



**The Depository Trust & Clearing Corporation  
The Depository Trust Company  
Fixed Income Clearing Corporation  
National Securities Clearing Corporation  
Board of Directors  
Code of Ethics  
and Conflicts of Interest Policy**

**1. Introduction**

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

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

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

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

Key Board responsibilities include:

- Acting honestly, in good faith and in the best interests of the Companies and all of the participants of the clearing agency subsidiaries;
- Using best efforts to avoid conflicts between personal and professional interests as they relate to the Companies where possible;
- Documenting and informing promptly the Corporate Secretary’s Office of any relationship or interest that reasonably could affect the independent judgement or

decision-making of the director in compliance with Rule 17ad-25(h);

- Complying with all applicable laws, regulations and policies of the Companies;
- Promptly reporting any violations of this Code to the Non-Executive Chairman of the Board, the Chair of DTCC’s Governance Committee (the “Governance Committee”) or to DTCC’s General Counsel;
- Seeking guidance where necessary; and
- Being accountable personally for adherence to the Code.

Directors must sign a Certificate of Compliance to acknowledge they have read, understood, and are in compliance with this Code upon confirmation as a Director and on an annual basis.

## **2. Background**

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

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

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

Each of DTCC’s clearing agency subsidiaries is subject to comprehensive regulation by the U.S. Securities and Exchange Commission (the “SEC”) and, in the case of DTC, to supervision by the Federal Reserve Bank of New York and the New York State Department of Financial Services as well. As a result, directors of the Companies have certain responsibilities that are specified by statute or regulation<sup>1</sup> and individual directors can be

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<sup>1</sup> For example, the Board must review examination findings and recommendations issued by DTC’s banking regulators. The Board also has oversight responsibilities over certain types of service providers under the SEC’s Rule 17Ad-25 on Clearing Agency Governance and Conflicts of Interest.

held accountable by the regulators for their performance as directors.<sup>2</sup>

### **3. User Representation/Requirement of Fair Representation**

The Board is composed of Directors associated with DTCC's U.S. clearing agency subsidiaries (i.e., DTC, NSCC and FICC) representing the participant community of those subsidiaries as required by applicable law ("participant directors"), Directors who are not associated with participants nor are they executives, officers, or employees of any of the Companies ("non-participant directors"), as well as the President and Chief Executive Officer and from time to time, other members of DTCC management ("management directors"). Each Director – whether a participant Director, a non-participant Director, or a management director – is obligated as a matter of corporate law and the federal securities laws to act in good faith to promote the interests of DTCC and the common interest of all of the participants of the subsidiary clearing agencies. This is true even if the Director was elected to the Board solely because of the share ownership of his or her employer.

### **4. Duty of Care**

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

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

### **5. Duty of Loyalty/Conflicts of Interest Policy**

#### **A. General**

The duty of loyalty requires Directors to exercise their powers in good faith and in the best interests of each of the Companies, rather than in their own interests or the interests of

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

another entity or person (including without limitation, their employer).

Conflicts between the interests of any of the Companies and the personal or financial interests of a Director may arise from time to time. While some transactions or arrangements involving conflicts of interest may subject the Companies or its Directors to liability, other such transactions or arrangements may be in the best interests of the Companies so long as appropriate procedures are followed. This Code is designed to identify, document, and mitigate or eliminate any actual, potential or apparent conflicts of interest in the decision-making process of the Companies involving directors, including by assisting directors in identifying conflicts and in handling them appropriately.

All Directors are responsible for a timely disclosure and documentation of any relationship or interest that reasonably could affect the independent judgement or decision-making of the director in compliance with Rule 17ad-25(h) to the Companies. Neither the Companies nor any Director shall enter into any transaction or arrangement that involves an actual, potential, or apparent conflict of interest except in compliance with this Code.

#### B. Conflict of Interest Policy

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

While it is not possible to anticipate all possible conflict situations, conflicts of interest typically arise whenever a Director, a family member<sup>3</sup> of a Director, or a firm with which a Director is associated as a Director, officer, employee or beneficial owner of 1% or more of the firm's equity interests, has (directly or indirectly) a business interest in a party with whom DTCC is doing business in some capacity or in a transaction or other activity that competes (directly or indirectly) with a transaction or activity which DTCC is pursuing or conducting.

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

1. a personal or financial interest in an applicant being considered by any of the Companies for clearing agency membership;

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<sup>3</sup> SEC Rule 17ad-25(a) defines "family member" as any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person (other than a tenant or employee) sharing a household with the director, a trust in which these persons (or the director) have more than fifty percent of the beneficial interest, a foundation in which these persons (or the director) control the management of assets, and any other entity in which these persons (or the director) own more than fifty percent of the voting interests.

2. a compensation arrangement (other than with respect to fees payable to a Director in his or her capacity as an employee or Director) or other interest in a transaction with any of the Companies;
3. a compensation arrangement or other interest in or affiliation (subject to de minimis exceptions) with any entity or individual that: (a) sells goods or services to, or purchases goods or services from, any of the Companies; or (b) any of the Companies has, or is negotiating, or contemplating negotiating, any other matter or activity;
4. the opportunity to use his or her position, or confidential information or the assets of any of the Companies to his or her (or an associated party's) personal advantage or for an improper or illegal purpose;
5. solicited or accepted any gift, entertainment, or other favor where such gift might create the appearance of influence on the director (other than gifts of nominal value, which are clearly tokens of respect and friendship unrelated to any particular business matter or activity);
6. acquired any property or other rights in which any of the Companies has, or the Director knows or has reason to believe at the time of acquisition that any of the Companies is likely to have, an interest;
7. the opportunity to take advantage of or benefit from activities of any of the Companies that is available to any of the Companies or to the Director, unless the Board has made an informed decision that the relevant Company will not pursue that opportunity;
8. a material relationship<sup>4</sup> with or is representing a clearing agency member that is involved in an emergency situation requiring decision-making and action by the Board or a Board committee; or
9. any other material relationships or been involved in any other circumstances that may, in fact or in appearance, make it difficult for the Director to exercise independent, objective judgment or otherwise perform effectively.

Importantly, conflicts of interest situations can arise even for a Director that is determined to be an “independent director.”<sup>5</sup> Although the independence of a director may help preempt certain conflicts of interest situations that a non-independent director could encounter, other types of conflicts could arise on a case-by-case basis (e.g., when a clearing

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<sup>4</sup> SEC Rule 17ad-25(a) defines “material relationship” as a relationship, whether compensatory or otherwise, that reasonably could affect the independent judgment or decision-making of the director and includes relationships during a lookback period of one year counting back from making the initial determination.

<sup>5</sup> SEC Rule 17ad-25(a) defines “independent director” as a Director that has no material relationship with the registered clearing agency, or any affiliate thereof. “Affiliate” is defined as a person that directly or indirectly controls, is controlled by, or is under common control with the registered clearing agency. For list of DTCC affiliates, please see Appendix A.

agency is considering a specific proposed transaction or new business activity).

C. Conflicts of Interest Questionnaire and Disclosure

On an annual basis, each Director shall complete an annual Conflicts of Interest and Independence Questionnaire, disclosing any relationship or interest that reasonably could affect the independent judgement or decision-making of the director in compliance with Rule 17ad-25(h). They shall also promptly document and inform the Corporate Secretary's Office of any relevant change in circumstances throughout the year. The Questionnaires shall be reviewed by the Corporate Secretary's Office. The Corporate Secretary's Office shall escalate any disclosure to the General Counsel for evaluation.

Conflict identification and analysis can be difficult and can arise on an ad-hoc basis and, therefore, Directors are at all times expected to act on the side of caution and immediately bring to the attention of the Corporate Secretary, DTCC's General Counsel or the Non-Executive Chairman of the Board, any matters that may involve conflicts of interest or be reasonably perceived by others to raise questions about potential conflicts even if the person does not believe that an actual conflict exists. Such disclosures by a Director should be in writing and made in advance of taking any action on the matter.

The Corporate Secretary's Office shall send quarterly notices to the Directors reminding them of their obligation to disclose promptly any relationship or interest that reasonably could affect the independent judgement or decision-making of the director in compliance with Rule 17ad-25(h).

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

Any annual or ad-hoc conflict disclosures made by a director shall be evaluated by the General Counsel. If such disclosure is deemed to be an actual conflict of interest, the General Counsel shall notify the Non-Executive Chairman of the Board. The General Counsel may make other necessary inquiries to determine the extent and nature of any conflict disclosures made.

E. Monitoring Conflicts of Interest

Any conflict disclosure that is deemed to be an actual conflict of interest by the General Counsel shall be documented and monitored by the Corporate Secretary's Office until such conflict of interest is addressed, whether mitigated or eliminated, as appropriate. Any actual conflicts of interest shall be reported to the Governance Committee as an information item at a regularly scheduled meeting.

F. Addressing Conflict of Interest Disclosures

Upon identification of a conflict of interest, the Non-Executive Chairman, in consultation with the General Counsel, shall determine how such conflict should be addressed on a case-by-case basis. In certain cases, it may be advisable for the involved director to recuse

himself/herself from any discussion or vote related to the matter. In other cases, where the conflict is limited or indirect, the Non-Executive Chairman in consultation with the General Counsel may determine that the conflict should be disclosed to the full Board of Directors, but in light of such disclosure to the Board, recusal of the director is unnecessary. Further, there may be cases where a conflict is so significant or pervasive that the director would be unable to continue to serve on the Board. In such instances, the Non-Executive Chairman and General Counsel would discuss with the Governance Committee. The Governance Committee could then recommend that the Board request such director resign.

## **6. Duty of Confidentiality**

### **A. Generally**

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

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

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

Confidential information could include, for example, information relating to participants, applicants, employees, suppliers, vendors and/or business practices, financial information, prospects, plans, trade secrets, know-how and potential transactions. All information received in connection with a Board or Board committee meeting and/or during such a meeting (including, without limitation, voting results, expressions of opinion and the

conduct and tenor of deliberations), whether in closed session or in the presence of invited guests, is confidential unless otherwise indicated by the Non-Executive Chairman of the Board or Board committee, as applicable.

**B. Information Relating to Participants and Applicants**

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

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

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

**C. Confidential Supervisory Information (“CSI”)<sup>6</sup>**

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

**7. Inquiries from the Media and Others**

The Non-Executive Chairman of the Board and his designees, if any, are authorized in most circumstances to speak for the Companies. The Companies are committed to providing full,

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<sup>6</sup> Confidential Supervisory Information (“CSI”) includes reports of examinations and other supervisory communications prepared by the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, or the New York State Department of Financial Services, and any information derived from or related to such communications. Any portion of a document that contains or would reveal supervisory communications is also CSI.

fair and accurate disclosure in all public communications and in compliance with all applicable law, regulations and rules. Inquiries from the media and others should be immediately directed to DTCC's General Counsel and Directors should refrain from responding to any inquiries unless compelled to do so by valid legal process.

## **8. Compliance with Laws, Rules and Regulations**

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

## **9. Raising Questions and Concerns**

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

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

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

## **10. Amendments and Waivers of this Code**

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

## CERTIFICATE OF COMPLIANCE

I \_\_\_\_\_ hereby certify that I have read,  
(Print name)

understand and am in compliance with the terms of the foregoing “DTCC/DTC/FICC/NSCC Board Code of Ethics and Conflicts of Interest Policy.”

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Please return the signed Certificate of Compliance via email to [corporatesecretary@dtcc.com](mailto:corporatesecretary@dtcc.com).

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

## APPENDIX A

CSD Renaissance LLC  
DTCC Australia Pty Ltd  
DTCC Canada Ltd  
DTCC Data Repository (Ireland) Public Limited Company  
DTCC Data Repository (Japan) K.K.  
DTCC Data Repository (Singapore) Pte. Ltd  
DTCC Data Repository (U.S.) LLC  
DTCC Deriv/SERV LLC  
DTCC Derivatives Repository PLC  
DTCC Digital (US) Inc.  
DTCC Digital (ME) Limited  
DTCC Enterprise Services India Private Limited  
DTCC Europe Limited  
DTCC Hong Kong Limited  
DTCC ITP LLC  
DTCC ITP Matching (Canada) Limited  
DTCC ITP Matching (US) LLC  
DTCC ITP (UK) Limited  
DTCC Japan K.K.  
DTCC Mena Holdings Limited  
DTCC Singapore Pte. Ltd.  
DTCC Solutions LLC  
DTCC Solutions (UK) Limited  
DTCC (UK) Limited  
Equities Renaissance LLC  
Fixed Income Clearing Corporation (“FICC”)  
Fixed Income Renaissance LLC  
National Securities Clearing Corporations (“NSCC”)  
The Depository Trust Company (“DTC”)