



#:	IRSS001.14
Date:	April 1, 2014
To:	All Insurance & Retirement Services Users
From:	General Counsel's Office
Subject:	Revised Operating Procedures

This Notice refers to the DTCC Solutions Operating Procedures applicable to the Insurance & Retirement Services (“Operating Procedures”) of DTCC Solutions.

Effective Tuesday, April 15, 2014, DTCC Solutions will be amending its Operating Procedures primarily in response to suggestions from its Users.

Please see the attached red-lined document to review the changes that are being made.

Once effective, the revised Operating Procedures will be located on the I&RS website within the [DTCC Solutions LLC](#) onboarding section.

Please contact your Insurance & Retirement Services’ relationship manager or insurance@dtcc.com, if you should have any questions regarding this important notice.

DTCC offers enhanced access to all important notices via a Web-based subscription service. The notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit http://www.dtcc.com/subscription_form.php.

Non-Confidential

DTCC SOLUTIONS LLC INSURANCE & RETIREMENT SERVICES OPERATING PROCEDURES

1. General

DTCC Solutions LLC (the “Company”), a limited liability company organized under the laws of the State of New York, has entered into User Agreements with various ~~persons or institutions~~entities (each, a “User”) for the provision of one or more ~~services~~Insurance & Retirement Services offered by the Company to Users (each a “Service” and collectively, the “Services”). The automated systems or other mechanisms through which the Company provides the Services are referred to collectively herein as the “System”.

The System is intended to provide Users with access to such Service or Services of the Company as requested by such User, and agreed to by the Company. Each Service of the Company, and the terms and conditions applicable thereto, shall be set forth in greater detail in an Appendix to these Operating Procedures, and related Applicable Publications (defined below), if any. In the case of certain Services, the Appendix to these Operating Procedures applicable thereto may contain one or more forms of schedules (each, a “Schedule”), which shall be finalized and agreed upon by the Company and each User which elects to execute a Schedule to receive the Services described therein.

2. User Information; Non-Repudiation

The Company will maintain for the benefit of Users a database that (a) assigns to each User a unique alpha-numeric identifier and (b) groups Users into families (each, a “Family”) as directed by the Users (through User Agreements or in such other form as designated by the Company from time to time) that desire to be so grouped. Users may access the System through such technical links as are supported by or on behalf of the Company from time to time and in the manner and subject to the security arrangements established by the Company from time to time, as set forth in information documents specific to the System or related to any Service or group of Services, which information documents may include Schedules with respect to certain Services (collectively, the “Applicable Publications”). The Company shall retain exclusive control over the System. Each User is solely responsible for any equipment and software necessary for such User to access and use the System. Data, orders, instructions, messages, confirmations, positions, records and other information submitted to the System (collectively, “Records”) indicating a particular User as the submitting party, shall be conclusively presumed to have been duly authorized by the User whenever such Records are so determined to have been submitted to the System with the secure identifiers assigned to that User or its Family. If a User submits a Record for another User that is a member of the same Family, the Record shall be conclusively presumed to have been made on behalf of such other Family member and to have been duly authorized by such other Family member.

3. How the System Works

(a) Distribution of Data by the Company to Users through the System

The Services may entail distribution of data collected by the Company and offered to Users for their internal use or further redistribution to their clients, as set forth in the applicable Appendix with respect to such Service and such Schedule(s) as the User may execute with the Company. The scope of the license furnished by the Company to a User covering the data provided under any such Schedule, together with any other special terms (including fees and related term), shall be as set forth in such Schedule. If there is any conflict between these Operating Procedures (including the Appendix applicable to such Service) and the terms set forth in a Schedule, the terms of the Schedule shall prevail; *provided, however*, that the terms of such Schedule shall prevail solely with respect to the User's use of the data received pursuant to the terms of such Schedule, and such terms shall not apply to any other Schedule which the Parties may have executed or with respect to any other Services that are offered by the Company to the User.

(b) Transmission of Records between Users through the System

The Services may entail submission of one or more Records by Users to the System for processing or transmission to other Users or for other purposes. The Company may establish descriptions, layouts, formats, processes and other specifications (collectively, "Files") from time to time for use in submitting Records to the System. Records improperly formatted or not conforming to such Files may be rejected by the Company in its discretion. Modifications to Files by the Company will be announced to Users through the issuance of important notices (each, an "Important Notice"), which will be made available by the Company to Users in accordance with Section 4(c) below. Users agree with the Company to use the System in accordance with the most up-to-date version of Applicable Publications made available by the Company from time to time.

(c) Termination of Use of Services.

A User's ability to use the System ~~may be~~ shall be perpetual as of its User Agreement Effective Date unless otherwise terminated (such a User, a "Terminating User") by either Voluntary Termination or Involuntary Termination as described below.

- Voluntary Termination. A Terminating User may terminate its use of the System upon at least four calendar days' notice to the Company.
- Involuntary Termination. The Company may terminate a User's use of the System (1) with respect to any Service requiring the transmission of Records by a User, if the Company is unable to establish communications with the User using the last known contact information in the Company's records for a period of 30 days and the User has no active means of interaction with the System (e.g., no active digital certificate), (2) if the User has materially breached its User Agreement and/or these Operating Procedures (including applicable Appendixes) and/or any executed Schedule (and, if the Company in its reasonable discretion determines that such breach is capable of cure, the User has not cured such breach within ~~two weeks~~ 30 days of receiving written notice of such breach from the Company) or (3) under such other circumstances as may be set forth in such procedures for termination of Users as may be adopted by the Company from time to time.

Immediately after either Voluntary Termination or Involuntary Termination, all attempted submissions of Records by the Terminating User shall not be permitted by the System and the Terminating User shall have no other access to the System. The Terminating User shall not accrue fee obligations from the effective date of the termination onwards. Fees paid in advance with respect to any Service shall be either returned on a pro-rated basis by the Company or forfeited by the Terminating User as set forth in the applicable Appendix and/or Schedule. Except as set out in these Operating Procedures, all other obligations and rights of the Terminating User under these Operating Procedures shall survive termination of use of the System.

~~Each User waives any claim that it may have against the Company with respect to any Terminating User's termination of its use of the System.~~

4. Important Legal Information.

(a) Copyright

These Operating Procedures, as may be amended from time to time (including any Appendix and Schedule thereto), any Applicable Publications, all Files and any data distributed by the Company with respect to any Service (except for any data provided by or on behalf of any User) are proprietary of and protected by copyright by the Company or its affiliated companies.

~~Neither~~ Unless otherwise provided in the applicable Appendix or Schedule, as the case may be, neither the Company nor any of its affiliated companies shall be deemed to have waived any of its respective proprietary interests as a result of any User's use of the System or any Files. The use by any User of the System or any Files shall not constitute the sale or assignment by the Company, or any of its affiliated companies, of any trademark, copyright or other intellectual property right. All rights not expressly granted herein are reserved by the Company.

Each User is granted, only for so long as it is a User, a personal, limited, non-exclusive, non-transferable, non-~~sub~~licensable~~sub~~ sub licensable and freely revocable license to use the System and the Files solely for User's own internal business purposes in connection with access to and use of the Services.

Users will not, without the prior written consent of the Company in each instance: (i) use in advertising, news release, marketing materials, trade publication, publicity or otherwise any trade name, trademark, trade device, service mark, symbol, logo or any abbreviation, contraction or simulation thereof owned or used by the Company or any of its affiliated companies or any depiction of the Company or any of its affiliated companies; or (ii) represent, directly or indirectly, that any business of the User has been sponsored, approved or endorsed by the Company or any of its affiliated companies.

Company will not, without the prior written consent of the applicable User in each instance: (i) use in advertising, news release, marketing materials, trade publication, publicity or otherwise any trade name, trademark, trade device, service mark, symbol, logo or any abbreviation, contraction or simulation thereof owned or used by such User or any of its

affiliated companies or any depiction of such User or any of its affiliated companies; or (ii) represent, directly or indirectly, that any business of the Company has been sponsored, approved or endorsed by the User or any of its affiliated companies. Notwithstanding the foregoing, the Company may periodically and publically inform clients and prospective clients regarding any new and existing User's subscription of Services of the Company.

Each User shall use reasonable efforts to prevent any unauthorized person from accessing the System or any Files through the equipment or facilities of the User and its affiliates. If an unauthorized person does so obtain access to the System or any Files, User shall: (i) use commercially reasonable efforts to ascertain the source and manner of acquisition; (ii) fully brief the Company within two (2) business days of such User's first knowledge of such unauthorized acquisition; (iii) otherwise cooperate and assist in any investigation relating to any unauthorized access to the System and receipt of any Files; and (iv) implement any ~~necessary~~commercially reasonable corrective actions to prevent further unauthorized acquisition.

(b) Terms of Use

- Record Submissions to the System by Users and Applicable Law. Each User agrees that the submission of Records through the System shall meet the requirements of any law, rule or regulation ("Applicable Law") to which such User is subject in every material manner with respect to the applicable Service. Each User agrees that its access to and use of the System, and any activity that such User undertakes in connection therewith, will at all times comply with Applicable Law. The User is responsible for determining whether it is permitted under Applicable Law, or is otherwise authorized, to submit and receive any information to and from the System. The Company is not making, and hereby expressly disclaims, any representations or warranties as to the status or Records submitted to the System by Users under Applicable Law or any contractual arrangements involving Users. Each User agrees that the System may not be used by any person in any jurisdiction where these Operating Procedures or use of the System would be contrary to any Applicable Law. Each User that is a regulated entity agrees that such User will be solely responsible for complying with all requirements under Applicable Law with respect to record keeping and the maintenance of its books and records, and the Company makes no representation that the System will satisfy such requirements.

- Company's Provision of the System and the Services. The Company agrees that in providing the System and the Services, the Company shall at all times comply with all Applicable Law to which the Company is subject in every material manner.

- Operating Procedures constitute a part of each Record; Reliance by other Users. Each User that submits any Record through the System agrees that these Operating Procedures (other than the provisions of Sections 4(a), 4(c), 4(d), 4(e), 4(g), 4(h), 4(i), 4(j)(ii) and 4(j)(iii)), including any applicable Appendix, constitute a part of each such Record to the same extent as if such Operating Procedures had been expressly included as part of such Record and further agrees that each receiving User shall be entitled to rely on and enforce the terms of such Operating Procedures (other than the provisions of Sections 4(a), 4(c), 4(d), 4(e), 4(g), 4(h), 4(i), 4(j)(ii) and 4(j)(iii)) against such submitting User as an intended third-party beneficiary of such Operating

Procedures, and without the need for such receiving User to join with the Company in order to enforce such Operating Procedures against any such submitting User. Each User that submits any Record through the System agrees that it will not (i) claim, solely on the basis of the electronic nature of the System, that any Record is inadmissible in a court of law or other proceeding or (ii) object, solely on the basis of the electronic nature of the System, to the admission of any Record in a court of law or other proceeding.

- Assignment. Each User agrees that it will not assign or otherwise transfer its rights or obligations under its User Agreement, these Operating Procedures or any Schedule, to any third party without the Company's prior written consent, which consent ~~may~~shall not be unreasonably withheld ~~in the Company's sole discretion~~. Any such assignment or transfer without the Company's consent shall be null, void and without effect. An authorized transferee must agree in writing to be bound by the terms of the transferor's User Agreement and hereunder, and any Schedule, as of the effective date of the transfer, and the transferor must provide to the Company a written undertaking, signed by the transferee, agreeing to be bound by the terms of such User Agreement and hereunder and any Schedule for all activity of the transferor in the System taken up to the time of transfer.

Each User agrees that the Company may from time to time assign or transfer its rights or obligations under the User's User Agreement and these Operating Procedures, and any Schedule, in whole or in part, to an affiliate of the Company, in each case without the consent of any User; *provided*, that the transferee agrees in writing to be bound by the terms hereof and thereof and the Company provides to the User a written undertaking (which may be in the form of a single undertaking for the benefit of all Users), signed by the transferee, agreeing to be bound by the terms hereof and thereof through the time of the transfer. The Company will notify Users of any such action pursuant to Section 4(c) below.

- Users to follow Most Current Operating Procedures. The contents of these Operating Procedures, including any Appendix, may be updated periodically, possibly in different formats. The most current version of these Operating Procedures and any Appendix, as well as Important Notices that address the contents of these Operating Procedures, any Appendix and Applicable Publications, will be made available by the Company to Users from time to time in accordance with Section 4(c) below. The Company will not be responsible for losses, costs or expenses arising from any failure of Users to follow the Company's most current Operating Procedures, Appendixes and/or Applicable Publications.

(c) Notices

The Company will provide at least ~~ten~~thirty (~~10~~business~~30~~) days' prior notice via Important Notice to Users of any material modification, amendment or supplement to these Operating Procedures, any Appendix, any Applicable Publication or any File.

Important Notices and any other notices from the Company to a User shall be sufficiently served on such User if the Important Notice is in writing, is delivered to the User's office

address or e-mailed to the User's e-mail address. Any Important Notice or other notice to a User, if mailed to the User's address, shall be deemed to have been given when deposited with the United States Postal Service or nationally recognized courier service, with postage thereon prepaid, directed to the User's office address. Any Important Notice or other notice to a User if e-mailed shall be deemed to have been given when routed to the e-mail address of the User.

Notwithstanding anything herein to the contrary, the Company may distribute Important Notices to Users by posting such Important Notices on the Company's website at www.dtcc.com. The Company shall deem an Important Notice sufficiently served once the Important Notice is posted to the Company's website, and it is the responsibility of Users to retrieve Important Notices daily from the Company's website.

Any notice required to be given under these Operating Procedures by a User to the Company shall be sufficiently served on the Company if the notice is in writing and delivered to the e-mail address of the User's appointed Company Relationship Manager, with a copy of any such notice sent to the Company at its principal place of business, Attention: General Counsel.

(d) User Payments

Each User agrees with the Company that such User will pay to the Company such fees and charges applicable to such User for use of the System and the applicable Service(s) as shall be specified from time to time in the applicable Appendixes to these Operating Procedures and/or any Schedule it may execute with the Company. ~~Each User~~The Company shall arrange ~~with the Company~~ for ~~an automated~~ means of payment with each User, which may include, where such User has, or has an affiliate that has, a daily money settlement account at The Depository Trust Company ("DTC") or another affiliate of the Company, a payment through such money settlement account, or through an alternate form of payment that the Company may make available.

(e) Access to the System and Security

Users agree to abide by the security procedures specified by the Company in the Applicable Publications and/or any Schedule. Users will take reasonable steps to maintain the confidentiality and integrity of the System and its contents in compliance with such security procedures. Users will not knowingly or negligently introduce or permit the introduction of any computer viruses, worms, Trojan horses or other harmful codes into the System. Each User agrees with the Company that such User is responsible for ~~preventing~~ unauthorized access to the System by User's employees, contractors or other agents or representatives or through such User's identifier. The Company shall comply with its security procedures specified by it in the Applicable Publications.

(f) Representations and Warranties; Agreements

- Users. By using the System, each User represents and warrants that (1) it has the power and authority to enter into and perform its obligations under these Operating Procedures (including any Appendix and/or any Schedule) and its User Agreement,

(2) these Operating Procedures (including any Appendix and/or any Schedule) and its User Agreement constitute valid, binding and enforceable obligations of such User, (3) such User's access to and use of the System does not and will not violate any Applicable Law or contractual or other restriction applicable to such User in any material way that would adversely affect the Company, and (4) it has provided the Company with its full, correct legal name.

Each user agrees that (x) access to the System will be limited to authorized personnel who will be using the System within the scope of their employment and solely for such User's or its Family's business purposes, (y) upon any change to its legal name, the User shall promptly notify the Company in writing of such change and its new legal name, and (z) User will promptly notify the Company in writing of the occurrence of any merger, reorganization or similar corporate event with respect to such User.

United States Users

To the extent that User is located within the United States, or is otherwise subject to the jurisdiction of the United States, User certifies the following:

User is a U.S. person as defined by applicable regulations administered and enforced by OFAC. User agrees that it is thereby subject to, and has implemented a program reasonably designed to comply with, such regulations. As part of its OFAC compliance program, User also certifies that it has screened and will continue to periodically screen against the most recent version of OFAC's List of Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Global Terrorists, Foreign Terrorist Organizations and Specially Designated Narcotics Traffickers (collectively referred to as the "SDN List") the name and address of any client (whether User is acting in the capacity principal or agent) whose activity User processes through the System.

Non-U.S. Users

To the extent that User is not located in the United States, or is not otherwise subject to the jurisdiction of the United States, User certifies that it will not conduct any transaction or activity through the System that User knows, either due to its screening or through other means, to be in violation of the regulations administered and enforced by OFAC.

- Company. The Company represents and warrants that (1) it has the power and authority to enter into and perform its obligations under these Operating Procedures (including any Appendix and/or Schedule) ~~and~~, (2) these Operating Procedures (including any Appendix and/or Schedule) constitute valid, binding and enforceable obligations of the Company and (3) in providing the System and the Services it is not violating and will not violate any Applicable Law or contractual or other restriction applicable to it in any material way that would adversely affect User.

(g) Company's Compliance Obligations

Users acknowledge that the Company is an affiliate of three companies that are Securities and Exchange Commission registered Clearing Agencies. Accordingly, Users acknowledge and agree that the Company may take or refrain from taking any action that the Company or its affiliates consider necessary or appropriate to comply with Applicable Law or with any subpoena, order or request of any court, governmental, regulatory, self-regulatory, market or other relevant authority, agency or organization, or to enable the Company and its affiliates to continue to provide the System to the Users.

Subject to Applicable Law, each User will supply to the Company all information that is reasonably requested by the Company concerning such User and related to such User's use of the System or that is reasonably and in good faith deemed by the Company to be necessary.

Neither the Company nor its affiliates, nor any of their respective officers, directors, employees or other representatives, will be liable to any User or any other person as a result of taking or refraining from taking ~~any such action~~ actions considered necessary or appropriate as described in this subsection.

(h) Confidential Information and Use of Data

The manner in which the Company treats confidential information of the User shall be governed by the Information Privacy Policies and Procedures of The Depository Trust & Clearing Corporation and Subsidiaries (the "DTCC Privacy Policy"), which may be found at www.dtcc.com. ~~Notwithstanding the immediately preceding sentence, and which should be regularly reviewed by Users for updates made by the Company in connection with changes in Applicable Law. Some Records may contain sensitive information about natural persons such as their tax ID numbers, driver's license or state or federal ID card numbers, or financial account numbers (collectively, "Non-Public Personal Information" or "NPI"). The Company will implement and maintain a comprehensive written information security policy and reasonable security practices and procedures appropriate to the nature of the NPI and compliant with Applicable Law, which policies, practices and procedures include administrative, technical and physical safeguards designed to protect against threats or hazards to the security or integrity of NPI. Upon disposal, Company will shred print material containing NPI and delete electronic material containing NPI using industry standard measures to prevent it from being retrievable. The Company will inform User in the event that it learns that there has been unauthorized third party access to NPI contained in a Record provided by such User, and will reasonably cooperate with such User in the investigation of such unauthorized access.~~

Users acknowledge and agree that nothing shall prevent the Company (or its affiliates) from releasing or disclosing aggregated data and other anonymized information sourced from data supplied to the Company by Users in connection with their use of the System, including by selling such aggregated data and other information; *provided, however*, that in no event shall the release or disclosure of such aggregated data and other information identify the economic terms of any specific transaction or contain NPI supplied to the Company by any User. By way of providing examples, but not by way of limitation, Users acknowledge and agree that the Company may use data supplied by Users to create products and services (i) containing

benchmarking and other aggregated information and analysis that may contain anonymous data or (ii) that may identify a User or groups of Users by size, market share, degree of use of a service or other similar aggregated indicator.

Each User agrees that it will treat as confidential (both during and after the termination of a User's access to the System) all Company Confidential Information. "Company Confidential Information" shall mean all Files and other technical specifications of the System, screen shots, information pertaining to product design, User interface and all data distributed by the Company with respect to any Service. Users will not transfer or disclose Company Confidential Information to any third party or use such Company Confidential Information except as otherwise expressly provided under these Operating Procedures, any Schedule executed by the Company and the User, or the Applicable Publications. Users may disclose Company Confidential Information to (i) the User's employees, officers and directors, (ii) its affiliates and the employees, officers, and directors of such affiliates, or (iii) any professional consultant or agent retained or utilized by the User (collectively, the "User's Representatives"), in each case, as reasonably deemed necessary by the User to assist the User in its use of the System; *provided*, that the User's Representatives are informed of the confidential nature of the Company Confidential Information, and User will procure such User Representatives ~~agree to be bound by the terms~~ compliance with the confidentiality obligations of this Agreement. The User shall be responsible to the Company for any breach of this Agreement by any of the User's Representatives.

Company Confidential Information will not include (i) information that is, or becomes, known to the public other than through a breach by a User of these Operating Procedures or any Schedule, (ii) information that is rightfully received by a User from a third party entitled to disclose it, or (iii) information that is independently developed by a User without use of the Confidential Information disclosed by the Company. In addition, a User may disclose Confidential Information to the extent required by Applicable Law, including, without limitation, as required by subpoena, order or request of any court, governmental, regulatory, self-regulatory, market or other authority, agency or organization having jurisdiction over the User, but such disclosure shall be only to the extent and only for so long as necessary to comply with such Applicable Law; *provided* that the User shall, if able under Applicable Law, give the Company reasonable notice prior to such disclosure and shall comply with any applicable court protective order or equivalent court action.

The User acknowledges that some or all of the Company Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and undertake not to use any Company Confidential Information for any unlawful purpose or disclose such information to any party other than the respective User counterparty and except as provided under these Operating Procedures, including any applicable Appendix hereto.

Each User acknowledges and agrees that the Company and its affiliates on behalf of the Company may monitor and record such User's use of the System.

(i) Limitation of Liability and Disclaimer

The Company will have no responsibility or liability for any Record submitted by any User arising from the fact that such Record is improperly formatted or is otherwise not conforming to the applicable Files. While the Company may inform a User of such improperly formatted or nonconforming submissions, the Company shall have no obligation to inform any User of such problems and the Company's failure to so inform a User shall in no way signify that the Record was properly formatted and is conforming. The Company shall have no responsibility for ensuring that any Record submitted conforms in form and substance to the applicable Files.

The Company will have no responsibility or liability for (i) the completeness, correctness or accuracy of any Records it receives from any User, (ii) the completeness, correctness or accuracy of any data or Record that it delivers to any User who may use such data or Record, or (iii) the successful or unsuccessful completion of any transaction covered by any Record. The Company will not be responsible for verifying any data it provides to a User, any Record received from a User or any Record delivered to a User. The Company makes no representation that any data or Record is accurate as of any specific time. Users act at their own risk in using or relying on any such data or Records as the basis for an order or any other decision. The Company in no event guarantees that any party to a transaction covered by any Record will fulfill its obligations to the other party or parties to such transaction.

The System is provided "as is." The Company and its affiliates do not make any representation or warranty, express or implied, as to the System or any other matter. Each User hereby waives any implied warranty or similar protection under any Applicable Law that may be claimed to apply to the System. The Company does not warrant that any method of accessing the System is secure and will have no liability in connection with a User's method of accessing the System.

The Company will not be liable to any User for any loss or damage of any kind directly or indirectly arising out of or related to such User's participation in or use of the System, including, without limitation, any loss or damage arising out of or related to (i) any failure of information available on or through the System, including Records submitted to the System or any data distributed to Users, to be free of error or inaccuracies, (ii) the System, any data or Records to be up-to-date, complete, correct or accurate, (iii) any failure of the System to be free of viruses or (iv) any failure of the Company to maintain uninterrupted service or access ~~or to adhere to its security procedures set forth in the Applicable Publications~~, except, in each case, to the extent that such loss or damage results from the Company's negligence, willful misconduct or fraud; *provided, however*, that if such loss or damage arises from the Company's simple negligence, the liability of the Company to any User shall be limited to the lesser of actual damages or an amount equal to the highest fees last full 12 months paid by the User ~~during any one complete calendar month in the immediately preceding 12 calendar month period, not to exceed \$30,000~~ (the "Fee Limit"). Each User agrees to, and shall, defend and indemnify each of the Company and each of its independent contractors (also known as consultants by the Company), employees, officers and directors (each, an "Indemnified Person") from and against all reasonable losses, liabilities, damages, judgments, settlements, fines, costs and expenses (including, without limitation, court costs, reasonable attorneys' fees and disbursements and the expenses of enforcing this provision) (collectively, "Losses") that such Indemnified Person may incur directly arising out of or directly relating to the acts or omissions of such User in connection with its participation or

failure to participate (for itself or on behalf of others) in or use or failure to use the System, any unauthorized access to the System through such User's interface with the System or any other matter relating to such User's use of the System, except, in each case, to the extent that the Company's negligence, willful misconduct or fraud has contributed to such Losses; *provided, however*, that to the extent that the Company's simple negligence (as opposed to gross negligence, willful misconduct or fraud), has contributed to such Losses, such User's indemnity obligation shall be no greater than the amount of the Fee Limit.

In no event shall the Company or any User be liable to the other for any indirect, consequential, special, exemplary, incidental, or punitive damages.

(j) Governing Law; Submission to Jurisdiction; Waiver of Jury Trial

- i. These Operating Procedures shall be governed by and construed in accordance with the law of the State of New York, without regard to any provision of New York law that would require or permit the application of the substantive law of any other jurisdiction.
- ii. EACH OF THE COMPANY AND EACH USER IRREVOCABLY AND UNCONDITIONALLY (A) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN NEW YORK COUNTY, AND ANY APPELLATE COURT FROM ANY SUCH COURT, FOR THE PURPOSE OF ANY ACTION, SUIT OR PROCEEDING BROUGHT TO ENFORCE ITS OBLIGATIONS HEREUNDER OR THE RELATED USER AGREEMENT OR ARISING OUT OF OR RELATING IN ANY WAY TO THESE OPERATING PROCEDURES OR SUCH USER AGREEMENT AND (B) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT SUCH ACTION, SUIT OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH ACTION, SUIT OR PROCEEDING, THAT SUCH COURT DOES NOT HAVE ANY JURISDICTION OVER SUCH PARTY.
- iii. EACH OF THE COMPANY AND EACH USER HEREBY IRREVOCABLY WAIVES ANY RIGHT THAT IT MAY HAVE TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THESE OPERATING PROCEDURES OR THE RELATED USER AGREEMENT.

[SERVICE DESCRIPTION APPENDICES FOLLOW]

Appendix 1: Data Services Only Service

Data Services Only Service

This Appendix, as may be amended from time to time, relates to the Service described below. It is a part of, and is subject in all respects to, ~~the most recent version of~~ the DTCC Solutions LLC Insurance & Retirement Services Operating Procedures, as published by the Company and amended from time to time (the “Operating Procedures”). Unless the context otherwise indicates, all terms defined in the Operating Procedures shall have the same meanings in this Appendix.

Service: **Data Services Only Service (the “Service”)**

General Information: The Company is a Data Services Only (“DSO”) Member of National Securities Clearing Corporation (“NSCC”), an affiliate of the Company. The Company may provide to Users requesting this Service such services as are available to the Company as a DSO Member of NSCC. This Service is intended to permit Users to indirectly access the services of NSCC that are available directly to DSO Members of NSCC, without such Users having to become members of NSCC. In connection with provision of this Service, the Company shall be acting in the capacity of a service provider to each User using this Service, and Users of the Service shall at all times participate solely in the transmission and receipt of data and information as are expressly eligible for access by DSO Members of NSCC from time to time, including the Mutual Fund Services and the Insurance and Retirement Services of NSCC. The Service shall not include any settlement services offered by NSCC.

No Third Party Beneficiary Rights against NSCC. Each User acknowledges and agrees that in connection with provision of this Service, (i) such User is contracting with the Company, and not with NSCC (ii) such User shall have no third party beneficiary rights against NSCC, and (iii) any claim that such User may have in connection with this Service shall be solely against the Company and in no event against NSCC.

Terms of Service: Users may act in one or both of the following two capacities in relation to the Service: (i) as ~~an agent to~~ principal for the benefit of User’s clients, and/or (ii) as principal for itself. The Company may offer Users acting ~~as agent or as principal~~ for the benefit of clients or for themselves different levels of functionality and access to the Service, as may be set forth herein or in Applicable Publications.

The Service shall enable Users to transmit and receive Records relating to mutual fund and other pooled investment vehicles (“Funds”) and insurance products (“Insurance Products”) through the System ~~and to NSCC~~. Each User that desires access to the Service must complete and deliver to the Company such agreements as the Company may from time to time require.

Records must be submitted to the Company in such formats and by such times as established by the Company from time to time, and, depending upon the type of Record submitted, may require a response from the ~~ultimate~~[applicable](#) contra-side receiver of the submitted Record.

Upon submission of a Record to the System, including confirmations, the Company shall transmit such Record to NSCC for processing. NSCC will review such [Record](#) for such information as NSCC determines from time to time to be necessary as provided in NSCC's Rules and Procedures ([located at www.dtcc.com](#)). If the Record does not contain the information required by NSCC, NSCC will reject the Record and will advise the Company in such form and by such time as established by NSCC from time to time. The Company shall inform the submitting User promptly when so advised by NSCC.

If the Record appears to contain the information required by NSCC, NSCC will transmit the Record to the ~~ultimate~~[applicable](#) contra-side party in such form and by such time as established by NSCC from time to time.

Pursuant to the policies established by NSCC from time to time, NSCC will notify the Company in respect of certain Records which require a response from the ~~ultimate~~[applicable](#) contra-side party if no such response has been received by NSCC. The Company shall inform the submitting User promptly if so notified by NSCC.

Pursuant to the policies established by NSCC from time to time, a User that has submitted a Record may withdraw certain Records by submitting an instruction to the Company, which shall be transmitted to NSCC, in such form and by such time as established by the Company or NSCC from time to time. Upon receipt of a withdrawal instruction, the Company shall transmit such withdrawal instruction to NSCC, and NSCC shall (i) delete from the Record withdrawn and (ii) notify the appropriate party of the withdrawn Record in such form and by such time as established by NSCC from time to time.

Notwithstanding the foregoing, nothing prohibits ~~an ultimate~~[the applicable](#) contra-side party from requiring data or information in addition to the data and information in a submitted Record that has been transmitted through the System.

Each User of this Service intends and agrees that the provisions of the Operating Procedures (other than the provisions of Sections 4(a), 4(c), 4(d), 4(e), 4(g), 4(h), 4(i), 4(j)(ii) and 4(j)(iii)), and this Appendix, form a binding contract between contra-side Users of this Service, inter se.

Submission of Records to, or alteration or withdrawal of Records from, the System shall not relinquish, extinguish or affect any legal or regulatory right or obligation of the User.

The Company will not be responsible for (i) the completeness or accuracy of the Records received by or transmitted to the System, or (ii) any errors, omissions or delays which may occur in the absence of gross negligence on the Company's part.

[The Asset Pricing Service. If as part of this Service, a User elects to receive access by the Company to the Asset Pricing Service of NSCC, notwithstanding anything to the contrary in the Operating Procedures, User may further redistribute any Asset Pricing data received by it thereby.](#)

The Analytic Reporting Service of the Service. If as part of this Service, a User elects to receive access by the Company to the Analytic Reporting Service of NSCC, and such User elects at any time to submit “Storage Data” (as defined in Rule 57 of NSCC’s Rules and Procedures) in connection therewith, such User represents to the Company:

- (i) that it has the right to submit such Storage Data to the Company for inclusion in the Analytic Reporting Service;
- (ii) that either:
 - A. no third party consents are required in connection with submission to the Company of any Storage Data, or
 - B. if any third party consents are required in connection with submission to the Company of any Storage Data, such User has obtained all such third party consents;
- (iii) that it has the right to allow the Company to submit such Storage Data on such User’s behalf in the creation of the “Analytics Data” (as defined in Rule 57 of NSCC’s Rules and Procedures) that shall be reported to third parties; and
- (iv) that either:
 - A. it has made the notices, and offered the rights, to individuals with regard to its submission of such Storage Data to the Company for use in preparing Analytics Data that is reported to third parties, as required by applicable privacy regulations under the Gramm-Leach-Bliley Act; or
 - B. if it is not the appropriate party, it has ensured that the appropriate party has made the notices, and offered the rights, to individuals with regard to its submission of such Storage Data to the Company for use in preparing Analytics Data that is reported to third parties, as required by applicable privacy regulations under Gramm-Leach-Bliley Act.

Each User that elects to submit any Storage Data agrees that it shall indemnify the Company, and any of its employees, officers, directors, affiliates, shareholders, and agents who may sustain any loss, liability or expense as a result of the Company’s reliance upon such User’s representations set forth in this Appendix.

The Company makes no representation or warranty that any Analytics Data accurately reflects past, present or future market performance, nor does the Company guarantee the adequacy, accuracy, timeliness or completeness of any Analytics Data or its fitness for any purpose. The Company shall not be subject to any damages or liabilities whatsoever with respect to any errors, omissions or delays in any Analytics Data nor for any party’s use of or reliance upon any Analytics Data.

Fees:

A. Mutual Fund Services

1. Fund/SERV Fees

Monthly User Fee: for each participating User regardless of activity level	\$50.00 per month
Transaction Fee:	\$0.0700 per side per order or transfer request

2. Networking Fees

Monthly User Fee: for each participating User regardless of activity level	\$200.00 per month
Activity Fee (all types except for Networking Omnibus Activity Position Files (Omni/SERV))	\$.001 per record
Networking Omnibus Activity/Position Files (Omni/SERV)	\$2,500 monthly file fee for omnibus file transmissions

3. Profile Fees

For each participating User regardless of activity level.	
Phase I (price and rate) only	\$325.00 per month
Phases I and II	\$2,000.00 per month

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B. Insurance and Retirement Services

Service	Current Fees	
Insurance & Retirement Processing	Tier:	
Transaction Fees:	Asset Pricing (AAP)	Per 1,000 items, per month, as follows:
	\$ 0.75	0 - 49,999, per month
	\$ 0.65	50,000 - 249,999, per month
	\$ 0.55	250,000 - 999,999, per month
	\$ 0.45	more than 999,999, per month
	Commissions (COM) (no settlement capability)	Per 1,000 items, per month, as follows:
	\$ 40.00	0 - 999 items
	\$ 35.00	1,000 - 9,999 items
	\$ 30.00	10,000 - 29,999 items
	\$ 25.00	more than 29,999 items
	Financial Activity Reporting (FAR)	Per item, as follows:
	\$ 0.05	0 - 100,000 items
	\$ 0.04	100,001 - 150,000 items
	\$ 0.03	150,001 - 200,000 items
	\$ 0.02	more than 200,000 items
	Initial Application Information (APP)*	Per item, per month, as follows:
	\$ 1.50	0 - 1,999 items
	\$ 1.00	2,000 - 3,499 items
	\$ 0.50	more than 3,499 items
	Positions and Valuations (POV)	Per 1,000 items, per month, full, focused and new are as follows:
	PVF and PNF Positions	\$ 8.00 0 - 500,000 items
		\$ 4.00 500,001 - 2,000,000 items
		\$ 3.00 2,000,001 - 4,000,000 items
		\$ 2.00 more than 4,000,000 items
	PFF Positions	\$ 3.00 0 - 500,000 items
		\$ 1.50 500,001 - 2,000,000 items
		\$ 1.00 2,000,001 - 4,000,000 items
		\$ 0.50 more than 4,000,000 items
	Subsequent Premium (SUB) (no settlement capability)	\$ 0.50 per items

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Transaction Price Tiers	Transaction Price Tier 1		
	New Business Attachment	\$ 0.05	per attachment, per side
	Non-new Business Attachment	\$ 0.05	per attachment, per side
	Transaction Price Tier 2		
	Periodic Reconciliation	\$ 0.15	per item
	Transaction Price Tier 3		
	L&A transaction	\$ 0.35	per item
	REP confirm	\$ 0.35	per transaction
	BIN (broker ID number) request	\$ 0.35	per transaction
	BIN (broker ID number) confirm	\$ 0.35	per transaction
	Values Inquiry	\$ 0.35	per inquiry
	Transaction Price Tier 4		
	CAT output (carrier only)	\$ 0.65	per transaction
	CAT confirm	\$ 0.65	per transaction
	Pending Status	\$ 0.65	per replacement contract, per side
	Time Expired (TEX)	\$ 0.65	per transaction
	REP Request	\$ 0.65	per transaction
Transaction Price Tier 5			
Fund Transfer transaction fee	\$ 1.25	per transaction, per side	
Arrangements	\$ 1.25	per transaction, per side	
Replacements - Receiving Carrier	\$ 1.25	per replacement contract	
Replacements - Delivering Carrier	\$ 1.25	per replacement contract	
Discounts			
Inforce Transactions (IFT) discount (credit)			
Extraordinary events discount	Inforce Transactions (IFT) transaction fee credit applies a monthly maximum \$350.00 credit to the total participant cost of Inforce transactions. Credit is not to exceed total IFT cost. The following transactions are considered as part credit program: REP request, REP confirm, BIN request and BIN confirm only.		
Bundle pricing discount	Various discounts for volume derived from 'extraordinary events' (ex: M&A activity.)		
	Discount of 30 percent for adoption of growth products. Please click on the Bundling pricing discount for program details.		

Monthly Fees		Tier:	
Analytic Reporting for Annuities (a Taxable Service)			
Carriers	\$	3,000.00	\$25 Billion or more in assets
	\$	2,250.00	\$4 billion or more but less than \$25 billion in assets
	\$	1,500.00	less than \$4 billion in assets
Dealers	\$	3,000.00	10,000 or more financial advisors
	\$	2,250.00	3,000 or more but less than 10,000 financial advisors
	\$	1,500.00	less than 3,000 financial advisors
Opt-Out: Carrier and Dealers*	\$	5,000.00	*For information about the Opt-out provision, please see this Important Notice

Appendix 2: Producer Management Portal

Producer Management Portal

This Appendix, as may be amended from time to time, relates to the Service described below. It is a part of, and is subject in all respects to, ~~the most recent version of~~ the DTCC Solutions LLC [Insurance & Retirement Services](#) Operating Procedures, as published by the Company and amended from time to time (the “Operating Procedures”). Unless the context otherwise indicates, all terms defined in the Operating Procedures shall have the same meanings in this Appendix.

Service: **Producer Management Portal (the “Service”)**

General Information: Based on certain model regulations introduced by the National Association of Insurance Commissioners (“NAIC”), the various states of the United States have adopted regulations generally requiring that all insurance agents (“Producers”) take a certification course on the fundamentals of annuities (“State Certification”), as well as complete product-specific training from insurance carriers (“Carriers”) for whom such Producers sell annuities products (“Carrier Product Certification”).

This Service consists of a centralized portal that stores and allows Users to access State Certifications and Carrier Product Certifications, or confirmations thereof, with regard to individual Producers, giving Users the ability to track and confirm whether Producers have obtained their State Certifications and/or Carrier Product Certifications. The Service may also store, allow access to and permit submission of Records by Users with regard to other Producer information from time to time as determined by the Company.

Terms of Service:

General: Each User that desires access to the Service must complete and deliver to the Company such agreements as the Company may from time to time require.

Each User of the Service shall be either (i) a Carrier (“Carrier User”), (ii) a distributor of Carrier products (“Distributor User”) or (iii) a service provider, the clients of which are Carriers and/or distributors of Carrier products (“Third Party Users”).

Each User agrees that in using this Service, and submitting any Record through the System in order to access data and information pertaining to any Producer, it shall be doing so for such User’s internal business purposes only.

The data and information pertaining to Producers that is offered through this Service shall in every event pertain to Producers that have given consent to the User attempting to access such Producer’s information. Each User represents to and agrees with the Company that in submitting Records with respect to a Producer, or otherwise accessing data and information through the

Service about a Producer, such User has obtained such Producer's consent to do so.

The Company represents that it has done such due diligence as it deems advisable, including due diligence regarding intellectual property, and, based on such diligence, that it has a reasonable, good faith belief that the operation of the Service in accordance with the Operating Procedures and the Applicable Publications relating to the Service will not violate any applicable patent, copyright or other similar laws regarding intellectual property.

Fees

A. ~~Distributor Users and Third Party Users:~~ Data Accessors Only¹:

The Company will charge a per transaction fee of \$1.25 with a maximum monthly charge of \$6,000.00.

B. Carrier Users:

The Company will charge a monthly flat fee based on the number of Producer records such Carrier User manages through the Service at the end of each month.⁺²

<u>Tier Level</u>	<u>Number of Producer Records Managed</u>	<u>Monthly Flat Fee</u>
Tier 1	(0 – 999)	\$0
Tier 2	(1,000 – 9,999)	\$1,000
Tier 3	(10,000 – 49,999)	\$3,000
Tier 4	(50,000 – 99,999)	\$4,000
Tier 5	(100,000+)	\$5,000

C. Return of Fees at Termination of Service

Fees paid in advance with respect to this Service shall be returned to a Terminating User on a pro-rated basis by the Company.

¹ Includes Distributor Users, Third Party Users and Carrier Users that solely access Producer information through the Service.

⁺² The Company shall have the right in its sole discretion to charge a Carrier User the fees attributable to the highest Tier level reached by such Carrier User in any given month.

Appendix 3: Analytic Reporting Service

Analytic Reporting Service

This Appendix, as may be amended from time to time, relates to the Service described below. It is a part of, and is subject in all respects to, the ~~most recent version of the~~ DTCC Solutions LLC [Insurance & Retirement Services](#) Operating Procedures, as published by the Company and amended from time to time (the “Operating Procedures”). Unless the context otherwise indicates, all terms defined in the Operating Procedures shall have the same meanings in this Appendix.

Service: Analytic Reporting Service (the “Service”)

General Information: The Company may provide to Users requesting this Service access to certain aggregated insurance-related data and information (“Benchmarking Data”) in accordance with the Terms of Service set below.

The Benchmarking Data offered by this Service is derived from transactions processed by National Securities Clearing Corporation’s (“NSCC’s”) Insurance & Retirement Services or from other data and information submitted to NSCC by members and limited members of NSCC, and the Benchmarking Data is produced by the Analytic Reporting Service of NSCC. NSCC is an affiliate of the Company.

Terms of Service: See Schedule

Document comparison by Workshare Compare on Friday, March 28, 2014
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Input:	
Document 1 ID	file://G:\Gonzalez\DTCC Solutions LLC\Onboarding documents\User Agreement and Operating Procedures\User Agreement and Operating Procedures\Effective User Agreement and Operating Procedures\DTCC Solutions Operating Procedures.docx
Description	DTCC Solutions Operating Procedures
Document 2 ID	file://G:\Gonzalez\DTCC Solutions LLC\Onboarding documents\User Agreement and Operating Procedures\User Agreement and Operating Procedures\Effective User Agreement and Operating Procedures\Operating Procedures (April, 2014).docx
Description	Operating Procedures (April, 2014)
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
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Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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Moved to	0
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Format changed	0
Total changes	118