business Days at its offices and agencies specified in the Procedures deliveries of confirmations, advices and other records relating to transactions effected through the facilities of the Corporation from Participants and Pledgees addressed to other Participants and Pledgees. Such deliveries shall be sorted and made available to the Participants and Pledgees to whom they are addressed in accordance with the Procedures.

The receipt and delivery of such confirmations, advices and other records by the Corporation on behalf of Participants and Pledgees, the times at which such confirmations, advices and other records shall be accepted and delivered by the Corporation, the contents of such deliveries and all other matters relating thereto shall be governed by the Procedures.

All such confirmations, advices and other records received by the Corporation on behalf of Participants and Pledgees shall be deemed for all purposes to be delivered to the receiving Participant or Pledgee; provided, however, that any transaction reflected in any such confirmation, advice or other record which is to be effected through the facilities of the Corporation shall not be deemed effective by reason of any such delivery. Any delivery containing items not authorized by the Procedures shall be the sole responsibility of the Participant or Pledgee making the delivery.

RULE 9(A)

TRANSACTIONS IN SECURITIES AND MONEY PAYMENTS

Section 1. Deliveries of Securities through the facilities of the Corporation shall be made in accordance with these Rules and the Procedures.

Any Participant making a Delivery Versus Payment of Securities through the facilities of the Corporation shall provide the Corporation with an instruction specifying the amount of the payment therefor in accordance with the Procedures. After receipt of such instruction (or upon its own initiative pursuant to Section 1 of Rule 9(C)), the Corporation is authorized to, and shall (subject to the right of the Corporation to cease to act for a Participant pursuant to these Rules and the Procedures), credit the Account of the Deliverer with the amount specified and debit the Account of the Receiver with the same amount.

Payments through the facilities of the Corporation shall be made in accordance with these Rules and the Procedures.

If a Participant shall present an instruction to the Corporation in accordance with the Procedures specifying that, in connection with a transaction in Securities, an amount or amounts of money shall be credited to its Account currently or in the future and that the same amount or amounts shall at that time be debited to the Account of another Participant, the Corporation is authorized to, and shall (subject to the right of the Corporation to cease to act for a Participant pursuant to these Rules and the Procedures), credit the Account of the Participant which presented the instruction (or which is deemed to have presented the instruction pursuant to Section 1 of Rule 9(C)) for the amount or amounts specified at the time or times specified and debit the Account of the other Participant at the same time or times with the same amount or amounts.

If a Participant shall present an instruction to the Corporation in accordance with the Procedures specifying that, in connection with a transaction in Securities, an amount or amounts of money shall be debited to its Account currently or in the future and that the same amount or amounts shall at that time be credited to the Account of another Participant, the Corporation is authorized to, and shall (subject to the right of the Corporation to cease to act for a Participant pursuant to these Rules and the Procedures), debit the Account of the Participant which presented the instruction (or which is deemed to have presented the instruction pursuant to Section 1 of Rule 9(C)) for the amount or amounts specified at the time or times specified and credit the Account of the other Participant at the same time or times with the same amount or amounts.

Section 2. Except as otherwise provided in the Procedures, payments between Participants pursuant to Section 1 of this Rule shall be made through the facilities of the Corporation as provided in this Section 2. In addition to the debit or credit of amounts pursuant to Section 1 of this Rule, the Corporation shall debit or credit itself, Participants and Pledges with other amounts receivable and payable in accordance with these Rules and the Procedures. On each Business Day, the Corporation shall net all of the debits and credits to all of the Accounts of each Participant and Pledgee. Any agreement between the Participant and the Corporation to the contrary notwithstanding, if a Participant has multiple Accounts, the Corporation may treat them as one Account for the purposes of this Rule.

At the request of the Corporation, a Participant or Pledgee shall immediately furnish the Corporation with such assurances as the Corporation shall require of the financial ability of the Participant or Pledgee to fulfill its commitments and shall conform to any conditions which the Corporation deems necessary for the protection of the Corporation, other Participants or Pledgees, including deposits to the Participants Fund; provided, however, that any such conditions shall not be inconsistent with any applicable laws or rules or regulations of regulatory bodies having jurisdiction over the Participant or Pledgee.

Subject to Rule 9(B):

(a) If at any time a balance is due to the Corporation from a Participant or Pledgee, payment of the amount of such balance shall be made by the Participant or Pledgee to the Corporation in the manner and at the time and place specified in the Procedures.

(b) If at any time a balance is due to a Participant or Pledgee from the Corporation, payment of the amount of such balance shall be made by the Corporation to the Participant or Pledgee in the manner and at the time and place specified in the Procedures.

(c) A Participant or Pledgee shall pay the Corporation the whole or any part of its Net Debit Balance at any time upon the demand of the Corporation.

Section 3. If the Account of a Payee is credited and the Account of a Payor is debited with an amount of money as provided in Section 1 of this Rule, and the Payor shall fail to make payment to the Corporation of such amount or, having made payment thereof, the Corporation shall be required to return such payment to the Payor or its representative, the Payee shall be obligated to return to the Corporation the amount that was not paid by the Payor to the Corporation or the amount required to be returned by the Corporation to the Payor or its representative, and the Corporation shall be entitled to debit the Account of the Payee for such amount at any time.

RULE 9(B)

TRANSACTIONS IN ELIGIBLE SECURITIES

This Rule applies to all services provided by the Corporation, including the services provided by the Corporation in the MMI Program.

Section 1. The Corporation shall not act on an instruction received by the Corporation from an Instructor to effect a Delivery, Pledge, Release or Withdrawal, or any other transaction affecting the Account of the Instructor or another Participant or Pledgee (other than a transaction classified in the Procedures as exempt from this Section), unless the Securities (if the transaction involves Securities) are, prior to the transaction, Deposited Securities or Pledged Securities reflected in the Account of the Instructor, as specified in the Procedures, and:

(a) immediately after the transaction, the Collateral Monitor for the Account Family of the Instructor which includes the Account from which the Securities subject of the instruction are Delivered, Pledged or Withdrawn, as reduced by the amount of the Largest Provisional Net Credit (as defined below) for such Account Family, will not be negative and the Family Net Debit for that Account Family, as increased by the amount of such Largest Provisional Net Credit, will not exceed the Net Debit Cap for such Account Family;

(b) immediately after the transaction, if the transaction subject of the instruction affects an Account in the Account Family of another Participant or Pledgee or an Account in the same or another Account Family of the Instructor (in either case, a "Contra Party"), the Collateral Monitor for the Account Family of the Contra Party, as reduced by the amount of the Largest Provisional Net Credit for such Account Family, will not be negative and the Family Net Debit for that Account Family, as increased by the amount of such Largest Provisional Net Credit, will not exceed the Net Debit Cap for such Account Family; and

(c) if the transaction subject of the instruction involves a Free Delivery, Pledge or Release of Securities or a Delivery, Pledge or Release of Securities substantially undervalued, as specified in the Procedures, the Securities subject of the instruction shall not be MMI Securities subject of an Incomplete Transaction.

The term “Largest Provisional Net Credit” means the aggregate net credit to an Account Family attributable to transactions in the MMI Securities of an issuer which is largest of any aggregate net credit to such Account Family attributable to transactions in the MMI Securities of any issuer; provided, however, that the reductions in the Collateral Monitor and increases in the Family Net Debit described in clauses (a) and (b) above shall be effected only during the time period each Business Day specified in the Procedures.

If the transaction subject of the instruction is a Free Delivery, Pledge or Release to a Contra Party and the applicable tests in clauses (a), (b) and (c) of the first paragraph of this Section are satisfied, the transaction shall be an effective transaction as to the Contra Party.

If the transaction subject of the instruction is a Delivery, Pledge or Release Versus Payment to a Contra Party and the applicable tests in clauses (a), (b) and (c) of the first paragraph of this Section are satisfied, the instruction of the Instructor shall constitute an instruction to make the following entries on the books of the Corporation.

(a) the Account of the Instructor is debited, and the Account of the Corporation is credited, by the amount of the obligation or the number of shares or rights subject of the instruction (whereby the Corporation shall be the holder of the Securities subject of the instruction);

(b) the Account of the Instructor is credited, and the Account of the Corporation is debited, by the amount of the payment specified in the instruction; and

(c) as specified in the Procedures, (i) the debits and credits to the Accounts of the Corporation are replicated as Incomplete Transactions in the Accounts of the Contra Party and (ii) the Collateral Monitor for the Contra Party is appropriately adjusted.

An Incomplete Transaction made on a Business Day shall be converted to an effective transaction as to the Contra Party, as specified in the Procedures, at the earliest of:

(a) the time it is finally determined by the Corporation on that Business Day that the balance in the Settlement Account of the Contra Party for that Business Day is not negative;

(b) the time the Contra Party pays the amount of the negative balance in its Settlement Account, as finally determined by the Corporation for that Business Day, to the Corporation, as provided in these Rules and as specified in the Procedures; or

(c) the time during that Business Day when:

- (1) in the case of a Delivery Versus Payment, the Contra Party instructs the Corporation to effect a Delivery, Pledge or Withdrawal of the Securities;
- (2) in the case of a Pledge Versus Payment, the Contra Party instructs the Corporation to effect a Delivery, Release or Withdrawal of Securities;
- (3) in the case of a Release Versus Payment, the Contra Party instructs the Corporation to effect a Delivery, Pledge or Withdrawal of Securities; and
- (4) in each case, the applicable tests in clauses (a), (b) and (c) of the first paragraph of this Section are satisfied.

If the Corporation receives an instruction from a Pledgee to effect a Delivery or Withdrawal of Pledged Securities, such instruction shall have the effect of notifying the Corporation that the Pledgee elects not to Release the Pledged Securities but, rather, to assert its Control over the Pledged Securities by the transfer of a greater interest in the Pledged Securities to itself or another Person. The Corporation shall accept such an instruction as a representation that the Pledgee is acting in accordance with applicable law, rules or regulations, agreements or any adjudication thereof.

A Participant may at any time during a Business Day wire Federal funds to the account of the Corporation at the Federal Reserve Bank of New York by Fedwire in order to reduce or eliminate a negative balance or create a positive balance in its Settlement Account.

Each Participant and the Corporation shall settle the balance of the Settlement Account of the Participant on a daily basis in accordance with these Rules and the Procedures. Except as provided in the Procedures, the Corporation shall not be obligated to make any settlement payments to any Participants until the Corporation has received all of the settlement payments that Settling Banks and Participants are required to make to the Corporation.

Section 2. In the manner and for the purposes set forth in these Rules and the Procedures, and subject to applicable law, (i) the Corporation shall hold the entire interest in, and shall have the authority of a holder of Securities to act, in its sole discretion, with respect to any Securities Delivered Versus Payment, which are the subject of an Incomplete Transaction, to issue or transfer the entire interest in such Securities, including the authority to sell, Pledge or otherwise dispose of such Securities, (ii) the Corporation shall hold a security interest in any Securities Pledged or Released Versus Payment, which are the subject of an Incomplete Transaction, to Pledge for value or Release for value a security interest in such Securities, and shall have the authority of a secured party to sell, Pledge or otherwise dispose of such Securities, and (iii) the Corporation, acting as agent and attorney-in-fact for its Participants, shall have the authority to Pledge or sell on their behalf any of their shares of Preferred Stock.

If a Participant fails to pay the amount of a negative balance in its Settlement Account, as finally determined by the Corporation on a Business Day, at the time and in the manner provided in these Rules and as specified in the Procedures, or if the Corporation determines that, in light of the financial or operating condition of a Participant, it is in the best interests of the Corporation, other Participants or Pledgees not to complete certain transactions with respect to the Participant, although it does not cease to act therefor, or the Corporation terminates or suspends some or all of the transactions of a Participant in the MMI Program with respect to some or all MMI Securities subject of those transactions, during the Business Day, the Corporation may, with respect to any such Participant (a "Defaulting Participant"), in such order and in such amounts as the Corporation shall determine, in its sole discretion:

(a) Pledge any or all Net Additions and Preferred Stock of the Defaulting Participant to secure a loan to the Corporation; or

(b) sell any or all Net Additions and Preferred Stock of the Defaulting Participant in the manner specified in Section 4 of this Rule.

The Corporation may Pledge or sell any or all Net Additions of a Defaulting Participant notwithstanding the fact that the proceeds may exceed the negative balance in the Settlement Account of the Defaulting Participant. The proceeds of any Pledge or sale shall be applied as provided in these Rules and as specified in the Procedures.

The Corporation may Pledge or sell any or all shares of the Preferred Stock of a Defaulting Participant notwithstanding the fact that the proceeds may exceed the negative balance in the Settlement Account of the Defaulting Participant. The proceeds of any Pledge or sale shall be applied as provided in these Rules and as specified in the Procedures.

Each Defaulting Participant which fails to settle its Settlement Account at the time specified in the Procedures shall be charged interest on the amount of the required payment. The Corporation may also assess penalties against the Defaulting Participant, as specified in the Procedures, if the Defaulting Participant fails to settle.

The Corporation may borrow from some or all of its Participants, in the manner and to the extent specified in the Procedures, an amount up to the entire amount of the Gross Credit Balances of such Participants on the Business Day on which one or more Participants fails to settle its Net Debit Balance. Such borrowing shall be secured by the Pledge, to the lending Participants, on the books of the Corporation, of the Net Additions of the Defaulting Participant or Participants which failed to settle, in the manner specified in Section 2 of Rule 4(A).

Section 3. A Participant may, during a Business Day, instruct the Corporation to transfer Securities from its Minimum Amount to its Net Additions and from its Net Additions to its Minimum Amount. If a Deliverer instructs the Corporation to Deliver Securities to a Receiver and the instruction cannot be satisfied out of the Net Additions of the Deliverer, the instruction shall be deemed to be an instruction to first transfer from the Minimum Amount of the Deliverer to the Net Additions of the Deliverer sufficient Securities so that the instruction to Deliver Securities from the Deliverer to the Receiver can be satisfied out of the Net Additions of the Deliverer. An instruction to transfer Securities from the Minimum Amount of a Deliverer to the Net Additions of the Deliverer, or which is deemed to be such an instruction, shall constitute a representation by the Deliverer that it has full authority, under applicable law, to do so.

Notwithstanding any other provisions of this Rule, a Participant may restrict Deliveries to its Account by other Participants in the manner specified in the Procedures, and the Corporation may restrict Deliveries in the manner specified in the Procedures if the Corporation determines, in its sole discretion, that a Delivery is overvalued or for other reasons.

A Participant with more than one Account may, in the manner specified in the Procedures, (a) group one or more of its Accounts into one or more Account Families, (b) designate the portion of its Collateral to be allocated to each of its Account Families and (c) designate the portion of its Net Debit Cap to be allocated to each of its Account Families. The Corporation shall not be obligated to make any allocations in accordance with such instructions if the Corporation determines, in its sole discretion, that such action might result in financial loss to the Corporation, other Participants or Pledgees. The Corporation may allocate, in the manner specified in the Procedures, any portion of the Collateral of a Participant or its Net Debit Cap which is not allocated by the Participant. If a Participant has more than one Account but does not group its Accounts into one or more Account Families, the Corporation shall group all of the Accounts of the Participant into one Account Family.

The Corporation is authorized to establish priorities for the completion of any transaction the Participant instructs the Corporation to make but which is not completed because of limitations set forth in these Rules.

Each Participant shall settle through its Settling Bank or Back-Up Settling Bank, if any, or, if its Settling Bank or Back-Up Settling Bank, if any, refuses to settle on its behalf, the Participant shall settle with the Corporation directly.

A Participant shall be deemed to have failed to settle when (a) the Corporation receives a Settling Bank Refusal (as defined in Rule 9(D)) from the Settling Bank representing the Participant or when the Settling Bank representing the Participant has failed to pay its Net-Net Debit Balance (as defined in Rule 9(D)) by the time specified in the Procedures and (b) the Participant has not paid its Net Debit Balance to the Corporation by the time specified in the Procedures.

Section 4. If the Corporation shall sell any Securities, the sale may be made in any available market or at public auction or by private sale, and may be made without demand or notice to any Participant. If the sale is made in any market, or if the sale is made at public auction, the Corporation may purchase the Securities sold for its own account.

RULE 9(C)

TRANSACTIONS IN MMI SECURITIES

This Rule applies only to the services provided by the Corporation in the MMI Program:

Section 1. Each MMI Issuing Agent and MMI Paying Agent shall maintain one or more Accounts for its issuing agent activity and its paying agent activity with respect to the issues of MMI Securities for which it acts in that capacity, as specified in the Procedures. One Account may serve a Participant acting in both capacities but that Account shall be governed in each capacity by any Rule relating to that function of the Account as follows:

(a) The Issuing Agent Account with respect to an issue of MMI Securities shall comprise the Account which records the Delivery of such issue of MMI Securities by that MMI Issuing Agent and the Account to which payments therefor are credited as provided in this Rule and as specified in the Procedures.

(b) The Paying Agent Account with respect to an issue of MMI Securities shall comprise the Account to which payments for Presentments with respect to MMI Securities of that issue are debited and the Account to which MMI Securities of that issue which are the subject of Maturity Presentments or Reorganization Presentments are Delivered.

The instruction of an MMI Issuing Agent to the Corporation to Deliver MMI Securities in connection with their issuance shall constitute a representation that such MMI Securities are issued in accordance with applicable law. MMI Securities may be subject of a Free Delivery or a Delivery Versus Payment.

If, in connection with their issuance, MMI Securities are subject of a Free Delivery, upon the instruction of an MMI Issuing Agent, the MMI Securities shall be credited to the Account of the Receiver designated by the MMI Issuing Agent and, simultaneously, a memo entry shall be made to the Issuing Agent Account reflecting that the MMI Securities have been Delivered as instructed.

If, in connection with their issuance, MMI Securities are subject of a Delivery Versus Payment, such Delivery shall be effected as otherwise provided for Deliveries of Securities subject of Incomplete Transactions in Rule 9(B), subject to the further controls provided in Section 2 of this Rule; provided, however, that instead of a debit to the Issuing Agent Account, a memo entry shall be made reflecting that the MMI Securities have been entered on the Account of the Corporation as Securities subject of an Incomplete Transaction and that the credit of payment therefor to the Issuing Agent Account is subject to the further controls provided in Section 2 of this Rule.

A Presentment with respect to MMI Securities may be initiated by the Corporation or by a Presenting Participant, as specified in the Procedures; if a Delivery Versus Payment is so initiated by the Corporation, the instruction therefor shall be deemed to have been given by the Presenting Participant pursuant to these Rules and the Procedures.

A Delivery of MMI Securities may be initiated by the Corporation or by a Presenting Participant, as specified in the Procedures; if a Delivery Versus Payment is initiated by the Corporation, the instruction therefor shall be deemed to have been given by the Presenting Participant pursuant to these Rules and the Procedures for the Delivery to be effected as otherwise provided for Deliveries of Securities subject of Incomplete Transactions in Rule 9(B), subject to the further controls provided in Section 2 of this Rule.

Section 2. Presentments with respect to MMI Securities, including any Deliveries of MMI Securities pursuant to Maturity Presentments and Reorganization Presentments, shall be subject to the following additional controls:

(a) On the day of an issuer's insolvency, as defined in Rule 12, or a Payment Refusal, as specified in the Procedures, the Corporation shall not complete any Incomplete Transaction or other transaction (including any instruction with respect to future Delivery) in the MMI Securities of that issuer newly issued that day. Any credits to the Issuing Agent Account of the MMI Issuing Agent or to any intermediate re-Delivering Participant with respect to the new issue shall be cancelled and each potential Receiver of the new issue shall be re-credited in the amount of its payment therefor. The provisional entry of the associated MMI Securities to the Account of a Receiver shall simultaneously be cancelled and every transaction in those MMI Securities, including any re-Delivery by a Receiver, shall be null and void and of no effect. The parties to the transactions affected thereby shall resolve their respective rights and obligations outside the Corporation. Where the MMI Securities of that issuer newly issued that day are subject of an Incomplete Transaction, the credit of the MMI Securities to the Account of the Corporation and debit of payment to the Account of the Corporation shall likewise be cancelled and the Corporation shall be under no obligation to complete the transaction.

(b) On the day of an issuer's insolvency, as defined in Rule 12, or a Payment Refusal, as specified in the Procedures, the Corporation shall not complete any Maturity Presentment or Reorganization Presentment or Incomplete Transaction in the MMI Securities of that issuer. Any credits to the Accounts of Presenting Participants on account of such Presentment shall be cancelled, the provisional credit of the subject MMI Securities to the Paying Agent Account and debit to the Account of the Presenting Participant shall simultaneously be cancelled and the transactions shall be null and void and of no effect. The parties to the transactions shall resolve their respective rights and obligations outside the Corporation. Where the MMI Securities subject of a Maturity Presentment or Reorganization Presentment are subject of an Incomplete Transaction, the credit of the MMI Securities to the Account of the Corporation and the debit of payment to the Account of the Corporation shall likewise be cancelled and the Corporation shall be under no obligation to complete the transaction.

(c) On the day of an issuer's insolvency, as defined in Rule 12, or a Payment Refusal, as specified in the Procedures, the Corporation shall not complete any Income Presentment or Principal Presentment in the MMI Securities of that issuer. Any credits to the Accounts of the Corporation and Participants, and any debits to the Paying Agent Account on account of such Presentments, shall be cancelled and the transactions shall be null and void and of no effect. The parties to the transactions shall resolve their respective rights and obligations outside the Corporation. If all of the Presentments the Corporation did not complete pursuant to paragraphs (a) and (b) of this Section and the first two sentences of this paragraph are Income Presentments, and if the issuer is not insolvent, as defined in Rule 12, on the Business Day next following the Payment Refusal, the Corporation may re-initiate such Income Presentments and any Incomplete Transactions in newly issued MMI Securities of the issuer that the Corporation did not complete pursuant to the first sentence of paragraph (a) of this Section. If there is another Payment Refusal with respect to the MMI Securities of the issuer on such Business Day, the Corporation may then take the actions described in paragraphs (a) and (b) of this Section and the first two sentences of this paragraph, and all other actions authorized by these Rules.

(d) The credit cancellations provided in paragraphs (a), (b) and (c) of this Section may increase the Family Net Debit of the parties to such transactions over and above their Net Debit Caps. The Participants affected thereby are nevertheless fully obligated to satisfy any Net Debit Balances outstanding. The cancellation of debits and credits of payments and of debits and credits of MMI Securities, under the circumstances provided in these Rules and as specified in the Procedures, are not intended to affect or prejudice the underlying rights and obligations of the parties to the transactions as such rights and obligations may be determined outside the Corporation, subject to applicable law, rules or regulations, agreements or any adjudication thereof.

(e) All MMI Securities of an issuer which is insolvent, as defined in Rule 12, or subject of a Payment Refusal of a MMI Paying Agent, as specified in the Procedures, shall, at the time of such insolvency or Payment Refusal, be Devalued to a Collateral Value of zero and shall not collateralize any transaction. This Devaluation is intended to serve only to protect the integrity of the MMI Program without prejudice to the underlying rights and obligations of the parties to the transactions as such rights and obligations may be determined outside the Corporation, subject to applicable law, rules or regulations, agreements and any adjudication thereof.

(f) A Delivery Versus Payment of MMI Securities shall be effected only if the principal amount of the MMI Securities being Delivered does not exceed the designated amount specified in the Procedures.

(g) In the event that a Receiver fails to settle its Net Debit Balance, the Corporation shall resolve the obligations of the parties to the transaction pursuant to the Failure to Settle Procedure included in the Procedures, as such Procedures may apply particularly to MMI Securities, including but not limited to the obligation of Participants (i) to lend to the Corporation, secured by a Pledge of Securities, and (ii) to repurchase Securities from the Corporation, if so required.

RULE 9(D)

SETTLING BANKS

A Settling Bank shall settle for itself and may settle for other Participants. Each Settling Bank shall agree to abide by these Rules and the Procedures and shall enter into a separate Settling Bank Agreement with the Corporation and each Participant which the Settling Bank represents.

Each Settling Bank shall have the communications facilities with the Corporation specified in the Procedures, shall meet any other requirements specified in the Procedures and shall have on-line access to the Fedwire.

Each Settling Bank shall settle with the Corporation on a net-net basis on each Business Day. The Net Credit Balance of each Participant which settles through a Settling Bank and has a Net Credit Balance on that Business Day and the Net Debit Balance of each Participant which settles through the same Settling Bank and has Net Debit Balance on that Business Day shall be aggregated with the Net Debit Balance or Net Credit Balance on that Business Day of the Settling Bank itself and all such balances shall be netted to a single "Net-Net Debit Balance" or "Net-Net Credit Balance" for the Settling Bank for that Business Day. Throughout each Business Day, the Corporation shall provide each Settling Bank with reports of the Net Debit Balance or Net Credit Balance of each Participant which the Settling Bank represents and the algebraic sum of these amounts. The Settling Bank shall be responsible for collecting the Net Debit Balances from, and paying the Net Credit Balances to, the Participants represented by the Settling Bank.

A Settling Bank may refuse to settle for one or more of its Participants (but not for less than the entire Net Debit Balance of any Participant) in the manner and at the time specified in the Procedures (a "Settling Bank Refusal"). The Settling Bank shall, if it has a Net-Net Debit Balance after any Settling Bank Refusal, pay the amount thereof by the time and manner specified in the Procedures.

A Settling Bank may establish a "Settling Bank Net Debit Cap" for each Participant which the Settling Bank represents and shall inform the Corporation of the amount thereof in the manner specified in the Procedures. A Settling Bank may increase or decrease the amount of the Settling Bank Net Debit Cap for any Participant it represents in the manner and at the times specified in the Procedures.

If a Settling Bank fails to settle in the manner and at the time prescribed in the Procedures, the Settling Bank shall be charged interest on the amount of the required payment calculated in the manner specified in the Procedures and the charge shall be made to the Account of the Settling Bank. In the event of the insolvency of a Settling Bank, the charge shall be made against the Account of the Settling Bank to the extent of the Collateral of the Settling Bank; any remaining charge shall be made against the other Participants represented by the Settling Bank. The Corporation may also assess penalties against a Settling Bank, as specified in the Procedures, in the event that the Settling Bank fails to settle.

A Settling Bank shall not terminate its status as a Settling Bank and shall not terminate its representation of a Participant without having given the Corporation ten Business Days prior notice thereof. No Settling Bank shall commence representation of a Participant without having given the Corporation five Business Days prior notice thereof.

Each applicant to become a Participant and each Participant shall designate, in the manner specified in the Procedures, its Settling Bank and its Back-Up Settling Bank, if any.

In the event that a Settling Bank fails to settle with the Corporation in the manner and at the time specified in the Procedures, due to insolvency or other cause, each Participant represented by that Settling Bank shall cause its Back-Up Settling Bank, if any, to settle with the Corporation. If the Back-Up Settling Bank has a Net-Net Debit Balance after including any Net Credit Balance or Net Debit Balance of such Participant in the net-net settlement between such Back-Up Settling Bank and the Corporation, the Back-Up Settling Bank shall pay the Corporation the amount of such Net-Net Debit Balance. If the Back-Up Settling Bank has a Net-Net Credit Balance after including any Net Credit Balance or Net Debit Balance of such Participant in the net-net settlement between such Back-Up Settling Bank and the Corporation, the Corporation shall pay the Back-Up Settling Bank the amount of such Net-Net Credit Balance. If the Participant does not have a Back-Up Settling Bank, or if its Back-Up Settling Bank also fails to settle with the Corporation, (a) the Participant shall pay the Corporation the amount of its Net Debit Balance or (b) the Corporation shall pay the Participant the amount of its Net Credit Balance.

Notwithstanding anything else contained herein, the Corporation shall have no obligation to any Participant for any obligation of a Settling Bank or Back-Up Settling Bank to a Participant, including any obligation of the Settling Bank or Back-Up Settling Bank to remit to the Participant the amount of any Net Credit Balance of the Participant included in the net-net settlement between such Settling Bank or Back-Up Settling Bank and the Corporation.

RULE 9(E)

CLEARING AGENCY AGREEMENTS

Section 1. All of the terms, conditions and provisions of any Clearing Agency Agreement between the Corporation and any other clearing agency are hereby incorporated by reference in and shall be a part of these Rules, and, subject to Section 2 of this Rule, in the event of any conflict between the terms, conditions and provisions of such Clearing Agency Agreement and any other Rules, the terms, conditions and provisions of the Clearing Agency Agreement shall prevail.

Section 2. Notwithstanding any other provisions of these Rules, including Section 1 of this Rule, the Corporation shall have no obligation to make any payment to a Participant other than a payment of the balance which remains after any Net Credit Balance of the Participant has been applied as required by and in accordance with any Clearing Agency Agreement, and such obligation may be satisfied by a payment to the Participant by either the Corporation or the other clearing agency.

Section 3. If the Corporation is required to make a payment to another clearing agency pursuant to a Clearing Agency Agreement on account of a Participant, the Participant shall have an obligation to the Corporation in an amount equal to such payment, and the Corporation may debit the Settlement Account of the Participant in the amount of such payment.

RULE 10

DISCRETIONARY TERMINATION

Section 1. Based on its judgment that adequate cause exists to do so, the Corporation may at any time (a) cease to act for a Participant with respect to a particular transaction or transactions, a Program or transactions generally or (b) terminate a Participant's right to act as a Settling Bank. Adequate cause for ceasing to act for a Participant or terminating a Participant's right to act as a Settling Bank shall be deemed to exist if:

(i) the Participant has failed to make any payments required by Rule 4 for a period of ten Business Days after demand;

(ii) the Participant has failed to make any required deposit with the Corporation;

(iii) the Participant or Settling Bank has failed to pay any fine, fee or other charge provided for in these Rules or the Procedures on the payment date therefor;

(iv) the Participant has failed to pay any amounts owing with respect to Securities subject to Delivery to it, other than Securities as to which a reclamation is made pursuant to the Procedures, by the time required by the Procedures or reasonable grounds exist for a determination by the Corporation that the Participant will not make such timely payment;

(v) the Participant or the Settling Bank is in such financial or operating condition that reasonable grounds exist for a determination by the Board of Directors, or by the Corporation if time does not permit action by the Board of Directors, that its continuation as a Participant or Settling Bank would jeopardize the interests of the Corporation, other Participants or Pledgees;

(vi) the Board of Directors, or a committee authorized thereby, shall have reasonable grounds to believe (A) that the Participant or its Controlling Management to be responsible for (1) fraud or fraudulent acts, (2) making a misstatement of a material fact or omitting to state a material fact to the Corporation in connection with its application to become a Participant or thereafter, (3) violating any Rule or any agreement with the Corporation or (4) the violation of the Securities Act, the Exchange Act, the Investment Company Act, the Investment Advisers Act, or any rule or regulation thereunder, or (B) that such ceasing to act is necessary for the protection of the Corporation, other Participants or Pledgees or to facilitate the orderly and continuous performance of the Corporation's services;

(vii) the Participant or its Controlling Management has been convicted within the ten years preceding the filing of its application to become a Participant or at any time thereafter of any crime, felony or misdemeanor which involves the purchase, sale or transfer of any Security or the breach of fiduciary duty, or arises out of conduct of the business of a broker, dealer, investment company, investment adviser, underwriter, bank,

trust company, fiduciary, insurance company or other financial institution; or involves robbery, larceny, embezzlement, fraudulent conversion, forgery or misappropriation of funds, Securities or other property; or involves any violation of Section 1341, 1342 or 1343 of Title 18 of the United States Code;

(viii) the Participant or its Controlling Management is permanently or temporarily enjoined by order, judgment or decree of any court or other governmental authority of competent jurisdiction from acting as a broker, dealer, investment company, investment adviser, underwriter, bank, trust company, fiduciary, insurance company or other financial institution or from engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase, sale or transfer of any Security and the enforcement of such injunction or prohibition has not been stayed; or

(ix) the Participant or its Controlling Management is expelled or suspended from a national securities association or exchange registered under the Exchange Act, a self-regulatory organization as defined in Section 3(a)(26) of the Exchange Act or a corporation which engages in clearance and settlement activities or a securities depository or has been barred or suspended from being associated with any member of such an exchange, association, corporation or securities depository;

(x) the Participant or the Settling Bank is subject to statutory disqualification as defined in Section 3(a)(39) of the Securities Exchange Act of 1934, or an order of similar effect issued by a Federal or State banking authority, or other examining authority or regulator, including a non-U.S. examining authority or regulator.

Further, Participants are required to inform the Corporation as to any member of its Controlling Management that is or becomes subject to statutory disqualification (as defined in Section 3(a)(39) of the Exchange Act).

The Corporation may continue to act for a Participant, either unconditionally or on an appropriate temporary or other conditional basis, if the Corporation determines that any standard specified in this Section, as applied to such Participant or its Controlling Management is unduly or disproportionately severe or that the conduct of such Participant or its Controlling Management has been such as not to make it against the interest of the Corporation, other Participants or Pledgees or the public to continue to act for such Participant.

A Settling Bank's right to act as such shall terminate at such time as it ceases to be a Participant.

A written report of the reasons for such action shall be promptly made and filed with the Corporation's records. When the Corporation ceases to act for a Participant with respect to a particular transaction or transactions, it shall notify such Participant and such other Participants and Pledgees as it deems proper and shall determine what steps are to be taken with respect to the transaction or transactions with respect to which it is ceasing to act for such Participant. When the Corporation ceases to act for a Participant with respect to a Program or transactions generally, it shall notify such Participant and all other Participants and Pledgees. The notice that

the Corporation has ceased to act for a Participant given by the Corporation shall state in at least general terms how pending transactions will be affected.

Section 2. Notwithstanding Section 1 of this Rule, the Corporation may not at any time refuse to Deliver a Participant's Deposited Securities to such Participant.

Section 3. After the Corporation has ceased to act for a Participant generally, except as provided by the Board of Directors in any particular case:

(a) The Corporation shall decline to accept instructions from other Participants with respect to any Delivery of Deposited Securities to the Participant and shall decline to accept instructions from the Participant with respect to the Delivery of Deposited Securities to other Participants or Pledges.

(b) The Corporation shall not give effect to the net result to date of the aggregation of instructions between the Participant and any other Participant pursuant to the fourth or fifth paragraph of Section 1 of Rule 9(A), and shall provide the Participant and any such other Participant with a list of the net quantity of each issue of Securities with respect to which the Corporation shall not in the future effect such instructions. The Participant shall be free to seek such remedies as shall be available to it from any such other Participant for any loss it may suffer because such instructions were not effected by the Corporation. The Corporation shall not, however, have any liability with respect to any such loss (provided that the loss is not caused by the Corporation's gross negligence or willful misconduct).

Notwithstanding the foregoing, the Corporation shall Deliver to the Participant any Securities Pledged by such Participant to a Pledgee upon the instructions of such Pledgee.

Section 4. After the Corporation has ceased to act for a Participant with respect to a Program, so far as that Program is concerned, except as provided by the Board of Directors in any particular case:

(a) The Corporation shall decline to accept instructions from other Participants with respect to any Delivery of Deposited Securities to the Participant and shall decline to accept instructions from the Participant with respect to the Delivery of Deposited Securities to other Participants or Pledges.

(b) The Corporation shall not give effect to the net result to date of the aggregation of instructions between the Participant and any other Participant pursuant to the fourth or fifth paragraph of Section 1 of Rule 9(A), and shall provide the Participant and any such other Participant with a list of the net quantity of each issue of Securities with respect to which the Corporation shall not in the future effect such instructions. The Participant shall be free to seek such remedies as shall be available to it from any such other Participant for any loss it may suffer because such instructions were not effected by the Corporation. The Corporation shall not, however, have any liability with respect to any such loss (provided that the loss is not caused by the Corporation's gross negligence or willful misconduct).

Notwithstanding the foregoing, the Corporation shall Deliver to the Participant any Securities pledged by such Participant to a Pledgee upon the instructions of such Pledgee.

Section 5. After the Corporation has ceased to act for a Participant with respect to either a particular transaction or transactions generally, the Corporation shall nevertheless have the same rights and remedies with respect to any Net Debit Balance due from such Participant or any liability incurred on its behalf or on account of its default as though the Corporation had not ceased to act for it.

Section 6. The provisions of this Rule shall not apply in a case where a Participant is insolvent, as defined in Rule 12, and in such case the provisions of Rule 12 shall govern.

RULE 11

MANDATORY TERMINATION

The Corporation, upon determining to its reasonable satisfaction that none of the qualifications set forth in Rule 3 apply to a Participant, shall cease to act for such Participant with respect to transactions generally as provided in Rule 10, and in such case the provisions of Rule 10 and the provisions therein as to notice shall govern.

RULE 12

INSOLVENCY

Section 1. A Participant which fails to perform its contracts or obligations or determines that it is unable to do so shall immediately inform the Corporation orally and in writing of such failure or inability.

Section 2. A Participant shall be treated by the Corporation in all respects as insolvent:

(a) in the event specified in Section 1 of this Rule; provided, however, that a Participant shall not be treated as insolvent hereunder in such event if such Participant provides or posts a bond, indemnity or guaranty which the Corporation, in its sole discretion, deems satisfactory to insure such Participant's performance under such contracts or obligations (without being deemed to have admitted its liability thereunder);

(b) if the Participant shall be a member of the Securities Investor Protection Corporation, in the event that a court finds that the Participant meets any one of the conditions set forth in clauses (i), (ii), (iii), (iv), or (v) of Section 5(b)(1)(A) of the Securities Investor Protection Act of 1970; or

(c) in the event that the Participant is determined to be insolvent by any agency which regulates such Participant or in the event of the entry of a decree or order by a court having jurisdiction in the premises adjudging the Participant a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Participant under the Federal Bankruptcy Code or any other applicable Federal or State law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Participant or of any substantial part of its property, or ordering the winding up or liquidation of its affairs or the institution by the Participant of proceedings to be adjudicated a bankrupt or insolvent or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other applicable Federal or State law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Participant or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Participant in furtherance of any such action.

Section 3. An issuer of MMI Securities subject of any transaction in the MMI Program shall be treated by the Corporation in all respects as insolvent in the event that the issuer is determined to be insolvent by any agency which regulates such issuer or in the event of the entry of a decree or order by a court having jurisdiction in the premises adjudging the issuer a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement,

adjustment or composition of or in respect of the issuer under the Federal Bankruptcy Code or any other applicable Federal or State law or appointing a receiver, liquidator, assignee, trustee, sequester (or other similar official) of the issuer or of any substantial part of its property, or ordering the winding up or liquidation of its affairs or the institution by the issuer of proceedings to be adjudicated a bankrupt or insolvent or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other applicable Federal or State law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequester (or other similar official) of the issuer or of any substantial part of its property, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the issuer in furtherance of any such action and, notwithstanding the foregoing, upon the filing by the issuer of a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the issuer under the Federal Bankruptcy Code or any other applicable Federal or State law, or the filing against it of any such petition or application, at any time the Corporation receives notice thereof, either written or oral and from whatsoever source and, without awaiting any further adjudication, consent thereto, acceptance or approval of such filing, determines to its reasonable satisfaction that such has occurred.

Section 4. From and after the time when the Corporation determines to its reasonable satisfaction that an event specified in Section 2 of this Rule has occurred with respect to a Participant (the “Time of Insolvency”), the Corporation shall cease to act for such Participant, except as determined by the Corporation in any particular case. The Corporation shall, as soon as possible after the Time of Insolvency, notify the insolvent Participant and other Participants and Pledgees whether it has ceased to act for the insolvent Participant pursuant to the provisions of this Rule and such notice shall state, at least in general terms, how pending matters will be affected and what steps are to be taken in connection therewith.

Section 5. From and after the Time of Insolvency of a Participant, except as provided by the Board of Directors in any particular case:

(a) The Corporation shall decline to accept instructions from other Participants with respect to any Delivery of Deposited Securities to the insolvent Participant and shall decline to accept instructions from the insolvent Participant with respect to the Delivery of Deposited Securities to other Participants or Pledgees.

(b) The Corporation shall not give effect to the net result to date of the aggregation of instructions between the insolvent Participant and any other Participant pursuant to the fourth or fifth paragraph of Section 1 of Rule 9(A), and shall provide the insolvent Participant and any such other Participant with a list of the net quantity of each issue of Securities with respect to which the Corporation shall not in the future effect such instructions. The insolvent Participant shall be free to seek such remedies as shall be available to it from any such other Participant for any loss it may suffer because such instructions were not effected by the Corporation. The Corporation shall not, however, have any liability with respect to any such loss (provided that the loss is not caused by the Corporation’s gross negligence or willful misconduct).

Notwithstanding the foregoing, the Corporation shall Deliver to the insolvent Participant any Securities that have been Pledged by such Participant to a Pledgee upon the instructions of such Pledgee.

RULE 13

REINSTATEMENT

A Participant for which the Corporation shall have ceased to act pursuant to the provisions of Rule 10, 11 or 12 may at any time be reinstated by the affirmative vote of a majority of the entire Board of Directors.

RULE 14

INSURANCE

The Corporation shall use its best efforts to maintain such insurance, including fidelity bonds, in such amounts and having such coverage as the Board of Directors shall deem appropriate. The insurance policies or contracts pursuant to which such insurance is provided shall be open to the inspection of Participants and Pledges at the offices of the Corporation during regular business hours on Business Days. If the Corporation shall materially reduce the amount or coverage of any such insurance, or the Persons providing such insurance shall notify the Corporation of a material reduction in the amount or coverage thereof, the Corporation shall promptly notify each Participant and Pledgee and the SEC thereof stating the effective date of such reduction.

RULE 15

REPORTS

As soon as practicable after the end of each calendar year, the Corporation shall provide to each Participant and Pledgee financial statements of the Corporation audited by independent public accountants for such calendar year. The Corporation shall provide unaudited financial statements of the Corporation for each of the first three calendar quarters of each calendar year.

RULE 16

LISTS TO BE MAINTAINED

Section 1. The Corporation shall maintain lists of all Eligible Securities, including MMI Securities, and the Corporation may from time to time add Securities to, or delete Securities from, such lists in accordance with the provisions of Rule 5.

Section 2. The Corporation shall maintain lists of all Participants and Pledges.

RULE 17

ADMISSION TO PREMISES

No Person shall be permitted to enter the premises of the Corporation on behalf of any Participant unless he has first been approved by the Corporation and has been issued such credentials as the Corporation may from time to time prescribe and such credentials shall not have been cancelled or revoked. Such credentials must be shown on demand and to gain entry to the Corporation's premises, must be prominently displayed while on said premises and may limit the portions of the premises to which access is permitted thereunder. Any credentials issued pursuant to this Rule may be revoked at any time by the Corporation, in its sole discretion, and prompt notice of such revocation shall be given to the employer of the Person whose credentials have been so revoked.

Every Person to whom credentials have been or may hereafter be issued by the Corporation (which credentials have not been revoked) authorizing such Person to have access, during the hours when deliveries are to be received, to the portion of the Corporation's premises in which deliveries are received, shall be deemed to have been authorized by such Participant to receive and deliver Securities or other items on behalf of such Participant.

Each Participant shall, if any Person in its employ to whom any credentials have been issued pursuant to this Rule or to whom a power of attorney or other authorization has been given to act for it in connection with the business of the Corporation shall for any reason cease to be so employed, give to the Corporation immediate notice of such termination of employment and, if any such power of attorney or other authorization is otherwise revoked or cancelled, likewise give to the Corporation immediate notice of such revocation or cancellation. All credentials issued pursuant to this Rule shall be immediately surrendered to the Corporation, accompanied by a written statement specifying that they are being surrendered pursuant to this Rule, upon their revocation by the Corporation or by the employer or upon the termination of the employment of the holder thereof.

Unless revoked by the Corporation, all credentials, authorizations and powers of attorney issued pursuant to this Rule or in connection with the work of the Corporation shall remain in full force and effect until the Corporation shall have received notice of the revocation thereof or of the termination of the holder's employment.

Necessary credentials for entering the Corporation's premises shall be provided as specified in the Procedures.

RULE 18

WAIVER OR SUSPENSION OF RULES AND PROCEDURES

The time fixed by these Rules and the Procedures for the doing of any act or acts may be extended or the doing of any act or acts required by these Rules or the Procedures may be waived or any provision of these Rules or the Procedures may be suspended by the Board of Directors, the Chairman of the Board, the President or any Managing Director or Vice President whenever, in its or his judgment, such extension, waiver or suspension is necessary or expedient.

A written report of any such extension, waiver or suspension (other than an extension of time of less than one hour), stating the pertinent facts, the identity of the Person or Persons who authorized such extension, waiver or suspension and the reason such extension, waiver or suspension was deemed necessary or expedient, shall be promptly made and filed with the Corporation's records and shall be available for inspection by any Participant or Pledgee during regular business hours on Business Days. Any such extension or waiver may continue in effect after the event or events giving rise thereto but shall not continue in effect for more than 60 days after the date thereof unless it shall be approved by the Board of Directors within such period of 60 days.

RULE 19

NOTICE OF PROPOSED RULE CHANGES

The Corporation shall immediately notify all Participants and Pledges of any proposal it has made to change or revise these Rules and of any proposal it has made to add or repeal any Rule, and of the text of any such proposal. Participants and Pledges may submit to the Corporation for its consideration their comments with respect to any such proposal, and such comments shall be filed with the Corporation's records and copies thereof shall be delivered to the SEC.

RULE 20

CHARGES FOR SERVICES RENDERED

Each Participant shall pay such fees and charges to the Corporation as shall be specified in the Procedures and approved by the Board of Directors on a reasonable and nondiscriminatory basis. The Board of Directors may by resolution delegate to the Chairman of the Board the power to approve such fees and charges. In addition, a Participant may be charged for any unusual expenses caused directly or indirectly by such Participant or incurred at its request including, but without limitation, the cost of producing records pursuant to a court order, or other legal process in any litigation or other legal proceeding to which such Participant is a party or in which such records relating to such Participant are so required to be produced, whether such production is required at the instance of such Participant or of any other party.

RULE 21

DISCIPLINARY SANCTIONS

The Corporation may discipline a Participant or Pledgee for a violation of these Rules or the Procedures or for errors, delays or other conduct detrimental to the operations of the Corporation, other Participants or Pledgees, or for not providing adequate facilities for its business with the Corporation by imposing any of the following sanctions: expulsion; suspension; limitation of activities, functions and operations; fine; censure; and any other fitting sanction. In addition, in the event that a Participant shall violate these Rules, the Procedures or any of its agreements with the Corporation, the Corporation may require such cash or other deposit by a Participant to the Participants Fund or otherwise as shall be necessary or appropriate to protect the Corporation, other Participants or Pledgees, in the circumstances.

In the event that a Participant shall fail to settle, the Corporation is authorized by these Rules and the Procedures to charge interest to that Participant and/or other Participants in substantially the same amounts as the Corporation shall have paid by reason of such event; the charge of such interest shall not be considered a disciplinary sanction subject to this Rule or Rule 22.

When the Corporation proposes to impose a sanction it shall send the Participant or Pledgee a written statement describing the reason for the proposed sanction and notifying the Participant or Pledgee that it has an opportunity to respond pursuant to Rule 22. The sanction proposed may be imposed by the Chairman of the Board, the President or the Secretary unless, within five Business Days after notification of such proposed sanction, the Participant or Pledgee provides notice of its desire to contest the sanction, as provided in Rule 22. The right to contest a sanction before it is imposed pursuant to Rule 22 shall not apply to a case where the Corporation summarily suspends and closes the accounts of a Participant or Pledgee pursuant to the Exchange Act.

Note: Section 17A(b)(5)(C) of the Exchange Act permits the Corporation summarily to suspend and close the Accounts of a Participant. That section also provides that a Participant so summarily suspended shall be promptly afforded an opportunity for hearing by the Corporation and that the appropriate regulatory agency for the Participant may stay any such summary suspension. Section 19 of the Exchange Act contains provisions relevant to a Participant's remedies in the event of its summary suspension.

RULE 22

RIGHT TO CONTEST DECISIONS

Section 1. A Participant or Pledgee, applicant to become a Participant or Pledgee or issuer of a Security, as the case may be (an “Interested Person”), shall have an opportunity to be heard on any decision of the Corporation:

(a) which proposes to deny the applicant’s application to become a Participant or Pledgee;

(b) to cease to act for the Participant pursuant to Rule 10, 11 or 12;

(c) to summarily suspend and close the Accounts of the Participant or Pledgee pursuant to the Exchange Act;

(d) to terminate its agreement with the Pledgee, as provided in Section 3 of Rule 2;

(e) which proposes to impose a disciplinary sanction pursuant to Rule 21; or

(f) any determination of the Corporation that an Eligible Security shall cease to be such.

Section 2. An Interested Person may request an opportunity to be heard by filing with the Secretary of the Corporation, within the applicable time period specified by these Rules, a written request for a hearing setting forth (a) the action or proposed action of the Corporation with respect to which the hearing is requested, and (b) the name of the Interested Person and its representative who may be contacted with respect to the hearing. Within seven Business Days after the Interested Person files such written request with the Corporation, or three Business Days in the case of summary action taken against the Interested Person pursuant to the Exchange Act, the Interested Person shall submit to the Corporation a clear and concise written statement setting forth with particularity the action or proposed action of the Corporation with respect to which the hearing is requested, the basis for objection to such action and whether the Interested Person chooses to be represented by counsel at the hearing. If the written statement contests the Corporation’s determination that the Interested Person has violated a Rule or a Procedure, the statement must specifically admit or deny each violation alleged and detail the reasons why the Rules or the Procedures alleged to have been violated are being contested. Any alleged violation not specifically denied shall constitute an admission to that violation. The Corporation may reject the statement if it fails to set forth a prima facie basis for contesting the violation.

The failure of the Interested Person to file the written request referred to above within the time period required by these Rules and/or the failure of the Interested Person to submit the written statement referred to above within the time period specified above shall constitute a waiver by the Interested Person of its right to a hearing. The Corporation shall notify the

Interested Person in writing of the date, place and hour of the hearing at least five Business Days prior to the hearing.

Section 3. If an Interested Person desires to dispute a fine imposed by the Corporation and complies with the requirements described above regarding filing a written request for a hearing and a written statement, the Corporation shall automatically conduct a review of the disputed fine. The Corporation may examine the written statement submitted by the Interested Person and/or arrange a meeting with the Interested Person to discuss the disputed fine. If the Corporation determines to waive the fine, it shall inform the Board of Directors (or an authorized Committee thereof) of its determination and its reasons thereof. The Board of Directors or Committee, as applicable, may, in its discretion, determine to reinstate any fine waived by the Corporation. If the Corporation determines not to waive the fine as a result of the review process, the Interested Person shall be entitled to a hearing pursuant to this Rule. The Corporation shall advise the Interested Person of the result of the review process.

Section 4. A hearing requested in connection with a violation of the Rules or the Procedures of the Corporation for which a fine may be assessed against the Interested Person in an amount not to exceed \$5,000 (a “Minor Rule Violation”), shall be held before a panel of three officers of the Corporation (a “Minor Violation Panel”). The members of the Minor Violation Panel shall select one of their numbers to be the chairman, and the chairman shall be the person in charge of the conduct of the hearing. At the hearing, an officer of the Corporation shall present the case against the Interested Person. The Interested Person shall have an opportunity to be heard and may be represented by counsel. A record shall be kept of the hearing and the costs associated with the hearing may, in the discretion of the Corporation, be charged in whole or in part to the Interested Person if the decision is adverse to the Interested Person. The Minor Violation Panel shall provide the Interested Person with a written statement of its decision no later than ten business days after the conclusion of the hearing. If the decision of the Minor Violation Panel is adverse to the Interested Person, the Interested Person may request a further hearing under Section 5 of this Rule by filing a written request with the Secretary of the Corporation within five business days of receipt of such written statement. The Corporation shall notify the Interested Person of the date, time and place of the hearing at least five business days prior to the hearing. The failure of the Interested Person to submit the written request within the required time period shall be deemed an election to waive the right to any further hearing.

A Minor Rule Violation as defined in this Rule shall be deemed a minor rule violation within the meaning of Rule 19d-1(c)(2) under the Securities Exchange Act of 1934, as amended (the “Act”), and this Rule shall be deemed a “plan” within the meaning thereof.

Section 5. A hearing requested in connection with any matter which is not deemed a “Minor Rule Violation” as defined in Section 4 of this Rule, and any hearing requested in connection with an appeal of the decision of the Minor Rule Violation Panel, shall be before three members of a panel (a “Panel”) selected by the Chairman of the Board from a pool (a “Pool”) of Persons employed by or partners of Participants. Persons shall be appointed members of the Pool by the Board of Directors or the Chairman of the Board.

Notwithstanding the above, the Panel shall not include any Person who had responsibility for the action or proposed action of the Corporation as to which the hearing relates.

At the hearing, the Interested Person shall be afforded an opportunity to be heard and may be represented by counsel if the Interested Person has so elected pursuant to Section 2 of this Rule. A record shall be kept of any hearing held pursuant to this Rule, and the cost associated with the hearing may, in the discretion of the Panel, be charged in whole or in part to the Interested Person in the event that the decision at the hearing is adverse to the Interested Person.

The Panel shall advise the Interested Person of its decision in writing within ten Business Days after the conclusion of the hearing. If the decision of the Panel shall have been to deny the Interested Person's application to become a Participant or a Pledgee, or to terminate the eligibility of a Security for the services of the Corporation, a notice of decision setting forth the specific grounds upon which the decision is based shall be furnished to the Interested Person. If the decision of the Panel shall have been to impose a disciplinary sanction on the Interested Person in accordance with Rule 21 or to affirm any summary action previously taken against the Interested Person pursuant to the Exchange Act, the Interested Person shall be given a notice of decision setting forth (a) any act or practice in which the Interested Person has been found to have engaged, or which the Interested Person has been found to have omitted, (b) the specific provision(s) of these Rules or the Procedures or of the Participant's agreements with the Corporation which any such act or practice or omission to act has been deemed to violate and (c) the sanction imposed and the reasons therefore. A copy of the Panel's notice of decision shall also be furnished to the Chairman of the Board.

Decisions of the Panel are final, but the Board of Directors may in its discretion modify any sanction or reverse any decision of the Panel that is adverse to the Interested Person.

The reversal or modification at the hearing or subsequently by the Board of Directors, the SEC or any other Person of any action previously taken against the Interested Person pursuant to the Exchange Act shall not invalidate the acts of the Corporation or its officers, directors, employees or agents taken prior to such reversal or modification.

Section 7. Any action or proposed action of the Corporation as to which an Interested Person has the right request a hearing pursuant to this Rule, shall be deemed final (a) when the Interested Person stipulates to the taking of such action by the Corporation, at which time the Corporation shall furnish the Interested Person with a statement containing the information referred to in Section 5 of this Rule, or (b) upon the expiration of the applicable time period provided in these Rules for the filing of a written request or a written statement pursuant to Section 2 of this Rule, at which time any such proposed action of the Corporation shall become effective and at which time the Corporation shall furnish the Interested Person with a statement containing the information referred to in Section 5 of this Rule, or (c) if a hearing has been held pursuant to this Rule, when the Corporation gives notice to the Interested Person of the Panel's decision pursuant to Section 5 of this Rule.

RULE 23

BILLS RENDERED

The Corporation shall render bills to Participants in the manner specified in the Procedures for charges on account of services provided or fines imposed.

RULE 24

FORMS

In connection with any transactions or matters handled through, with or by the Corporation under or pursuant to these Rules or the Procedures, such forms of lists, notices and other documents shall be used as the Corporation may from time to time prescribe, and additions to, changes in and elimination of any such forms may be made by the Corporation at any time in its discretion.

RULE 25

BUSINESS DAYS

The Procedures shall specify the days on which the Corporation will be open for business. The Corporation shall not be required to be open for business on any day solely because it is a business day in one or more locations where Participants engage in business. Any deliveries to the Corporation, any deliveries which the Corporation is required to make and any transactions which the Corporation is instructed to effect on days on which the Corporation is not open for business shall be accepted, made or effected on the next day on which the Corporation is open for business. In the MMI Program, which provides for the Corporation to initiate Maturity, Reorganization, Income and Principal Presentments, the Corporation shall schedule such Presentments for a day on which the Corporation will be open for business as specified in the Procedures; provided, however, that in the event such a Presentment would nevertheless occur on a day on which the Corporation is not open for business, the Corporation shall initiate the Presentment on the next day on which the Corporation is open for business subject to such terms, conditions and other arrangements as the Corporation and affected Participants may make under the circumstances at the time.

RULE 26

FACSIMILE SIGNATURES

The Corporation may, at its option, in lieu of relying on an original signature, rely on a signature as if it were (and the signature shall be considered and have the same effect as) a valid and binding original signature in the following circumstances:

If such signature is transmitted, recorded or stored by any electronic, optical, or similar means (including but not limited to telecopy, imaging, xeroxing, electronic mail, electronic data interchange, telegram, or telex).

RULE 27

PROCEDURES

The Board of Directors shall, pursuant to these Rules, prescribe from time to time Procedures with respect to the business of the Corporation. The Board of Directors may by resolution delegate to the Chairman of the Board, or any other DTC officer referenced in such resolution, the power to prescribe Procedures. Each Participant and the Corporation shall be bound by such Procedures and any amendment thereto in the same manner as it is bound by the provisions of the By-Laws and these Rules. Participants and Pledgees shall be given ten Business Days notice of any amendment of the Procedures, service guides, and regulations.

RULE 28

DELEGATION

Where action by the Board of Directors is required by these Rules, the Corporation may act, to the full extent permitted by law, by the Chairman of the Board, the President or any Managing Director or Vice President or by such other Person or Persons, whether or not employed by the Corporation, as may be designated by the Board of Directors from time to time.

RULE 29

CAPTIONS

Captions to these Rules are for information and guidance only, are not a part of these Rules and are to be given no consideration in applying or construing these Rules.

RULE 30

CANADIAN-LINK SERVICE

For convenience of reference, set forth below are terms defined in this Rule 30 and the Section in which such terms are defined:

<u>Defined Term</u>	<u>Section</u>
CAD Funds	1(h)(3)
Canadian-Link CAD Money Settlement	1(a)(15)
Canadian-Link CAD Net Debit Cap	8(a)
Canadian-Link CAD Net Settlement Credit	12(b)
Canadian-Link CAD Net Settlement Debit	12(b)
Canadian-Link Funds Transactions	1(h)(8)
Canadian-Link Interface	5(a)
Canadian-Link Net Debit Cap	8(a)
Canadian-Link Net Settlement Credit	12(b)
Canadian-Link Net Settlement Debit	12(b)
Canadian-Link Participants	1(h)(1)
Canadian-Link Participants Fund Cash	6(c)
Canadian-Link Required Participants Fund Deposit	6(a)
Canadian-Link Securities	1(h)(14)
Canadian-Link Securities Transactions	1(h)(7)
Canadian-Link Service	1(a)
Canadian-Link Transactions	1(h)(11)
Canadian-Link USD Net Debit Cap	8(a)
Canadian-Link USD Net Settlement Credit	12(b)
Canadian-Link USD Net Settlement Debit	12(b)
CDS	1(a)
CDS Business Day	11(a)
CDS Documents	2(a)
CDS Participants	1(h)(2)
CDS Payment Exchange	13(a)
CDS Settlement Recap	12(a)
CDS Settlement Recap Time	12(a)
Collateral Monitor Conversion Rate	16(b)
Cross-Border CAD Funds Transactions	1(a)(4)
Cross-Border CAD Securities Transactions	1(a)(1)
Cross-Border Net Additions	7(b)
Cross-Border Securities	1(h)(12)
Cross-Border Securities Transactions	1(h)(6)
Cross-Border USD Securities Transactions	1(a)(2)
Cross-Border Transactions	1(h)(9)
DTC Business Day	11(a)
DTC Canadian Settlement Bank	13(a)
DTC Omnibus Account	5(a)
DTC Omnibus Account CAD Net Debit Cap	8(a)
DTC Omnibus Account CAD Net Settlement Credit	12(a)

DTC Omnibus Account CAD Net Settlement Debit	12(a)
DTC Omnibus Account Net Debit Cap	8(a)
DTC Omnibus Account Net Settlement Credit	12(a)
DTC Omnibus Account Net Settlement Debit	12(a)
DTC Omnibus Account USD Net Debit Cap	8(a)
DTC Omnibus Account USD Net Settlement Credit	12(a)
DTC Omnibus Account USD Net Settlement Debit	12(a)
DTC Settlement Payment Deadline	13(b)
DTC Settlement Recap	12(b)
DTC Settlement Recap Time	12(b)
Full-Service Canadian-Link Security Funds	4(a)
Intra-DTC CAD Funds Transactions	1(h)(5)
Intra-DTC CAD Securities Transactions	1(a)(5)
Intra-DTC Securities	1(a)(3)
Intra-DTC Transactions	1(h)(13)
Limited-Service Canadian-Link Security	1(h)(10)
Participant Canadian Settlement Bank	4(a)
Payment Default Conversion Rate	13(d)
Payment Default Exchange Rate	16(c)
Rules and Procedures of CDS	16(a)
USD Funds	2(a)
	1(h)(4)

Section 1. Overview of Canadian-Link Service.

In General

(a) Through a link between the Corporation and CDS Clearing and Depository Services Inc. (“CDS”), the Corporation provides a service (the “Canadian-Link Service”) for:

- (1) the settlement of valued transactions (A) in Securities that are Eligible Securities (as described in Section 1 of Rule 5) and Securities that are not Eligible Securities (B) in Canadian dollars (C) between Participants of the Corporation and participants of CDS (“Cross-Border CAD Securities Transactions”);
- (2) the settlement of valued transactions in (A) Securities that are not Eligible Securities (B) in US dollars (C) between Participants of the Corporation and participants of CDS (“Cross-Border USD Securities Transactions”);

- (3) the settlement of valued transactions (A) in Securities that are Eligible Securities (B) in Canadian dollars (C) between Participants of the Corporation and other Participants of the Corporation (“Intra-DTC CAD Securities Transactions”);
- (4) the transfer of Canadian dollars between Participants of the Corporation and participants of CDS (“Cross-Border CAD Funds Transactions”); and
- (5) the transfer of Canadian dollars between Participants of the Corporation and other Participants of the Corporation (“Intra-DTC CAD Funds Transactions”).

(b) The Corporation provides the Canadian-Link Service as a securities intermediary for its Participants. All transactions in securities and transfers of funds are subject to the Rules and Procedures of the Corporation, including this Rule 30 and the Procedures adopted hereunder. In the event of a conflict between the provisions of this Rule 30 and the Procedures adopted hereunder and the provisions of any other Rules and Procedures of the Corporation, the provisions of this Rule 30 and the Procedures adopted hereunder shall prevail. The Canadian-Link Service shall constitute a Program for purposes of the Rules and Procedures of the Corporation.

Specific Transactions

(c) For the settlement of a Cross-Border CAD Securities Transaction between a Participant of the Corporation and a participant of CDS:

- (1) where a Participant of the Corporation is the seller of the Securities, (A) the Securities are debited from the account of the seller at the Corporation, credited to the account of the Corporation at CDS and delivered against payment to the purchaser through the facilities of CDS, (B) money settlement between the Corporation and CDS is included in the Canadian dollar settlement of transactions processed through the facilities of CDS and (C) money settlement between the Corporation and the seller takes place between Canadian settlement banks acting for the Corporation and the Seller; and
- (2) where a Participant of the Corporation is the purchaser of the Securities, (A) the Securities are delivered against payment to the Corporation through the facilities of CDS, debited from the account of the Corporation at CDS and credited to the account of the purchaser at the Corporation, (B) money settlement between the Corporation and CDS is included in the Canadian dollar settlement of transactions processed through the facilities of CDS and (C) money settlement between the Corporation and the purchaser takes place between Canadian settlement banks acting for the Corporation and the purchaser.

(d) For the settlement of a Cross-Border USD Securities Transaction between a Participant of the Corporation and a participant of CDS:

- (1) where a Participant of the Corporation is the seller of the Securities, (A) the Securities are debited from the account of the seller at the Corporation, credited to the account the Corporation at CDS and delivered against payment to the purchaser through the facilities of CDS, (B) money settlement between the Corporation and CDS is included in the US dollar settlement of transactions processed through the facilities of the Corporation and (C) money settlement between the Corporation and the seller is also included in the US dollar settlement of transactions processed through the facilities of the Corporation; and
 - (2) where a Participant of the Corporation is the purchaser of the Securities, (A) the Securities are delivered against payment to the Corporation through the facilities of CDS, debited from the account of the Corporation at CDS and credited to the account of the purchaser at the Corporation, (B) money settlement between the Corporation and CDS is included in the US dollar settlement of transactions processed through the facilities of the Corporation and (C) money settlement between the Corporation and the purchaser is also included in the US dollar settlement of transactions processed through the facilities of the Corporation.
- (e) For the settlement of an Intra-DTC CAD Securities Transaction between a Participant of the Corporation and another Participant of the Corporation:
- (1) the Securities are debited from the account of the seller at the Corporation and credited to the account of the purchaser at the Corporation;
 - (2) money settlement between the Corporation and the seller takes place between Canadian settlement banks acting for the Corporation and the seller; and
 - (3) money settlement between the Corporation and the purchaser also takes place between Canadian settlement banks acting for the Corporation and the purchaser.
- (f) A Cross-Border CAD Funds Transaction between a Participant of the Corporation and a participant of CDS is processed through the facilities of CDS.
- (g) An Intra-DTC CAD Funds Transaction between a Participant of the Corporation and another Participant of Corporation is processed though Canadian settlement banks acting for the Corporation and such Participants.

Certain Definitions

- (h) For purposes of this Rule 30:
- (1) Participants of the Corporation that use the Canadian-Link Service are referred to as “Canadian-Link Participants”;
 - (2) participants of CDS (other than the Corporation) are referred to as “CDS Participants”;

- (3) funds denominated in Canadian dollars are referred to as “CAD Funds”;
- (4) funds denominated in US dollars are referred to as “USD Funds”;
- (5) CAD Funds and USD Funds are referred to, individually or collectively as the context may require, as “Funds”;
- (6) Cross-Border CAD Securities Transactions and Cross-Border USD Securities Transactions are referred to, individually or collectively as the context may require, as “Cross-Border Securities Transactions”;
- (7) Cross-Border CAD Securities Transactions, Cross-Border USD Securities Transactions and Intra-DTC CAD Securities Transactions are referred to, individually or collectively as the context may require, as “Canadian-Link Securities Transactions”;
- (8) Cross-Border CAD Funds Transactions and Intra-DTC CAD Funds Transactions are referred to, individually or collectively as the context may require, as “Canadian-Link Funds Transactions”;
- (9) Cross-Border CAD Securities Transactions, Cross-Border USD Securities Transactions and Cross-Border CAD Funds Transactions are referred to, individually or collectively as the context may require, as “Cross-Border Transactions”;
- (10) Intra-DTC CAD Securities Transactions and Intra-DTC CAD Funds Transactions are referred to, individually or collectively as the context may require, as “Intra-DTC Transactions”;
- (11) Cross-Border Transactions and Intra-DTC Transactions are referred to, individually or collectively as the context may require, as “Canadian-Link Transactions”;
- (12) Securities that are the subject of Cross-Border CAD Securities Transactions or Cross-Border USD Securities Transactions are referred to, individually or collectively as the context may require, as “Cross-Border Securities”;
- (13) Securities that are the subject of Intra-DTC CAD Securities Transactions are referred to, individually or collectively as the context may require, as “Intra-DTC Securities”;
- (14) Cross-Border Securities and Intra-DTC Securities are referred to, individually or collectively as the context may require, as “Canadian-Link Securities”; and
- (15) the money settlement of Canadian-Link Transactions in CAD Funds between the Corporation and Canadian-Link Participants is referred to as “Canadian-Link CAD Money Settlement”.

Section 2. CDS Documents.

(a) The Corporation has entered into various agreements with CDS, and as a participant of CDS has undertaken to abide by the rules, procedures and user guides of CDS (the “Rules and Procedures of CDS”). Such agreements and the Rules and Procedures of CDS, as the same may be amended or supplemented from time to time, are collectively referred to as the “CDS Documents”. Notwithstanding anything else contained in this Rule 30 or otherwise in the Rules and Procedures of the Corporation, the Corporation shall offer the Canadian-Link Service only for so long as the Corporation continues to be a participant of CDS and there have been no changes in the CDS Documents, or actions taken by CDS, which would, in the judgment of the Corporation, prevent or impair the ability of the Corporation to offer the Canadian-Link Service or make it impractical or onerous for the Corporation to do so.

(b) Each Canadian-Link Participant shall observe and comply with the CDS Documents applicable to the Canadian-Link Service as if such Canadian-Link Participant were a CDS Participant and a direct party to the CDS Documents. Each Canadian-Link Participant acknowledges that the CDS Documents may include grants of security interests in and liens on Cross-Border Securities and CAD Funds in which such Canadian-Link Participant may have an interest, and that certain risk management controls, failure to settle procedures, loss allocation rules and other terms and conditions of the CDS Documents may also affect such interest. Each Canadian-Link Participant further acknowledges that, pursuant to the CDS Documents, the Corporation must observe and comply with the CDS Documents applicable to the Canadian-Link Service and that, in the event of a conflict between provisions of the CDS Documents and provisions of the Rules and Procedures of the Corporation, the provisions of the CDS Documents shall prevail. Accordingly, in no case shall the performance of the obligations of the Corporation to CDS and CDS Participants under the CDS Documents be deemed to constitute a default in the performance of the obligations of the Corporation to any Canadian-Link Participants under the Rules and Procedures of the Corporation.

(c) The Corporation shall make copies of all CDS Documents available to Canadian-Link Participants.

Section 3. Participants Eligible for Canadian-Link Service.

(a) All Participants of the Corporation shall be eligible to become Canadian-Link Participants and use the Canadian-Link Service; provided, however, that all Canadian-Link Participants shall be subject to (i) the Rules and Procedures of the Corporation, including this Rule 30 and the Procedures adopted hereunder, (ii) the CDS Documents, (iii) the actions of the Corporation as a participant of CDS in providing the Canadian-Link Service to Canadian-Link Participants and (iv) any other or further requirements for the use of the Canadian-Link Service adopted by the Corporation and set forth in the Procedures.

(b) Each Canadian-Link Participant shall enter into such agreements, execute such documents and instruments and provide such information as the Corporation may require in connection with its use of the Canadian-Link Service.

(c) The Corporation shall maintain a list of all Canadian-Link Participants, and the Corporation may, from time to time, add Participants to or delete Participants from such list in accordance with this Section 3.

Section 4. Securities Eligible for the Canadian-Link Service.

(a) The Corporation shall designate and set forth in the Procedures the criteria for a Security to be a Canadian-Link Security and whether a Canadian-Link Security shall be eligible for all purposes of the Canadian-Link Service (a “Full-Service Canadian-Link Security”) or whether a Canadian-Link Security shall be eligible for only certain purposes of the Canadian-Link Service (a “Limited-Service Canadian-Link Security”). The Corporation shall determine, in its sole and absolute discretion, whether a Security shall be a Canadian-Link Security and, if so, whether it shall be a Full-Service Canadian-Link Security or a Limited-Service Canadian-Link Security. The Corporation shall further determine, in its sole and absolute discretion, what limitations shall apply to the custody and processing of a Canadian-Link Security that is a Limited-Service Canadian-Link Security. A Security that is an Eligible Security may or may not be a Canadian-Link Security and may or may not be the subject of Cross-Border CAD Securities Transactions, Cross-Border USD Securities Transactions and/or Intra-DTC Securities Transactions. A Security that is not an Eligible Security may be a Limited-Service Canadian-Link Security but it may not be a Full-Service Canadian-Link Security and may not be the subject of Intra-DTC CAD Securities Transactions. In no case may a Security be a Canadian-Link Security if the issuer is on an OFAC list of specially designated nationals and blocked persons or is incorporated in a jurisdiction on an OFAC list of sanctioned countries. The Corporation may determine, in its sole and absolute discretion, (i) that a Security is no longer a Full-Service Canadian-Link Security but may be a Limited-Service Canadian-Link Security, (ii) that a Security which is a Limited-Service Canadian-Link Security may become a Full-Service Canadian-Link Security or (iii) that a Security is no longer a Canadian-Link Security.

(b) For purposes of this Rule 30, all references to a Canadian-Link Security shall mean a Full-Service Canadian-Link Security unless otherwise specified.

(c) The Corporation shall maintain a list of all Full-Service Canadian-Link Securities and all Limited-Service Canadian-Link Securities, and the Corporation may, from time to time, add Securities to or delete Securities from such list in accordance with this Section 4.

Section 5. Canadian-Link Interface and DTC Omnibus Account .

(a) The Corporation maintains certain accounts for CDS and CDS maintains certain accounts for the Corporation pursuant to which positions in Cross-Border Securities may be moved from the Corporation to CDS and from CDS to the Corporation by electronic book-entry in accordance with the Rules and Procedures of the Corporation and the Rules and Procedures of CDS (such accounts collectively, the “Canadian-Link Interface”). CDS also maintains for the Corporation, as a participant of CDS, one or more ledgers, each consisting of a series of accounts, including a securities account (to record Cross-Border Securities held by CDS for the Corporation and Cross-Border Securities to be delivered by the Corporation to CDS) and a funds account denominated in Canadian dollars (to record the net amount of CAD Funds owing from time to time intra-day between CDS and the Corporation) or US dollars (to record the net amount

of USD Funds owing from time to time intra-day between CDS and the Corporation). Such ledgers and the accounts included in such ledgers are collectively referred to as the “DTC Omnibus Account”.

(b) The Corporation shall make the DTC Omnibus Account available for the purpose of processing Cross-Border Transactions between Canadian-Link Participants and CDS Participants. The Corporation shall act on behalf of Canadian-Link Participants and in accordance with their instructions but shall at all times maintain control over the Cross-Border Securities and Funds credited to the DTC Omnibus Account.

(c) Cross-Border Securities credited to the DTC Omnibus Account are held by CDS as a securities intermediary for the Corporation. The interest of a Canadian-Link Participant in such Cross-Border Securities credited to the DTC Omnibus Account (i) can be no greater than the interest of the Corporation in such Cross-Border Securities and (ii) is subject to all of the obligations of the Corporation and rights of CDS and CDS Participants in respect of such Cross-Border Securities under the CDS Documents.

(d) The Canadian-Link Interface and the DTC Omnibus Account are not Accounts (as defined in Section 1 of Rule 1), except for the limited purpose specified in Section 9(b) of this Rule 30.

Section 6. Canadian-Link Required Participants Fund Deposit .

(a) Each Canadian-Link Participant shall be required to deposit to the Participants Fund (as described in Section 1 of Rule 4) an amount of USD Funds in addition to the amount of USD Funds specified in Section 1(a)(i) of Rule 4 (a “Canadian-Link Required Participants Fund Deposit”). The Canadian-Link Required Participants Fund Deposit shall be in cash. The Canadian-Link Required Participants Fund Deposit of each Canadian-Link Participant shall be determined by a formula (taking into account the volume of transactions of each Canadian-Link Participant) that shall be fixed by the Corporation and set forth in the Procedures. The Corporation may, from time to time, change the formula for determining the Canadian-Link Required Participants Fund Deposits of Canadian-Link Participants; provided, however, that notice of such change shall be given to each Canadian-Link Participant at least ten Business Days in advance of the effective date thereof.

(b) For all purposes under the Rules and Procedures of the Corporation, the Canadian-Link Required Participants Fund Deposit of a Participant that is a Canadian-Link Participant shall be deemed to be a part of the Required Participants Fund Deposit of such Participant and all references to the Required Participants Fund Deposit of a Participant shall be deemed to include the Canadian-Link Required Participants Fund Deposit of a Participant that is a Canadian-Link Participant.

(c) That portion of the cash in the Participants Fund equal to the aggregate amount of the Canadian-Link Required Participants Fund Deposits of all Canadian-Link Participants (“Canadian-Link Participants Fund Cash”) may be partially or wholly invested by the Corporation, in its sole discretion for its account, either (i) in the manner provided in Section 1(g) of Rule 4 or (ii) in securities issued or guaranteed as to principal and interest by the

Government of Canada or repurchase agreements relating to securities issued or guaranteed as to principal and interest by the Government of Canada and to the extent not so invested shall be deposited by the Corporation in its name in a depository or depositories selected by the Corporation. Any securities, repurchase agreements or deposits in which Canadian-Link Participants Fund Cash is invested may be sold by the Corporation or Pledged (as defined in Section 1 of Rule 4(A)) as security for loans made to the Corporation, as provided in Rule 4(A). The Corporation shall pay interest to a Canadian-Link Participant on its Canadian-Link Required Participants Fund Deposit at the rate the Corporation earns on its investment of Canadian-Link Participants Fund Cash or as specified in the Procedures.

Section 7. Security for Canadian-Link Transactions .

(a) To secure the obligations of a Canadian-Link Participant to the Corporation in respect of its Canadian-Link Transactions and use of the Canadian-Link Service, the Corporation shall have all of the rights and powers and all of the security interests in and liens on Cash, Net Additions and Preferred Stock set forth in Rule 4(A) and the other Rules and Procedures of the Corporation.

(b) In addition, in the manner and for the purposes set forth in this Rule 30 and the Procedures adopted hereunder, the Corporation shall hold the entire interest in, and shall have the authority of a holder of securities to act, in its sole discretion, with respect to any Cross-Border Securities credited to the DTC Omnibus Account (“Cross-Border Net Additions”), to issue or transfer the entire interest in such Securities, including the authority to sell, Pledge or otherwise dispose of such Securities. In furtherance of the rights of the Corporation pursuant to this Rule 30 and the Procedures adopted hereunder and for the purpose of securing loans made to the Corporation, subject only to such terms and conditions as may be provided in the Rules and Procedures of the Corporation, the Corporation shall have full power and authority to Pledge any or all Cross-Border Net Additions. Such loans shall be on terms and conditions deemed necessary or advisable by the Corporation (including collateralization thereof), in its sole discretion, and may be in amounts greater, and extend for periods of time longer, than the obligations, if any, of any Canadian-Link Participant to the Corporation secured by the Pledge (by book entry or otherwise) of such property. No Canadian-Link Participant shall have any right, claim or action against any secured Lender (as defined in Section 1 of Rule 1) or any collateral agent of such secured Lender, for the return or otherwise in respect, of any such collateral Pledged by the Corporation to such secured Lender, or its collateral agent, so long as any loans made by such secured Lender to the Corporation or other obligations, secured by such collateral, are unpaid and outstanding.

Section 8. Canadian-Link Net Debit Caps of Canadian-Link Participants.

(a) Pursuant to the Rules and Procedures of CDS, a limit is established by CDS (i) on the negative CAD Funds balance that may, from time to time, be incurred in the DTC Omnibus Account in respect of Cross-Border Transactions processed for the Corporation through the facilities of CDS in CAD Funds (the “DTC Omnibus Account CAD Net Debit Cap”) and (ii) on the negative USD Funds balance that may, from time to time, be incurred in the DTC Omnibus Account in respect of Cross-Border Transactions processed for the Corporation through the facilities of CDS in USD Funds (the “DTC Omnibus Account USD Net Debit Cap”). The DTC Omnibus Account CAD Net Debit Cap and DTC Omnibus Account USD Net Debit Cap are

referred to, individually or collectively as the context may require, as the “DTC Omnibus Account Net Debit Cap”. A limit shall be established by the Corporation (i) on the negative CAD Funds balance that may, from time to time, be incurred by a Canadian-Link Participant in respect of Canadian-Link Transactions processed for such Participant through the Canadian-Link Service in CAD Funds (each a “Canadian-Link CAD Net Debit Cap”) and (ii) on the negative USD Funds balance that may, from time to time, be incurred by a Canadian-Link Participant in respect to Canadian-Link Transactions processed for such Participant through the Canadian-Link Service in USD Funds (each, a “Canadian-Link USD Net Debit Cap”). The Canadian-Link CAD Net Debit Cap and Canadian-Link USD Net Debit Cap are referred to, individually or collectively as the context may require, as the “Canadian-Link Net Debit Cap”. The Canadian-Link Net Debit Cap of each Canadian-Link Participant shall be determined by a formula (taking into account the volume of Canadian-Link Transactions of each Canadian-Link Participant) that shall be fixed by the Corporation and set forth in the Procedures.

(b) Canadian-Link Transactions processed through the Canadian-Link Service for a Canadian-Link Participant shall be subject to its Canadian-Link Net Debit Cap, and not its Net Debit Cap (as defined in Section 1 of Rule 1) for other Deliveries, Pledges, Releases and Withdrawals of Securities processed by the Corporation for such Participant.

(c) The Corporation shall not comply with any instruction from a Canadian-Link Participant in respect of any Canadian-Link Transaction that would cause the Corporation to exceed its DTC Omnibus Account Net Debit Cap or cause such Canadian-Link Participant to exceed its Canadian-Link Net Debit Cap but rather shall pend such Canadian-Link Transaction (subject to the Rules and Procedures of the Corporation) until such Canadian-Link Transaction may be processed without causing the Corporation to exceed its DTC Omnibus Account Net Debit Cap or causing such Canadian-Link Participant to exceed its Canadian-Link Net Debit Cap.

Section 9. Collateral Monitor of Canadian-Link Participants.

(a) For the purpose of calculating the Collateral Monitor (as defined in Section 1 of Rule 1) of a Participant that is a Canadian-Link Participant on any day that is a CDS Business Day:

(1) There shall be added to the Net Credit Balance (as defined in Section 1 of Rule 1), if any, of such Participant an amount of USD Funds equal to the amount, if any, by which the aggregate amount of Funds payable by the Corporation to such Participant in respect of its Canadian-Link Transactions exceeds the aggregate amount of Funds payable by such Participant to the Corporation in respect of such Canadian-Link Transactions.

(2) There shall be added to the Net Debit Balance (as defined in Section 1 of Rule 1), if any, of such Participant an amount of USD Funds equal to the amount, if any, by which the aggregate amount of Funds payable by such Participant to the Corporation in respect of its Canadian-Link Transactions exceeds the aggregate amount of Funds payable by the Corporation to such Participant in respect of such Canadian-Link Transactions.

(3) There shall be deducted from the aggregate Collateral Value of the Collateral (as each is defined in Section 1 of Rule 1) of such Participant an amount of USD Funds equal

to the aggregate Collateral Value of (i) Cross-Border Securities delivered by such Participant to CDS Participants and (ii) Intra-DTC Securities delivered by such Participant to other Canadian-Link Participants.

(4) Collateral Value in USD Funds shall be given to Intra-DTC Securities received by such Participant from other Canadian-Link Participants but no Collateral Value shall be given to any Cross-Border Securities received by such Participant from CDS Participants (unless and until such Securities are credited to an Account of such Participant).

(b) Canadian-Link Transactions processed for a Canadian-Link Participant through the Canadian-Link Service, and other Deliveries, Pledges, Releases and Withdrawals of Securities processed by the Corporation for such Participant, shall be subject to the Collateral Monitor (as adjusted above) and, for the purpose of determining whether the conditions set forth in Section 1 of Rule 9(B) have been satisfied, Canadian-Link Securities held in the DTC Omnibus Account for a Canadian-Link Participant shall be deemed to be held in an Account in the Account Family (as defined in Section 1 of Rule 1) of such Participant.

Section 10. Processing Canadian-Link Transactions.

(a) A Canadian-Link Participant may give the Corporation an instruction to clear and settle a Canadian-Link Securities Transaction or effect a Canadian-Link Funds Transaction, as follows:

- (1) In respect of a Cross-Border Transaction between a Canadian-Link Participant and a CDS Participant –
 - (A) An instruction from a Canadian-Link Participant to clear and settle a delivery of Cross-Border Securities to a CDS Participant shall constitute an instruction for the Corporation to (i) report or confirm (as appropriate) the details of such Cross-Border Securities Transaction to CDS for processing in accordance with the Rules and Procedures of CDS and (ii) transfer the Cross-Border Securities subject to such instruction, free of payment, from an Account of such Canadian-Link Participant through the Canadian-Link Interface to the DTC Omnibus Account on the settlement date (determined in accordance with the Rules and Procedures of CDS) for such delivery.
 - (B) An instruction from a Canadian-Link Participant to clear and settle a receipt of Cross-Border Securities from a CDS Participant shall constitute an instruction for the Corporation to (i) report or confirm (as appropriate) the details of such Cross-Border Securities Transaction to CDS for processing in accordance with the Rules and Procedures of CDS and (ii) transfer such Cross-Border Securities, free of payment, at the end of the CDS Business Day on which they are credited to the DTC Omnibus Account by CDS, from the DTC Omnibus Account through the Canadian-Link Interface to an Account of such Canadian-Link Participant.
 - (C) An instruction from a Canadian-Link Participant with respect to a payment of

CAD Funds to a CDS Participant without any corresponding receipt of Cross-Border Securities shall constitute an instruction for the Corporation to report or confirm (as appropriate) the details of such Cross-Border CAD Funds Transaction to CDS for processing in accordance with the Rules and Procedures of CDS.

- (D) An instruction from a Canadian-Link Participant with respect to a receipt of CAD Funds from a CDS Participant without any corresponding delivery of Cross-Border Securities shall constitute an instruction for the Corporation to report or confirm (as appropriate) the details of such Cross-Border CAD Funds transaction to CDS for processing in accordance with the Rules and Procedures of CDS.
- (2) In respect of an Intra-DTC Transaction between a Canadian-Link Participant and another Canadian-Link Participant –
- (A) An instruction from a Canadian-Link Participant to clear and settle a delivery of Intra-DTC Securities to another Canadian-Link Participant shall constitute an instruction for the Corporation to (i) match the details of such Intra-DTC CAD Securities Transaction and, if such details match, (ii) debit such Intra-DTC Securities from an Account of the delivering Canadian-Link Participant and credit such Intra-DTC Securities to an Account of the receiving Canadian-Link Participant in accordance with the Rules and Procedures of the Corporation and (iii) credit the delivering Canadian-Link Participant and debit the receiving Canadian-Link Participant the CAD Funds contract price of such Canadian-Link Securities in Canadian-Link CAD Money Settlement.
 - (B) An instruction from a Canadian-Link Participant to clear and settle a receipt of Intra-DTC Securities from another Canadian-Link Participant shall constitute an instruction for the Corporation to (i) match the details of such Intra-DTC Securities Transaction and, if such details match, (ii) credit such Intra-DTC Securities to an Account of the receiving Canadian-Link Participant and debit such Canadian-Link Securities from an Account of the delivering Canadian-Link Participant and (iii) debit the receiving Canadian-Link Participant and credit the delivering Canadian-Link Participant the CAD Funds contract price of such Intra-DTC Securities in Canadian-Link CAD Money Settlement.
 - (C) An instruction from a Canadian-Link Participant with respect to a payment of CAD Funds to another Canadian-Link Participant without any corresponding receipt of Intra-DTC Securities shall constitute an instruction for the Corporation to (i) match the details of such Intra-DTC CAD Funds Transaction and, if such details match, (ii) debit the paying Canadian-Link Participant and credit the receiving Canadian-Link Participant the appropriate amount of CAD Funds in Canadian-Link CAD Money Settlement.

(D) An instruction from a Canadian-Link Participant with respect to a receipt of CAD Funds from another Canadian-Link Participant without any corresponding delivery of Intra-DTC Securities shall constitute an instruction for the Corporation to (i) match the details of such Intra-DTC CAD Funds Transaction and, if such details match, (ii) credit the receiving Canadian-Link Participant and debit the paying Canadian-Link Participant the appropriate amount of CAD Funds in Canadian-Link CAD Money Settlement.

(b) A Canadian-Link Participant that gives the Corporation an instruction represents and warrants to the Corporation that it has the full right, power and authority to give such instruction.

(c) A Cross-Border Transaction between a Canadian-Link Participant and a CDS Participant is processed in accordance with the Rules and Procedures of CDS. All trades settled through the facilities of CDS are settled on a delivery against payment basis. Trades settled through the facilities of CDS may be settled with pre-settlement netting on a continuous net settlement basis or without pre-settlement netting on a trade for trade basis. All Cross-Border Securities Transactions settled through the facilities of CDS shall be settled on a trade for trade basis.

(d) In no case shall a Canadian-Link Participant give instructions to or otherwise communicate with CDS directly. Likewise, all Cross-Border Securities that are delivered to or withdrawn from CDS in connection with the clearance and settlement of Cross-Border Securities Transactions are delivered to or withdrawn from CDS by the Corporation. In no case shall a Canadian-Link Participant deliver Cross-Border Securities to or withdraw Cross-Border Securities from CDS directly. The Corporation shall have no responsibility for any direct communications between Canadian-Link Participants and CDS or for the consequences of any such direct communications.

(e) The Corporation shall provide to Canadian-Link Participants all reports, notices, documents and other information received from CDS with respect to their Cross-Border Transactions. The Corporation shall provide such reports, notices, documents and other information to Canadian-Link Participants in the same form and medium in which it is received from CDS or in any other form or medium used for communications between the Corporation and Participants of the Corporation. The Corporation may review all such reports, notices, documents and other information received from CDS in respect of the Cross-Border Transactions of Canadian-Link Participants but such Canadian-Link Participants shall have the sole responsibility for confirming the accuracy and completeness of such reports, notices, documents and other information and informing the Corporation of any errors or omissions.

Section 11. CDS Business Days.

(a) The Canadian-Link Service shall be available for processing Canadian-Link Transactions on every day that CDS is open for business (a “CDS Business Day”) whether or not such day is also a Business Day (as defined in Section 1 of Rule 1) for the Corporation (a “DTC Business Day”).

(b) On any day that is a CDS Business Day but not a DTC Business Day, the only Canadian-Link Securities that may be processed through the Canadian-Link Service shall be Canadian-Link Securities that were finally and effectively credited to an Account of the Canadian-Link Participant on the preceding DTC Business Day.

(c) There shall be present at the location of each Canadian-Link Participant on each CDS Business Day that is not also a DTC Business Day, during the hours that CDS is open for business and until, in the judgment of the Corporation, the obligations of such Canadian-Link Participant to the Corporation for such CDS Business Day have been satisfied, a Participant Representative (as defined in Section 1 of Rule 7), meeting all of the qualifications and having all of the powers and responsibilities of a Participant Representative set forth in Sections 1 through 4 of Rule 7.

(d) On every day that is a CDS Business Day, whether or not it is also a DTC Business Day, a Canadian-Link Participant shall ensure that it has the financial and operational ability to perform all of its obligations to the Corporation with respect to its use of the Canadian-Link Service.

Section 12. Settlement Recaps.

(a) On each CDS Business Day, by a time set forth in the Rules and Procedures of CDS, CDS calculates and provides to the Corporation a settlement recap (the “CDS Settlement Recap”) with (i) the net amount of CAD Funds payable by CDS to the Corporation (a “DTC Omnibus Account CAD Net Settlement Credit”) or by the Corporation to CDS (a “DTC Omnibus Account CAD Net Settlement Debit”), (ii) the net amount of USD Funds payable by CDS to the Corporation (a “DTC Omnibus Account USD Net Settlement Credit”) or by the Corporation to CDS (a “DTC Omnibus Account USD Net Settlement Debit”) and (iii) other information in respect of the Cross-Border Transactions processed by CDS for the Corporation on such CDS Business Day. The DTC Omnibus Account CAD Net Settlement Credit and DTC Omnibus Account USD Net Settlement Credit are referred to, individually or collectively as the context may require, as the “DTC Omnibus Account Net Settlement Credit”. The DTC Omnibus Account CAD Net Settlement Debit and DTC Omnibus Account USD Net Settlement Debit are referred to, individually or collectively as the context may require, as the “DTC Omnibus Account Net Settlement Debit”. The time when CDS provides such information to the Corporation is referred to as the “CDS Settlement Recap Time”.

(b) On each CDS Business Day, by a time set forth in the Procedures of the Corporation, the Corporation shall calculate and provide to each Canadian-Link Participant a settlement recap (a “DTC Settlement Recap”) with (i) the net amount of CAD Funds payable by the Corporation to such Canadian-Link Participant (a “Canadian-Link CAD Net Settlement Credit”) or by such Canadian-Link Participant to the Corporation (a “Canadian-Link CAD Net Settlement Debit”), (ii) the net amount of USD Funds payable by the Corporation to such Canadian-Link Participant (a “Canadian-Link USD Net Settlement Credit”) or by such Canadian-Link Participant to the Corporation (a “Canadian-Link USD Net Settlement Debit”) and (iii) other information in respect of the Canadian-Link Transactions of such Canadian-Link Participant processed through the Canadian-Link Service on such CDS Business Day, including both Cross-Border Transactions with CDS Participants processed for such Participant through the DTC Omnibus

Account and Intra-DTC Transactions with other Canadian-Link Participants processed for such Participant through Accounts with the Corporation. The Canadian-Link CAD Net Settlement Credit and Canadian-Link USD Net Settlement Credit are referred to, individually or collectively as the context may require, as the “Canadian-Link Net Settlement Credit”. The Canadian-Link CAD Net Settlement Debit and Canadian-Link USD Net Settlement Debit are referred to, individually or collectively as the context may require, as the “Canadian-Link Net Settlement Debit”. The time when the Corporation provides such information to Canadian-Link Participants is referred to as the “DTC Settlement Recap Time”. Because the Corporation must receive settlement recap information from CDS before the Corporation can provide settlement recap information to Canadian-Link Participants, the DTC Settlement Recap Time shall be later than the CDS Settlement Recap Time.

Section 13. Settlement Payments.

(a) On each CDS Business Day, during a period of time set forth in the Rules and Procedures of CDS, CDS is required to pay to the Corporation the amount of its DTC Omnibus Account CAD Net Settlement Credit, or the Corporation is required to pay to CDS the amount of its DTC Omnibus Account CAD Net Settlement Debit, as specified in the CDS Settlement Recap. Such period of time is referred to as “CDS Payment Exchange”. All such payments to or by the Corporation are made to or by a Canadian bank acting on behalf of the Corporation (the “DTC Canadian Settlement Bank”).

(b) On each CDS Business Day, by a time set forth in the Procedures of the Corporation, each Canadian-Link Participant with a Canadian-Link CAD Net Settlement Debit shall pay to the Corporation the amount of its Canadian-Link CAD Net Settlement Debit, as specified in the DTC Settlement Recap. The time when such payment must be made is referred to as the “DTC Settlement Payment Deadline”. Because the Corporation must receive CAD Funds from Canadian-Link Participants with Canadian-Link CAD Net Settlement Debits before it can pay CAD Funds to CDS, the DTC Settlement Payment Deadline shall be earlier than the end of CDS Payment Exchange.

(c) On each CDS Business Day, as soon as possible after CDS Payment Exchange, DTC shall pay to each Canadian-Link Participant with a Canadian-Link CAD Net Settlement Credit the amount of its Canadian-Link CAD Net Settlement Credit; provided, however, that the amount of any Canadian-Link CAD Net Settlement Credit payable to a Canadian-Link Participant may be withheld and applied by the Corporation to satisfy (i) any obligation of such Participant to the Corporation or (ii) any obligation of the Corporation in respect of such Participant under any Clearing Agency Agreement (as defined in Section 1 of Rule 1).

(d) All payments of CAD Funds to or by a Canadian-Link Participant shall be made to or by a Canadian bank acting on behalf of such Canadian-Link Participant (a “Participant Canadian Settlement Bank”). Each Canadian-Link Participant shall be responsible for selecting a Participant Canadian Settlement Bank and for making arrangements with such Participant Canadian Settlement Bank to assure the timely payment of its Canadian-Link CAD Net Settlement Debits. A Participant Canadian Settlement Bank must have access to the Large Value Transfer System administered by the Canadian Payments Association, providing for the final and irrevocable settlement of money payments among members. A Canadian-Link Participant may

choose the DTC Canadian Settlement Bank as its Participant Canadian Settlement Bank.

(e) Except as provided in the Procedures, the Corporation shall not be obligated to complete Canadian-Link CAD Money Settlement or make payment of any Canadian-Link CAD Net Settlement Credits owing to Canadian-Link Participants unless and until the Corporation shall have received payment of all Canadian-Link CAD Net Settlement Debits due from Canadian-Link Participants and any DTC Omnibus Account CAD Net Settlement Credit due from CDS.

(f) All DTC Omnibus Account USD Net Settlement Credits and DTC Omnibus Account USD Net Settlement Debits between the Corporation and CDS, and all Canadian-Link USD Net Settlement Credits and Canadian-Link USD Net Settlement Debits between the Corporation and Canadian-Link Participants, in respect of Cross-Border USD Securities Transactions shall be included in the US dollar settlement of transactions processed through the facilities of the Corporation in accordance with these Rules and the Procedures of the Corporation.

Section 14. End of Day Sweep .

(a) At the end of each CDS Business Day, after completion of CDS Money Settlement and subject to the Rules and Procedures of CDS, all Cross-Border Securities credited to the DTC Omnibus Account shall be transferred, free of payment, from the DTC Omnibus Account through the Canadian-Link Interface to the Accounts of the Canadian-Link Participants for which such Cross-Border Securities are held by the Corporation.

(b) No Cross-Border Securities credited to the DTC Omnibus Account shall be transferred intraday from the DTC Omnibus Account through the Canadian-Link Interface to the Account of any Canadian-Link Participant unless a position in such Cross-Border Securities is required by such Canadian-Link Participant intraday to meet an obligation to deliver such Cross-Border Securities to another Participant through the facilities of the Corporation, in which case, subject to the Rules and Procedures of CDS, such Cross-Border Securities shall be so transferred, for such purpose, free of payment, from the DTC Omnibus Account through the Canadian-Link Interface to an Account of such Canadian-Link Participant.

Section 15. Failure to Make Settlement Payments.

(a) If a Canadian-Link Participant shall fail to pay a Canadian-Link CAD Net Settlement Debit to the Corporation by the DTC Settlement Payment Deadline (or such later time prior to the end of CDS Payment Exchange as the Corporation may allow, on a case by case basis, in its sole and absolute discretion), then:

- (1) if the day of such Canadian-Link Money Settlement default is a DTC Business Day, the Corporation may either:
 - (A) declare such Participant to be a Defaulting Participant (as defined in Section 2 of Rule 9(B)), in which case the Corporation shall be entitled to implement the failure to settle procedures set forth in Section 2 of Rule 9(B) and exercise all of its other rights and remedies in accordance with the Rules and

Procedures of the Corporation; or

- (B) add an amount of USD Funds equal to the amount of such Canadian-Link CAD Net Settlement Debit to the Gross Debit Balance (as defined in Section 1 of Rule 1) of such Canadian-Link Participant in the US dollar settlement of transactions processed through the facilities of the Corporation on such DTC Business Day (as provided in Rule 9(A) and the Procedures thereunder); or
- (2) if the day of such Canadian-Link Money Settlement default is not a DTC Business Day, such Participant shall, automatically and without any further action required on the part of the Corporation, be deemed to be a Defaulting Participant, in which case the Corporation shall be entitled to implement the failure to settle procedures set forth in Section 2 of Rule 9(B) and exercise all of its other rights and remedies in accordance with the Rules and Procedures of the Corporation.

(b) Each Canadian-Link Participant hereby irrevocably appoints the Corporation (at such time as such Participant becomes a Defaulting Participant) as its attorney-in-fact and agent for the purpose of carrying out the provisions of this Section 15, and for such purpose the Corporation may substitute one or more persons with like power.

Section 16. Currency Conversion and Exchange

(a) If any amount of USD Funds has to be exchanged for an amount of CAD Funds to pay (or re-fund) a DTC Omnibus Account CAD Net Settlement Debit to CDS in accordance with Section 13 of this Rule 30 because a Canadian-Link Participant failed to pay the Corporation the amount of its Canadian-Link CAD Net Settlement Debit, the exchange rate for such purpose shall be a rate determined by a formula (taking into account all factors incident to the default of such Participant in the payment of its Canadian-Link CAD Net Settlement Debit) that shall be fixed by the Corporation and set forth in the Procedures (the “Payment Default Exchange Rate”).

(b) If any computation has to be made requiring the conversion of an amount of CAD Funds into an amount of USD Funds for the purpose of calculating the Collateral Monitor of a Canadian-Link Participant pursuant to Section 9 of this Rule 30, the conversion rate for such purpose shall be a rate determined by a formula (taking into account exchange rate fluctuations) that shall be fixed by the Corporation and set forth in the Procedures (the “Collateral Monitor Conversion Rate”).

(c) If any computation has to be made requiring the conversion of an amount of CAD Funds into an amount of USD Funds for the purpose of calculating the Gross Settlement Debit of a Canadian-Link Participant pursuant to Section 15 of this Rule 30, the conversion rate for such purpose shall be a rate determined by a formula (taking into account all factors incident to the default of such Participant in the payment of its Canadian-Link CAD Net Settlement Debit) that shall be fixed by the Corporation and set forth in the Procedures (the “Payment Default Conversion Rate”).

(d) The determination of the Payment Default Exchange Rate, Collateral Monitor Conversion Rate and Payment Default Conversion Rate, as the case may be, by the Corporation

shall be final and binding on Canadian-Link Participants.

Section 17. Choice of Law and Submission to Jurisdiction.

(a) Each Canadian-Link Participant acknowledges that Cross-Border Securities and other property credited to the DTC Omnibus Account are located in Ontario, Canada, that Cross-Border Transactions between Canadian-Link Participants and CDS Participants are processed through the facilities of CDS in Ontario and that the CDS Documents are expressed to be governed by the laws of Ontario, including with respect to the operation of the DTC Omnibus Account, the role of CDS as a securities intermediary maintaining the DTC Omnibus Account for the Corporation and the proprietary consequences of Cross-Border Transactions processed through the facilities of CDS.

(b) Each Canadian-Link Participant further acknowledges that an action or proceeding arising out of or relating to Cross-Border Transactions between Canadian-Link Participants and CDS Participants may be brought in the courts of Ontario and possibly in other courts in Canada. Accordingly, if the Corporation becomes a party to any such action or proceeding, such Canadian-Link Participant shall, at the request of the Corporation, submit to the jurisdiction of the court in which such action or proceeding is brought and become a party thereto.

Section 18. Canadian-Link Charges.

(a) Each Participant shall pay all fees and charges of the Corporation for the Canadian-Link Service, which fees and charges shall include without limitation (i) the fees and charges of CDS for holding Cross-Border Securities and processing Cross-Border Transactions between Canadian-Link Participants and CDS Participants for the Corporation, (ii) the expenses and interest costs of any liquidity facilities maintained by the Corporation to collateralize the obligations of the Corporation to CDS and/or finance the settlement obligations of Canadian-Link Participants to the Corporation, (iii) other third-party fees and charges related to the Canadian-Link Service, (iv) internal allocated costs, (v) taxes (except taxes imposed on or measured by the net income of the Corporation), other governmental charges and obligations to deduct or withhold taxes on dividend, interest and other payments related to Cross-Border Securities held by the Corporation for Canadian-Link Participants, together with interest and penalties thereon and additions thereto (other than interest, penalties and additions imposed because of the gross negligence or willful misconduct of the Corporation or its agents) and (vi) penalties and other charges imposed by any governmental or regulatory authority for any failure to file documents or information required with respect to Cross-Border Securities held by the Corporation for Canadian-Link Participants (other than a failure caused by the gross negligence or willful misconduct of the Corporation or its agents).

(b) The fees and charges for the Canadian-Link Service shall be billed and paid in accordance with Rules 20 and 23.

RULE 31

DTCC SHAREHOLDERS AGREEMENT

Section 1. For purposes of this Rule 31:

“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 heretofor 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.

Section 2. As a condition to its use of the services and facilities of the Corporation, a Participant other than (i) a non-U.S. based central securities depository or (ii) a Limited Participant 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 Participant (other than (i) a non-U.S. based central securities depository or (ii) a Limited Participant) shall be a Mandatory Purchaser Participant.

Section 3. This Rule 31 shall have no application to a Limited Participant.*

Section 4. The Corporation shall execute and deliver the Shareholders Agreement as attorney in fact for a Participant that purchases Common Shares pursuant to Section 2 of this Rule 31 if such Participant 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 the Settlement Account of a Participant for any amount payable by the Participant to DTCC for Common Shares purchased by the Participant and (B) credit the Settlement Account of a Participant for any amount payable by DTCC to the Participant for Common Shares sold by the Participant.

*Note that, if a Limited Participant is also a member or participant of another clearing agency subsidiary of DTCC, such Limited Participant may be a Mandatory Purchase Participant or a Voluntary Purchaser Participants pursuant to the terms of the Shareholders Agreement and the rules and procedures of such other subsidiary.

RULE 32

WIND-DOWN OF A PARTICIPANT

When a Participant notifies the Corporation that it intends to wind down its activities, the Corporation may, in its sole discretion, in order to protect itself and its Participants, determine that such Participant is a “Wind-Down Participant”. In that event and, without limiting any other rights of the Corporation under these Rules and Procedures, the Corporation may impose conditions on, or take actions with respect to, the Wind-Down Participant as provided below.

As soon as practicable after the Corporation determines that a Participant is a Wind-Down Participant, the Corporation shall notify the Wind-Down Participant, all other Participants and Pledges and the SEC of such determination.

The Corporation may, in its discretion, impose conditions on, or take actions with respect to, the Wind-Down Participant as appropriate to mitigate risk the Corporation perceives may be presented by the Wind-Down Participant, including but not limited to, the following:

- (i) Permitting the Wind-Down Participant to submit to the Corporation only transactions that serve to support the wind-down;
- (ii) Permitting the Wind-Down Participant to continue use of one or more of the Corporation’s services, notwithstanding that it may not meet some or all of the financial or operational requirements for continuance as a Participant;
- (iii) Restricting or modifying the Wind-Down Participant’s use of any or all of the Corporation’s services (whether generally, or with respect to certain transactions);
- (iv) Requiring the Wind-Down Participant to utilize the Honest Broker System where applicable;
- (v) Requiring additional assurances of the financial responsibility or operational capability of the Wind-Down Participant through, for example, submission of a guaranty of the Wind-Down Participant’s obligations to the Corporation by an entity acceptable to the Corporation and/or additional reporting by the Wind-Down Participant; or
- (vi) Requiring the Wind-Down Participant to post increased Participant Fund deposits in accordance with Section 1 of Rule 4.

If the Corporation takes, or mandates, any action pursuant to this Rule, the Corporation shall, as soon as practicable thereafter, notify the SEC and such other Participants and Pledges as it deems proper due to the nature of such action.

Notwithstanding the foregoing, the Corporation shall not be restricted from exercising any of its rights in these Rules or in any agreements between itself and the Participant at any time,

including the Corporation's right at any time to cease to act for the Wind-Down Participant pursuant to Rule 10.

POLICY STATEMENTS
ON THE
ADMISSION OF PARTICIPANTS

Section 1. Policy Statement on the Admission of U.S. Entities as Direct Depository Participants: DTC Rules 2 and 3 set forth the basic standards for the admission of DTC Participants. These rules provide, among other things, that the admission of a Participant is subject to an applicant's demonstration that it meets reasonable standards of financial responsibility, operational capability, and character at the time of its application and on an ongoing basis thereafter.

In evaluating whether its members continue to meet these standards, DTC relies on the fact that all of its Participants are subject to federal or state regulation relating to, among other things, capital adequacy, financial reporting and recordkeeping, operating performance, disqualification from employment, and business conduct. Pursuant to such regulation, DTC's Participants receive periodic regulatory examinations to assure their compliance with these requirements and are subject to disciplinary action if violations are found.

Except for organizations specifically enumerated in Section 17A(b)(3)(B) of the Securities Exchange Act of 1934, as amended, unless an applicant organization is subject to regulatory agency oversight, it will not qualify for admittance inasmuch as the application of DTC's own resources could not provide an adequate substitute for the kind of continuing regulatory oversight described above.

Notwithstanding the above, however, in the event an organization that is not subject to regulatory oversight desires to become a direct participant at DTC, DTC will explore with such organization the economic and operational implications of direct participation as well as how its participation could be structured to comply with this policy statement.

Section 2. Policy Statement on the Admission of Non-U.S. Entities as Direct Depository Participants: The policy permits entities that are organized in a country other than the United States and that are not otherwise subject to U.S. federal or state regulation ("non-U.S. entities") to be eligible to become direct DTC Participants. Under the policy, DTC will require that the non-U.S. entity execute the standard DTC Participant's Agreement and enter into an additional series of undertakings and agreements that are designed to address jurisdictional concerns, and to assure that DTC is provided with audited financial information that is acceptable to DTC.

Certain of these criteria may be waived where inappropriate to a particular applicant or class of applicants (e.g., a foreign government, international or national central securities depositories).

Undertakings and Agreements

In addition to executing the standard DTC Participants Agreement, the foreign entity must agree to:

- (a) in respect of any action brought by DTC to enforce the entity's obligations under the Participants Agreement,
 - (i) irrevocably waive all immunity from DTC's attachment of the entity's own assets in the U.S.;
 - (ii) irrevocably submit to the jurisdiction of a court in the U.S.;
 - (iii) irrevocably waive any objection to the laying of venue in a court in the U.S.; and
 - (iv) state that any judgment obtained against the foreign entity by DTC may be enforced in the courts of any jurisdiction where the foreign entity or its property may be located, and that the foreign entity will irrevocably submit to the jurisdiction of each such courts.
- (b) obtain an opinion of foreign counsel satisfactory to DTC providing, among other things, that the agreements described above may be enforced against the foreign entity in the courts of its home country or other jurisdictions where the entity or its property may be found*;
- (c) designate a person in New York as its agent to receive service of process;
- (d) provide to DTC, for financial monitoring purposes, audited financial statements prepared in accordance with U.S. generally accepted accounting principles or other generally accepted accounting principles that are satisfactory to DTC. In order to address the risk presented by the acceptance of financial statements prepared in non-U.S. GAAP, the existing minimum financial requirements for non-U.S. GAAP standards will each have a specific premium applied as follows:
 - (i) for financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), the Companies Act of 1985 ("UK GAAP"), or Canadian GAAP – a premium of 1 ½ times the existing requirement;
 - (ii) for financial statements prepared in accordance with a European Union ("EU") country GAAP other than UK GAAP – a premium of 5 times the existing requirement; and
 - (iii) for financial statements prepared in accordance with any other type of GAAP a premium of 7 times the existing requirement.

* DTC reserves the right to require the entity to deposit additional amounts to DTC's Participants Fund and to post a letter of credit in an instance where DTC, in its sole discretion, believes the entity presents legal risk.

- (e) provide all financial reports or other information requested by DTC in English, with monetary amounts stated in U.S. dollar equivalents indicating the conversion rate and date used.

Regulatory Status of Foreign Entity

- (a) The foreign entity would have to be subject to regulation in its home country and its home country regulator must have entered into a Bilateral Information Sharing Arrangement or Memorandum of Understanding with the U.S. Securities and Exchange Commission regarding the sharing or exchange of information.
- (b) The foreign entity must be in compliance with the financial reporting and responsibility standards of its home country regulator.
- (c) The foreign entity must be eligible to become a member of its home country central securities depository, if any.
- (d) The Non-US entity must provide sufficient information to DTC in order to evaluate AML risk, including whether the Non-US entity is subject to comparable AML requirements (to those imposed in the US) in its home country jurisdiction.

POLICY STATEMENT
ON THE
ELIGIBILITY OF FOREIGN SECURITIES

Preliminary Note: For purposes of this Policy Statement, (i) the term “security” has the meaning provided in Section 2(a)(1) of the Securities Act of 1933 (the “Securities Act”), (ii) the term “foreign issuer” has the meaning provided in Rule 405 of the Securities and Exchange Commission (the “Commission”) under the Securities Act (and includes both a “foreign government” and a “foreign private issuer” as defined in Rule 405) and (iii) capitalized terms that are used but not otherwise defined in this Policy Statement have the meanings given to such terms in the Rules of the Corporation.

Section 1. Categories of Foreign Securities Eligible for the Services of the Corporation. The following categories of securities of foreign issuers (“Foreign Securities”) shall be eligible for the book-entry delivery services of the Corporation as and to the extent set forth below:

(a) Foreign Securities that are registered under the Securities Act (“Registered Foreign Securities”) shall be eligible for all services of the Corporation.

(b) Foreign Securities that are exempt from registration under the Securities Act pursuant to an exemption that does not involve any resale restrictions (“Exempt Foreign Securities”) shall be eligible for all services of the Corporation.

(c) Foreign Securities that are exempt from registration under the Securities Act pursuant to Regulation S (“Foreign Regulation S Securities”)* shall be eligible for all services of the Corporation; this shall include both Category 1 securities and Category 2 securities under Regulation S.

(d) Foreign Securities that may be resold without registration under the Securities Act pursuant to Rule 144A (“Foreign Rule 144A Securities”)* shall be eligible for all services of the Corporation; if such Foreign Rule 144A Securities are not investment grade securities (nonconvertible debt securities or nonconvertible preferred stock rated in one of the top four categories by a nationally recognized statistical rating agency), then, to be eligible for DTC services, such Foreign Rule 144A Securities must be securities designated for inclusion in a system of a self-regulatory organization approved by the Commission for the reporting of quotation and trade information on Rule 144A transactions (an “SRO Rule 144A System”).

(e) Foreign Securities that may be resold without registration under the Securities Act pursuant to Rule 144 (“Foreign Restricted Securities”)* shall be eligible for all services of the Corporation.

(f) Foreign Securities that may be resold without registration under the Securities Act pursuant to any other exemption (“Foreign Other Eligible Securities”)* shall be eligible for all services of the Corporation; this shall include (without limitation) an exemption pursuant to Rule 801 in connection with a rights offering or an exemption pursuant to Rule 802 in connection with an exchange offer.

Although all the foregoing categories of Foreign Securities shall be eligible for deposit and book-entry transfer through the facilities of the Corporation, the Corporation shall have the right, and may adopt associated procedures, to determine, in accordance with Rule 5 Section 1 of the Rules of the Corporation, and its obligations as a registered clearing agency subject to regulation by the Commission, whether any particular issue shall be accepted for deposit and made eligible for some or all services of the Corporation.

Section 2. Responsibilities of Issuers and Participants. Issuers and Participants shall be responsible for determining that their deposit of Foreign Securities with the Corporation, and their transactions in Foreign Securities through the facilities of the Corporation, are in compliance with the Rules of the Corporation and the federal securities laws. In particular (but without limitation), issuers and Participants shall not engage in any transactions in Foreign Securities, including any distribution of unregistered Foreign Securities through the facilities of the Corporation, in violation of the Securities Act and the rules and regulations of the Commission thereunder.

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 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.

(2) For *Foreign Regulation S Securities*, the Corporation will require from the issuer a rider to the Letter of Representations with *inter alia* additional representations relating to the securities being eligible for resale pursuant to Regulation S and having a CUSIP or CINS identification number different from the CUSIP or CINS identification number of any registered securities of the issuer of the same class.

(3) For *Foreign Rule 144A Securities*, the Corporation will require from the issuer a rider to the Letter of Representations with *inter alia* additional representations relating to the securities being eligible for resale pursuant to Rule 144A, having a CUSIP or CINS identification number different from the CUSIP or CINS identification number of any registered securities of the issuer of the same class and whether the securities are investment grade securities or securities designated for inclusion in an SRO Rule 144A System.

(b) *Older Issues.* With respect to Foreign Securities deposited with the Corporation subsequent to the time that such Foreign Securities are first distributed (referred to as “older issues”):

(1) The Corporation (i) will determine that any unregistered Foreign Securities deposited with the Corporation have a CUSIP or CINS identification number that is different from the CUSIP or CINS identification of any registered securities of the issuer of the same class and (ii) will confirm that any Foreign Rule 144A Securities deposited with the Corporation are investment grade securities or securities designated for inclusion in an SRO Rule 144A System.

(2) The Corporation will require from any Participant that wishes to deposit any unregistered Foreign Securities with the Corporation, or engage in any transactions in unregistered Foreign Securities through the facilities of the Corporation, a one-time blanket Letter of Representations (a “Participant Foreign Securities BLOR”) with *inter alia* representations that such Participant (i) will not deposit any unregistered Foreign Securities with the Corporation unless such securities are eligible for resale without registration under the Securities Act and (ii) will not engage in any transactions in Foreign Securities, including any distribution of unregistered Foreign Securities through the facilities of the Corporation, in violation of the Securities Act and the rules and regulations of the Commission thereunder.

(3) The Corporation will systemically block any Participant that has not executed a Participant Foreign Securities BLOR from (i) depositing any unregistered Foreign Securities with the Corporation or (ii) engaging in any transactions in unregistered Foreign Securities through the facilities of the Corporation.

(c) *Additional Documentation.* Although the foregoing documentation (for new issues and older issues) shall be provided by issuers or Participants in connection with the deposit of Foreign Securities with the Corporation and/or as a condition to engaging in transactions in Foreign Securities through the facilities of the Corporation, the Corporation shall have the right and may adopt associated procedures to determine in accordance with Rule 5 Section 1 of the Rules of the Corporation, and its obligations as a registered clearing agency subject to regulation by the Commission, whether any other or additional documentation shall be required.

NOTE

* The categories of Foreign Regulation S Securities, Foreign Rule 144A Securities, Foreign Restricted Securities and Foreign Other Eligible Securities are not all mutually exclusive. For example, (i) Foreign Regulation S Securities may be resold to qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A, (ii) Foreign Rule 144A Securities may be resold in offshore transactions (as defined in Regulation S) pursuant to Regulation S and (iii) Foreign Regulation S Securities and Foreign Rule 144A Securities that are restricted securities (as defined in Rule 144) may be resold pursuant to Rule 144.

BY-LAWS
OF
THE DEPOSITORY TRUST COMPANY
ARTICLE I
STOCKHOLDERS

Section 1.1. Annual Meeting. The annual meeting of the stockholders of the Corporation for the election of directors and the transaction of such other business as may properly come before the meeting shall be held within the first four months of each calendar year at such hour and place within or without the State of New York as the Board of Directors shall determine, or, if not so determined, at 10:00 A.M. on the last day in April at the principal office of the Corporation in the City of New York, New York or, if that day shall be a Saturday, Sunday or a legal holiday in the place where the meeting is to be held, on the immediately preceding day not a Saturday, Sunday or a legal holiday. Notice of such meeting, which shall state the place, date and hour thereof, shall be given to each stockholder in the manner provided in Section 1.4.

Section 1.2. Special Meetings. Special meetings of the stockholders may be called by the Board of Directors, and shall be called by the Chairman of the Board, the President or a Vice President or the Secretary at the written demand of a majority of the Board of Directors, or at the written demand of the holders of at least twenty-five percent (25%) of all outstanding shares entitled to vote on the action proposed to be taken at such meeting, or, with respect to special meetings for the election of directors pursuant to section 6003 of the Banking Law, at the written demand of the holders of ten percent (10%) of all outstanding shares entitled to vote in an election of directors, or as required by law. Any such call or demand shall state the purpose or purposes of the proposed meeting. On failure of any officer above specified to call such special meeting when duly demanded, any signer of such demand may call such special meeting and give the notice thereof. Special meetings shall be held at such place within or without the State of New York as may be specified in the notice thereof. At any special meeting only such business may be transacted which is related to the purpose or purposes set forth in the notice thereof, but any special meeting may be called and held in conjunction with an annual meeting of the stockholders.

Section 1.3. Record Date for Meetings and Other Purposes. For the purpose of determining the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining stockholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the Board of Directors may fix, in advance a date as the record date for any such determination of stockholders. Such date shall not be more than fifty nor less than ten days before the date of such meeting, nor more than fifty days prior to any other action.

If no record date is so fixed by the Board of Directors, (a) the record date for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if no notice is given, the day on which the meeting is held, and (b) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the resolution of Board of Directors relating thereto is adopted.

When a determination of stockholders of record entitled to notice of or to vote at any meeting of stockholders has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date under this Section for the adjourned meeting.

Section 1.4. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, written notice shall be given stating the place, date and hour of the meeting and, unless it is the annual meeting, indicating that it is being issued by or at the direction of the person or persons calling the meeting. Notice of a special meeting (including any such meeting to be held in conjunction with an annual meeting) shall also state the purpose or purposes for which the meeting is called. If, at any meeting, action is proposed to be taken which would, if taken, entitle stockholders fulfilling the requirements of section 6022 of the New York Banking Law to receive payment for their shares, the notice of such meeting shall include a statement of that purpose and to that effect. A copy of the notice of any meeting shall be given, personally or by mail, not less than ten nor more than fifty days before the date of the meeting, to each stockholder entitled to vote at such meeting. If mailed, such notice shall be given when deposited in the United States mail, with postage thereon prepaid, directed to the stockholder at his address as it appears on the record of stockholders, or, if he shall have filed with the Secretary of the Corporation a written request that notices to him be mailed to some other address, then directed to him at such other address.

When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting, if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. However, if after the adjournment, the Board of Directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record on the new record date entitled to notice under this Section.

Section 1.5. Waivers of Notice. Notice of any meeting of stockholders need not be given to any stockholder who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any stockholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him.

Section 1.6. List of Stockholders at Meetings. A list of stockholders as of the record date, certified by the Secretary or by a transfer agent, shall be produced at any meeting of stockholders upon the request thereat or prior thereto of any stockholder.

Section 1.7. Quorum at Meetings. Except as otherwise provided by law, the holders of a majority of the shares entitled to vote thereat shall constitute a quorum at any meeting of stockholders for the transaction of any business, but the stockholders present may adjourn any meeting to another time or place despite the absence of a quorum. When a quorum is once present to organize a meeting, it shall not be broken by the subsequent withdrawal of any stockholders.

Section 1.8. Presiding Officer and Secretary. At any meeting of the stockholders, if neither the Chairman of the Board nor the President nor a Vice President nor a person designated by the Board of Directors to preside at the meeting shall be present, the stockholders shall appoint a presiding officer to the meeting. If neither the Secretary nor an Assistant Secretary be present, the appointee of the person presiding at the meeting shall act as secretary of the meeting.

Section 1.9. Proxies. Every stockholder entitled to vote at a meeting of stockholders or to express consent or dissent without a meeting may authorize another person or persons to act for him by proxy. Every proxy must be signed by the stockholders or his attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the stockholder executing it, except as otherwise provided by law. Proxies shall be delivered to the Secretary of the Corporation or, if inspectors are appointed to act at a meeting, to the inspectors.

Section 1.10. Inspectors of Election. The Board of Directors, in advance of any meeting of stockholders, may appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at the meeting may, and on the request of any stockholder entitled to vote thereat shall, appoint one or more inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the Board in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. No director or officer of the corporation shall be eligible to act as an inspector of an election of directors of such corporation.

The inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the person presiding at the meeting or any stockholder entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate of any fact found by them.

Section 1.11. Voting. Whenever directors are to be elected by the stockholders, they shall be elected by a plurality of the votes cast at a meeting of stockholders by the holders of shares entitled to vote in the election. Whenever any corporate action, other than the election of directors, is to be taken by vote of the stockholders, it shall, except as otherwise required by law or the Organization Certificate or these By-Laws, be authorized by a majority of the votes cast at a meeting of stockholders by the holders of shares entitled to vote thereon.

Except as otherwise provided by law, every holder of record of shares of the Corporation entitled to vote on any matter at any meeting of stockholders shall be entitled to one vote for every such share standing in his name on the record of stockholders of the Corporation on the record date for the determination of the stockholders entitled to notice of or to vote at the meeting. Upon the demand of any stockholder, the vote at any election of directors, or the vote upon any question before a meeting, shall be by ballot; but otherwise the method of voting shall be discretionary with the person presiding at the meeting.

Section 1.12. Written Consent of Stockholders Without a Meeting. Whenever under any provision of law or of these By-Laws stockholders are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by the holders of all outstanding shares entitled to vote thereon. The provisions of this Section shall not be construed to alter or modify any provision of law under which the written consent of the holders of less than all outstanding shares is sufficient for any corporate action.

ARTICLE II

BOARD OF DIRECTORS

Section 2.1 Number of Directors. The entire Board shall consist of twenty-five directors until changed as hereinafter provided. The number of directors may be changed to no less than seven nor more than twenty-five at any time and from time to time in accordance with Article IX. Unless and until changed in accordance with this Section the number of directors constituting the entire Board shall continue in effect and no further action shall be required to fix such number at any meeting of the stockholders for the election of directors.

Section 2.2. Election and Term of Directors. At each annual meeting of stockholders, directors shall be elected to hold office until the next annual meeting. Each director shall, unless sooner removed or disqualified, hold office from the time of his election and qualification until the annual meeting of stockholders next succeeding his election and until his successor has been elected and qualified, and has taken the oath prescribed by Section 7015 of the Banking Law.

Section 2.3. Newly Created Directorships and Vacancies. All vacancies in the office of director, including newly created directorships resulting from an increase in the number of directors shall be filled by election by the stockholders at any annual or special meeting of the stockholders, except as hereinafter provided. Vacancies not exceeding one-third of the entire Board may be filled by the affirmative vote of a majority of the directors then in office, and the directors so elected shall hold office for the balance of the unexpired term.

Section 2.4. Resignations. Any director may resign from his office at any time by delivering his resignation in writing to the Corporation, and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

Section 2.5. Removal of Directors. Except as otherwise provided by law, any or all of the directors may be removed, for cause or without cause, by vote of the stockholders.

Section 2.6. Meetings. Meetings of the Board, regular or special, may be held at any place within or without the State of New York as the Board from time to time may fix or as shall be specified in the respective notice or waivers of notice thereof. An annual meeting of the Board for the election or appointment of officers shall be held within twenty-five days after the day on which the annual meeting of the stockholders shall have been held, at the same place and as soon after the holding of such meeting of stockholders as is practicable, and no notice thereof need be given. The Board may fix times and places for regular monthly meetings of the Board, which shall be held at least ten times a year provided, however, that during any three consecutive calendar months the Board shall meet at least twice, and no notice of such meetings need be given. The Executive Committee shall meet at least once in each thirty day period during which the Board does not meet. Special meetings of the Board shall be held whenever called by the Chairman of the Board, the President or by at least one-third of the directors for the time being in office. Notice of each such meeting shall be given by the Secretary or by a person calling the meeting to each director by mailing the same not later than two days before the meeting, or by telegraphing, cabling, telephoning, faxing, electronically transmitting or personally delivering the same not later than one day before the meeting. Notice of a meeting need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him.

Any one or more members of the board or any committee thereof may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at the meeting.

Section 2.7. Quorum and Voting. Except as provided in the Organization Certificate, a majority of the entire Board shall constitute a quorum for the transaction of business or of any specified item of business; provided, however, that, when a majority of the entire Board is once present to organize a meeting, one-third of the entire Board shall thereafter constitute a quorum for the transaction of business or any specified item of business at such meeting. Except as otherwise provided by law, by these By-Laws or by the Organization Certificate, the vote of a majority of the directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board; provided that a majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. No notice of any such adjournment need be given.

Section 2.8. Executive Committee. The Board, by resolution adopted by a majority of the entire Board, may designate from among its members an Executive Committee, consisting of five or more directors, which, to the extent provided in the resolution and to the extent permitted by law, shall have all the authority of the Board between meetings of the Board. The Board may designate one or more directors as alternate members of the Executive Committee, who may replace any absent member or members at any meeting of the Executive Committee. Members of the Executive Committee shall serve at the pleasure of the Board.

Section 2.9. Audit Committee. These shall be an Audit Committee of the Board of Directors, consisting of three or more directors other than officers of the Corporation appointed by the Board of Directors. Members of the Audit Committee shall serve at the pleasure of the Board. The Audit Committee shall review the progress of all internal audits conducted by the

Auditor (if there be one) and all periodic reports of such audits submitted to it by the Auditor pursuant to Section 3.9 and shall supervise, and cooperate and coordinate with, the Auditor in the performance of his duties. The Audit Committee shall review with the Corporation's independent certified public accountants the scope of their auditing procedures, the financial statements of the Corporation which the accountants propose to certify, the proposed certification thereof and such other matters relating to the auditing of the Corporation by its independent certified public accountants as such Committee shall deem appropriate, and shall have such other and further duties and powers as may be delegated to it by resolution of the Board of Directors from time to time. The Board may designate one or more directors as alternate members of the Audit Committee, who may replace any absent member or members at any meeting of the Audit Committee.

Section 2.10. Other Committees. The Board of Directors may also appoint or provide for such other committees consisting of such directors, officers or other persons and having such powers and functions in the management of the Corporation as the Board of Directors may see fit.

Section 2.11. Compensation of Directors. Directors may receive compensation for services to the Corporation in their capacities as directors or otherwise in such amount may be fixed from time to time by the Board.

ARTICLE III

Officers, Agents and Employees

Section 3.1. General Provisions. The officers of the Corporation shall be a Chairman of the Board and a President, each of whom shall be elected by the Board of Directors from among its own number, a Chief Operating Officer and one or more Vice Presidents and/or Managing Directors, a Secretary, a Treasurer, a Comptroller and an Auditor, and may include one or more Assistant Secretaries and one or more Assistant Treasurers. The officers shall be elected by the Board at the first meeting of the Board after the annual meeting of the shareholders in each year. The Board may elect or appoint other officers, agents and employees, who shall have such authority and perform such duties as may be prescribed by the Board. Each officer shall hold office for the term for which he is elected or appointed and until his successor has been elected or appointed and qualified. Any two or more offices may be held by the same person, except the offices of President and Secretary. Any officer, agent or employee of the Corporation may be removed, or his authority suspended, by the Board with or without cause. Such removal or suspension of authority without cause shall be without prejudice to such person's contract rights, if any, but the election or appointment of any person as an officer, agent or employee of the Corporation shall not be deemed of itself to create contract rights. The Board may require any officer, agent or employee to give security for the faithful performance of his duties.

Section 3.2. Powers and Duties of the Chairman of the Board. The Chairman of the Board shall preside at all meetings of shareholders and all meetings of the Board of Directors at which he is present. The Chairman of the Board shall have such other powers and perform such other duties as the Board may assign to him. The performance of any such other duty by the Chairman of the Board shall be conclusive evidence of his power to act.

Section 3.3 Powers and Duties of the President. The President shall be the chief executive officer of the Corporation and shall have the responsibility for carrying out the policies of the Board of Directors. Subject to the direction of the Board, the President shall have general supervision over the business and affairs of the Corporation. He may employ and discharge employees and agents of the Corporation, except such as shall be elected or appointed by the Board, and he may delegate these powers. In the absence or inability to act of the Chairman of the Board, the President shall preside at all meetings of shareholders and all meetings of the Board of Directors at which he is present.

The President may vote the shares or other securities of any other domestic or foreign corporation of any type or kind which may at any time be owned by the Corporation, may execute any shareholders' or other consents in respect thereof and may in his discretion delegate such powers by executing proxies, or otherwise, on behalf of the Corporation. The Board, by resolution from time to time, may confer like powers upon any other person or persons.

The President shall have such other powers and perform such other duties as the Board may assign to him. The performance of any such other duty by the President shall be conclusive evidence of his power to act.

Section 3.4. Powers and Duties of the Chief Operating Officer. Subject to the direction of the Board of Directors and the President, the Chief Operating Officer shall have general supervision over the operations of the Corporation. In the absence or inability to act of the President, the Chief Operating Officer may perform all the duties and exercise all the powers of the President. The Chief Operating Officer shall have such other powers and perform such other duties as the Board may assign to him. The performance of any such other duty by the Chief Operating Officer shall be conclusive evidence of his power to act.

Section 3.5. Powers and Duties of Vice Presidents and Managing Directors. Each Vice President or Managing Director shall have such powers and perform such duties as the Board of Directors or the President may assign to him.

Section 3.6. Powers and Duties of the Secretary. The Secretary shall have charge of the minutes of all proceedings of the shareholders and of the Board of Directors. He shall attend to the giving of all notices to shareholders and directors. He shall have charge of the seal of the Corporation and shall attest the same by his signature whenever required. He shall have charge of the record of shareholders of the Corporation, and of such other books and papers as the Board may direct. He shall have all such powers and duties as generally are incident to the position of Secretary or as the Board or the President may assign to him.

Section 3.7. Powers and Duties of the Treasurer. The Treasurer shall have charge of all funds and securities beneficially owned by the Corporation, shall endorse the same for deposit or collection when necessary and deposit the same to the credit of the Corporation in such banks or depositories as the Board of Directors may authorize. He may endorse all commercial documents requiring endorsements for or on behalf of the Corporation and may sign all receipts and vouchers for payments made to the Corporation. He shall have all such powers and duties as generally are incident to the position of Treasurer or as the Board or the President may assign to him.

Section 3.8. Powers and Duties of the Comptroller. The Comptroller shall have charge of the accounting operations and procedures of the Corporation. He shall have all such powers and duties as generally are incident to the position of Comptroller or as the Board of Directors or the President may assign to him. He shall render annually to the Board a report relating to the general condition and internal operations of the Corporation.

Section 3.9. Powers and Duties of the Auditor. The Auditor shall make such examination of the accounts, records and transactions of the Corporation as may be required by the Board of Directors and he shall perform such other duties as are prescribed in an audit program approved by the Board. He shall be free to examine any department or section of the Corporation routinely without previous officer consultation. He shall maintain a summary record of dates of completed audits, and shall make periodic reports to the Board or a committee thereof which shall include such suggestions and recommendations which he may consider advisable to make. He shall make periodic reports to the Board or a committee thereof on subjects specified by the Board or a committee thereof or on those chosen by the Auditor on the status of any audit in progress and shall cooperate and coordinate with the Board or a committee thereof in the performance of his duties.

Section 3.10. Powers and Duties of Assistant Secretaries. In the absence or inability to act of the Secretary, any Assistant Secretary may perform all the duties and exercise all the powers of the Secretary. The performance of any such duty shall be conclusive evidence of his power to act. An Assistant Secretary shall also perform such other duties as the Board of Directors or the Secretary may assign to him.

Section 3.11. Powers and Duties of Assistant Treasurers. In the absence or inability to act of the Treasurer, an Assistant Treasurer may perform all the duties and exercise all the powers of the Treasurer. The performance of any such duty shall be conclusive evidence of his power to act. An Assistant Treasurer shall also perform such other duties as the Board of Directors or the Treasurer may assign to him.

Section 3.12. Compensation of Officers. The compensation, if any, of the Chairman of the Board, and the President shall be fixed by a majority (which shall not include the Chairman of the Board or the President) of the entire Board of Directors. Salaries of all other officers shall be fixed by the President with the approval of the Board and no officer shall be precluded from receiving a salary because he is also a director.

ARTICLE IV

Indemnification

The Corporation shall, to the fullest extent to which it is empowered to do so by the New York Business Corporation law or any other applicable laws, as may from time to time be in effect, indemnify any person who was or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of that fact that he or she, or his or her testator or intestate, is or was a director or officer of the Corporation, is or was a member of a committee established by the Board of Directors of the Corporation, or is or was serving any other corporation, domestic or foreign, partnership, joint venture, trust, employee benefit plan or other business enterprise or entity in any capacity at the request of the Corporation, against all expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding. The Corporation may advance his or her related expenses and secure appropriate indemnification insurance, to the full extent permitted by law.

ARTICLE V

Rules

The Board of Directors may prescribe, and from time to time amend, rules relating to and regulating the business of the Corporation and the relationship of the Corporation with the persons for whom it provides services and among such persons (the "Rules"). The Rules of the Corporation, made in accordance with these By-Laws, shall have the same force and effect as though a part hereof.

The Board of Directors of the Corporation shall have power to interpret the Rules adopted pursuant to the provisions of this Article and any and all amendments or changes therein and additions thereto and any such interpretation so made shall be final and conclusive.

ARTICLE VI

Shares of the Corporation

Section 6.1. Certificates for Shares. The shares of the Corporation shall be represented by certificates in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the Chairman of the Board or the President or a Managing Director and the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer of the Corporation, may be sealed with the seal of the Corporation or a facsimile thereof, and shall contain such information as is required by law to be stated thereon. All certificates for shares shall be consecutively numbered or otherwise identified. All certificates exchanged or surrendered to the Corporation for transfer shall be cancelled.

Section 6.2. Record of Stockholders. The Corporation shall keep at the office of the Corporation in the State of New York a record containing the names and addresses of all stockholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof. The Corporation shall be entitled to treat the persons in whose names shares stand on the record of stockholders as the owners thereof for all purposes.

Section 6.3. Transfers of Shares. Transfers of shares on the record of stockholders of the Corporation shall be made only upon surrender to the Corporation of the certificate or certificates for such shares, duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer.

Section 6.4. Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate for shares in place of any certificates theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Board may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate. The Board may require such owner to satisfy other reasonable requirements.

ARTICLE VII

Seal

The seal of the Corporation shall be circular in form and contain the name of the Corporation, the words "Corporate Seal" and "New York" and the year the Corporation was formed in the center. The Corporation may use the seal by causing it or a facsimile to be affixed or impressed or reproduced in any manner.

ARTICLE VIII

Checks, Notes, Drafts, etc.

Checks, notes, drafts, acceptances, bills of exchange and other orders or obligations for the payment of money shall be signed by such officer or officers or person or persons as the Board of Directors shall from time to time determine.

ARTICLE IX

Amendments

These By-Laws may be amended or repealed, and new By-Laws may be adopted, (1) by vote of the holders of the shares at the time entitled to vote in the election of any directors, at any annual meeting of the stockholders, or at any special meeting of the stockholders called for that purpose, or (2) by the Board of Directors. Any By-Laws adopted by the Board may be amended or repealed by the stockholders entitled to vote thereon as herein provided. A By-Law adopted by the stockholders may provide that such By-Law shall not be subject to amendment or repeal by the Board. If any By-Law regulating an impending election of directors is adopted, amended or repealed by the Board, there shall be set forth in the notice of the next meeting of stockholders for the election of directors the By-Law so adopted, amended or repealed, together with a concise statement of the changes made.

ORGANIZATION CERTIFICATE*

OF

**"The Depository Trust Company",
a limited purpose trust company.**

We, the undersigned all being of full age, all of us being citizens of the United States and three of us being residents of the State of New York, having associated ourselves together for the purpose of forming a limited purpose trust company under and pursuant to the Banking Law of the State of New York, do hereby certify:

FIRST. That the name by which the corporation is to be known is The Depository Trust Company.

SECOND. That the place where its principal office is to be located is 55 Water Street, New York, New York, 10041.

THIRD. The amount of authorized stock which the Corporation is hereafter to have is \$151,850,000 and the number of shares into which such capital stock is to be divided is 1,518,500 shares consisting of 18,500 shares of Common Stock, par value \$100 per share, and 1,500,000 shares of Preferred Stock, par value \$100 per share, which shall be issued in one or more classes or series having such designations, relative rights, preferences or limitations as fixed by the Board of Directors of the Corporation at the time of issuance of any such Preferred Stock.

FOURTH. The name, place of residence and citizenship of each incorporator, and the number of shares or capital notes subscribed for by each are:

* * *

FIFTH. The term of existence of the corporation is to be perpetual.

SIXTH. The number of directors is to be not less than seven nor more than twenty-five.

SEVENTH. The names of the incorporators who shall be the directors until the first annual meeting of stockholders are:

* * *

*As restated and amended

EIGHTH. In all elections of directors of the corporation, each stockholder shall be entitled to as many votes as shall equal the number of votes which, except for this provision as to cumulative voting, he would be entitled to cast for the election of directors with respect to his shares multiplied by the number of directors to be elected. Each stockholder may cast all of such votes for a single director or may distribute them among the number to be voted for, or any two or more of them, as he may see fit.

NINTH. A majority of the entire board shall constitute a quorum for the transaction of any business by the board of directors, except that three-fourths of the entire board shall constitute a quorum for the purpose of electing or appointing the Chairman of the Board and the President of the corporation.

TENTH. The vote of a majority of the directors present at the time of the vote, if a quorum is present at such time, shall be the act of the board of directors, except that the vote of three-fourths of the entire board, if a quorum is present at such time, shall be necessary for the election or appointment of the Chairman of the Board and the President of the corporation; provided, however, that the foregoing exception shall have no force and effect at any time at which the outstanding shares of the corporation are held of record by more than one person (other than outstanding shares held of record by directors for the purpose of qualifying as such).

ELEVENTH. The votes of any three directors shall be sufficient to defeat any motion before the board of directors which would change the fees, procedures or mode of operation of the corporation; provided, however, that this provision shall have no force and effect at any time at which the outstanding shares of the corporation are held of record by more than one person (other than outstanding shares held of record by directors for the purpose of qualifying as such).

TWELFTH. The Corporation shall exercise the general corporate powers provided in Section 2001 of the Banking Law subject to the restrictions and limitations contained herein and in the law of the State of New York and the regulations pursuant thereto, provided, however, that the Corporation shall possess only those powers of a trust company specified in Section 96, 97, 98, and 100 of the Banking Law which are specifically enumerated below, subject to the further modifications and limitations provided below. The Corporation shall not exercise any additional or greater power than permitted hereby except after the acceptance and filing in accordance with the Banking Law of an amendment to this instrument empowering the Corporation to exercise such additional or greater power.

1. General Powers

(a) To borrow money and secure such borrowings by pledging assets; to receive deposits of moneys, securities or other personal property upon such terms as the Corporation shall prescribe, provided that the Corporation shall not pay interest on any such deposits, and provided, further, that each and every such deposit is received by the Corporation from or for the account of an entity utilizing the Corporation's services (i) in connection with the Corporation's acting as a clearing corporation under the Uniform Commercial Code, or (ii) in the course of the performance of services by the Corporation as fiscal or transfer agent or shareholder servicing agent, dividend distribution agent, registrar, paying agent, escrow agent, custodian, trustee (to the limited extent authorized in paragraph 4 infra) or recordkeeping agent or (iii) in connection with securities

clearance and/or settlement or lock-box services, such deposits to be used solely in the course of the performance by the Corporation of services consistent with the powers enumerated in this Article TWELFTH; to distribute on such terms as the Corporation shall prescribe to entities utilizing the Corporation's services as described in this Article TWELFTH and others information regarding property of the type authorized by this Article TWELFTH to be received by the Corporation for deposit or deposit for safe-keeping for hire; and to exercise all such incidental powers as shall be necessary to carry on the business of the Corporation consistent with the powers provided in this Organization Certificate.

(b) To receive upon deposit for safe-keeping for hire upon terms and conditions to be prescribed by the Corporation money, securities, papers of any kind and any other personal property, provided that the Corporation shall not pay interest on any such deposits, and provided, further, that each and every such deposit is received by the Corporation from or for the account of an entity utilizing the Corporation's services (i) in connection with the Corporation's acting as a clearing corporation under the Uniform Commercial Code, or (ii) in the course of the performance of services by the Corporation as fiscal or transfer agent or shareholder servicing agent, dividend distribution agent, registrar, paying agent, escrow agent, custodian, trustee (to the limited extent authorized in paragraph 4 infra) or recordkeeping agent or (iii) in connection with securities clearance and/or settlement or lock-box services, such deposits to be used solely in the course of the performance by the Corporation of services consistent with the powers enumerated in this Article TWELFTH.

(c) To issue by its board of directors capital notes or debentures, when so specifically authorized by the superintendent.

(d) To become a member of a federal reserve bank and a clearing agency registered pursuant to the Securities Exchange Act of 1934, and to have and exercise all powers, not in conflict with the laws of this state, or this Organization Certificate, which are conferred upon (i) any such member by the Federal Reserve Act and (ii) any such registered clearing agency by the Securities Exchange Act of 1934. The Corporation and its directors, officers and stockholders shall continue to be subject, however, to all liabilities and duties imposed upon them by any law of this state and to all the provisions of the Banking Law relating to banks and trust companies.

(e) To assume and discharge such obligations to Federal Deposit Insurance Corporation as may be necessary or required for the purpose of maintaining insurance in such corporation.

(f) To pledge assets or furnish other security, satisfactory in form and amount to the depositor, for the repayment of moneys held in the name of the United States, any state, or of any municipality, when required to be secured by applicable law, decree or regulation in connection with the performance by the Corporation of services as fiscal or transfer agent for one or more of such entities.

(g) To execute and deliver such guarantees as may be incidental or usual in carrying on the trust business of a trust company.

2. Power to purchase securities and stocks

Subject to the restrictions and limitations contained in the Banking Law, the Corporation may invest in and have and exercise all rights of ownership with respect to:

(a) Bonds, notes, debentures and other obligations for payment of money, which are not in default as to either principal or interest when acquired.

(b) Stock of any city, county, town or village of this state which are not in default as to either principal or interest when acquired.

(c) Stock of a federal reserve bank in the amount necessary to qualify for membership in such reserve bank.

(d) So much of the capital stock of any other corporation as may be specifically authorized by the laws of this state or by resolution of the banking board upon a three-fifths vote of all its members.

The Corporation may acquire stock in exchange for an investment previously made in good faith and in the ordinary course of business, where such acquisition of stock is necessary in order to minimize or avoid loss in connection with any such investment previously made in good faith. Stocks acquired pursuant to the provisions of this paragraph may be held for such period as the board of directors deems advisable.

The Corporation shall not purchase, acquire or hold for its account any stock of any corporation except as provided in this Article TWELFTH.

3. Power to take and hold real estate; restrictions

(a) The Corporation may purchase, hold, lease and convey real property as follows:

(i) A plot whereon there is or may be erected a building suitable for the convenient transaction of its business, from portions of which not required for its own use a revenue may be derived, and a plot whereon parking accommodations are, or are to be, provided, with or without charge, primarily for its customers or employees or both, and a building or a portion or portions thereof for use by the Corporation in its business, provided that the

aggregate of all investments of the Corporation in such plots and buildings and in a leased building or a portion or portions thereof or in the stock, debentures or other obligations of any corporation holding such plots or buildings shall not exceed forty per centum of the aggregate of the capital stock, surplus fund and undivided profits of the Corporation, except with the approval of the superintendent and provided further that the superintendent shall have approved thereof in writing prior to each purchase of real property permitted by this paragraph (i).

(ii) Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its business.

(iii) Such as it shall purchase at sales under judgments or decrees held by it.

(iv) Such as may be specifically authorized by resolution of the New York State Banking Board (the "banking board") upon a three-fifths vote of all its members.

(b) All real estate purchased by the Corporation or taken by it in settlement of debts due it, shall be conveyed to it in its name or, subject to such regulations and restrictions as the banking board finds to be necessary and proper, may be taken in the name of a duly authorized nominee. All such conveyances shall be immediately recorded or registered in the office of the proper recording officer of the county in which such real estate is located.

4. Fiduciary powers.

The Corporation shall have, subject to the restrictions and limitations contained in the Banking Law, the following powers:

To act as the fiscal or transfer agent of the United States, any state, municipality, body politic or corporation; and in such capacity to receive and disburse money, to transfer, register and countersign certificates of stock, bonds or other evidences of indebtedness or other securities and to act as attorney in fact or agent of any corporation, foreign or domestic, for any lawful purpose.

THIRTEENTH. The Corporation shall have the authority to issue 1,500,000 shares of Series A Preferred Stock (the "Series A Stock") having the relative rights, preferences and limitations set forth herein:

- (a) Definitions. For purposes of this Article THIRTEENTH, the following terms shall have the following meanings:

The term "Common Stock" shall mean the Common Stock of the Corporation, par value \$100 per share.

The term "Dividend Date" for a Dividend Period shall mean the last Business Day of the first calendar month following such Dividend Period.

The term "Dividend Period" shall mean a calendar quarter (or part thereof with respect to any shares of Series A Stock that are not outstanding during an entire calendar quarter).

The term "Dividend Rate" for a Dividend Period shall mean a rate (expressed as a percentage) which is derived from a fraction, the numerator of which is $A(1-B)$ and the denominator of which is $B(C-1) + 1$, where:

A = the weighted average rate of interest paid by the Corporation on Required Participants Fund Deposits to the Participants Fund during the Dividend Period

B = the aggregate effective rate of federal, state and local income tax imposed on the Corporation, as determined on the relevant Dividend Date

C = the federal dividends received deduction on dividends received by a corporation (other than dividends received by a small business investment company or qualifying dividends), as in effect on the relevant Dividend Date

The term "Junior Stock" shall mean the Common Stock of the Corporation, par value \$100 per share, and any other stock of the Corporation ranking as to dividends or distributions of the assets of the Corporation junior to the Series A Stock.

The term "Participant" shall have the meaning given to such term in the Rules.

The term "Participants Fund" shall have the meaning given to such term in the Rules.

The term "Preferred Stock" shall mean the Preferred Stock of the Corporation, par value \$100 per share, including the Series A Stock.

The term "Required Participants Fund Deposit" shall have the meaning given to such term in the Rules.

The term "Rules" shall mean the Rules of the Corporation, as in effect from time to time.

The term "Settlement Account" shall have the meaning given to such term in the Rules.

- (b) Issue. All shares of Series A Stock issued by the Corporation shall be issued at a price per share equal to the par value of the Series A Stock. The Corporation may issue shares of Series A Stock in fractions where necessary to effect the share transfers and distributions required by the Rules, which fractions may be expressed in decimal units of one-hundred-thousandth of a share.
- (c) Dividends. Dividends on shares of Series A Stock shall be payable, when and as declared by the Board of Directors of the Corporation, on each Dividend Date at the Dividend Rate for the immediately preceding Dividend Period. Dividends shall not be cumulative.
- (d) Purchase of Shares. The Corporation may, at any time and from time to time, subject to applicable provisions of the Banking Law, purchase some or all outstanding shares of Series A Stock.
- (e) Redemption of Shares. The Corporation may, at any time and from time to time, subject to applicable provisions of the Banking Law, redeem some or all outstanding shares of Series A Stock at a redemption price per share equal to the par value of the Series A Stock plus accrued and unpaid dividends thereon to the redemption date. If less than all outstanding shares of Series A Stock are to be redeemed, the shares to be redeemed shall be selected by the Corporation pro rata or by lot or in such other equitable manner as the Board of Directors of the Corporation shall determine. Notice of such redemption (and the number of shares to be redeemed if less than all) shall be sent to each holder of record of shares of Series A Stock by mail, telecopy, electronic transmission or personal delivery. On the redemption date, without any action required on the part of any record holder of shares of Series A Stock, the shares of Series A Stock of such holder subject to redemption shall be redeemed by the Corporation and (i) on such redemption date, an amount equal to the aggregate par value of the redeemed shares of Series A Stock shall be (A) credited to the Settlement Account of the holder if the holder is then a Participant or (B) wired to an account specified by the holder if the holder is not then a Participant, and (ii) on the last Business Day of the first calendar month following the calendar year in which such redemption occurs, an amount equal to the accrued and unpaid dividends on the redeemed shares to the redemption date shall be (A) credited to the Settlement Account of the holder if the holder is then a Participant or (B) wired to an account specified by the holder if the holder is not then a Participant.
- (f) Voting. Except as otherwise set forth below or required by the Banking Law, shares of Series A Stock shall have no voting power. Without the consent of the holders of shares of Series A Stock entitled to cast at least two-thirds of the votes entitled to be cast by the holders of all shares of Series A Stock then outstanding, the Corporation may not (a) create any class or series of stock which shall have parity with or a preference over any outstanding shares of Series A Stock with respect to dividends or distribution of the assets of the Corporation or (b) alter or change the provisions of the Organization Certificate of the Corporation so as to adversely affect the voting power, preferences or special rights of the holders of the Series A Stock.

- (g) Liquidation Preference. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Series A Stock shall be entitled to receive, out of the assets of the Corporation available for distribution to stockholders, before any distribution of the assets of the Corporation shall be made to the holders of Junior Stock, an amount per share equal to the Issue Price plus any accrued and unpaid dividends thereon to the distribution date. After payment to the holders of the Series A Stock of the full preferential amounts provided for in this Paragraph (g), the holders of the Series A Stock shall be entitled to no further participation in any distribution of the assets of the Corporation. The consolidation or merger of the Corporation with or into any other corporation, or the sale of substantially all the assets of the Corporation in consideration for the issuance of equity securities of another corporation, shall not be regarded as a liquidation, dissolution or winding up of the Corporation within the meaning of this Paragraph (g) if such consolidation, merger or sale of assets does not in any way impair the voting power, preferences or special rights of the holders of the Series A Stock.
- (h) Limitations on Dividends on Junior Stock. So long as any shares of Series A Stock are outstanding, the Corporation shall not declare any dividends on any Junior Stock or make any payment on account of, or set apart money for, a sinking or other analogous fund for the purchase, redemption or retirement of any shares of Junior Stock, or make any distribution in respect thereof, whether in cash or property or in obligations or stock of the Corporation (other than Junior Stock) unless, on the date of such declaration or setting apart or distribution, the Corporation shall not be in default with respect to any of its obligations on the Series A Stock.
- (i) Stock Certificates. All outstanding shares of Series A Stock shall be represented by a single certificate held in custody by the Corporation. The ownership of shares of Series A Stock shall be evidenced by entries made on the books of the Corporation. The certificate representing all outstanding shares of Series A Stock shall bear the following legend:
- "THE SALE, ASSIGNMENT, TRANSFER, PLEDGE OR OTHER DISPOSITION OF THIS INSTRUMENT AND THE SHARES REPRESENTED HEREBY ARE SUBJECT TO ALL TERMS, CONDITIONS AND RESTRICTIONS, INCLUDING RESTRICTIONS ON WHO MAY BE REGISTERED BY THE ISSUER AS A HOLDER HEREOF, CONTAINED IN THE RULES OF THE DEPOSITORY TRUST COMPANY AS THE SAME MAY FROM TIME TO TIME BE AMENDED AS THEREIN PROVIDED, TO ALL OF WHICH SUCH HOLDERS, BY ACCEPTANCE HEREOF, ASSENT. A COPY OF SAID RULES, TO WHICH REFERENCE IS HEREBY MADE, IS ON FILE IN THE OFFICE OF THE SECRETARY OF THE DEPOSITORY TRUST COMPANY. THIS INSTRUMENT AND THE SHARES REPRESENTED HEREBY SHALL NOT BE TRANSFERABLE AT ANY TIME UNLESS SUCH TRANSFER IS CONSISTENT WITH THE TERMS OF SAID RULES, AND (i) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED FROM TIME TO TIME, IS IN EFFECT WITH RESPECT TO SUCH SHARES AT SUCH TIME, OR (ii) COUNSEL REASONABLY SATISFACTORY TO THE DEPOSITORY TRUST COMPANY HAS GIVEN IT AN OPINION TO THE EFFECT THAT SUCH

TRANSFER AT SUCH TIME WILL NOT VIOLATE THE SECURITIES ACT OF 1933, AS AMENDED FROM TIME TO TIME."

(Signatures, etc. omitted)