US T+1 DETAILED TESTING PLAN

Asset Services – Corporate Actions Testing Overview

November 16, 2022

High Level Corporate Actions Testing Overview

- T+1 Corporate Actions testing will be available in the PSE-U test environment
- Detailed scenarios representing Corporate Actions events will be distributed ahead of each testing cycle
- Connectivity to CA Web, PTS/PBS and ISO 20022 will be available in PSE-U. For all access questions / requests including testing support, please contact dtcsupport@dtcc.com
- Full lifecycle (i.e., announcement, entitlement, instructions and allocations and adjustments) for all events will be provided
- Refer to www.UST1.org regularly for all testing scenarios and documentation, including the DTCC Detailed Testing Plan

Corporate Actions Testing Scope

- Scenarios where DTC has functional changes:
  - Irregular-way Ex-Date scenarios where Interim Accounting applies on Distribution events such as Stock Splits and Spin Offs
  - IVORS changes aligning transaction date and settlement date to the settlement cycle (T+1) for Rollovers and Redemptions on UIT securities
- Scenarios where DTC does not have functional changes:
  - Regular-way Ex-Date scenarios where the organized securities exchange rules Ex Date to equal Record Date such as Cash Dividends and Stock Dividends
  - Voluntary Tender / Exchange and Rights Subscription events where a Guarantee of Delivery (i.e., Cover/Protect) feature applies
    - It is recommended to test the full end-to-end (DTC/CNS if applicable) liability process given the scheduling changes that are occurring
- DTC will also include non-impacted events such as Partial Calls (and others) so that firms can regression test their processes

Corporate Actions Testing Scenarios

1. Regular-way Ex-Date processing events (e.g., Cash Dividends, Stock Dividends, Capital Gains, etc.)
   a) Focus on entitlement capture, projected payments and allocations
   b) CA Web Elective Dividends will be available
   c) Stock Loan Income Tracking
   d) Canadian Distributions tested
2. Irregular-way Ex-Date processing events (e.g., Stock Splits, Spin Offs, etc.)
   a) Focus on entitlement capture, projected payments and allocations
   b) CA Web Elective Dividends will be available
   c) Stock Loan Income Tracking
   d) Canadian Distributions tested
3. IVORS – Redeem UITs at TA or Sponsor
4. IVORS – Rollover UITs at TA or Sponsor
5. Cover/Protect processing on Voluntary Tender/Exchange events (i.e., PTOP events)
   a) Recommended but not required
   b) Automated ISO 20022 instructions available
   c) Cover on behalf of another available

Corporate Actions Testing Scenarios Cont.

6. Cover/Protect processing on Rights Subscription events (i.e., PSOP events)
   a) Recommended but not required
   b) Automated ISO 20022 instructions available
   c) Cover on behalf of another available

7. Additional regression events such as P&I, Calls, Mandatory Reorgs, etc.

Corporate Actions Mediums Available

Online / UI

- CA Web:
  - Dashboard
  - Instructions (Elective Dividends)
  - Allocations
  - Adjustments (Income Tracking)
- PTS/PBS
  - PTOP (Voluntary Tenders/Exchanges)
  - PSOP (Rights Subscriptions)

ISO 20022

- Announcements
  - CANO
- Entitlements/Projected Payment
  - CANO-E
  - CAPA
- Allocations/Adjustments
  - CACO
- Instructions
  - EDS/VRI

Additional Considerations

- Specific CUSIPs will be available reflecting relevant product type to Corporate Action consideration based upon DTC's Corporate Actions services (e.g., no Stock Splits on CMOs securities, no Ex-Dates on P&I events, etc.)
- Several event testing scenarios will be published in well in advance, as was the case with T+2 testing
- This Corporate Actions testing should be used as a guide for DTC securities and positions. It is recommended that each firm perform their own targeted SIT and UAT based on their software development lifecycles and business specific needs
- Contra CUSIPs, Disbursed Security IDs and CA IDs will be different per testing cycle even though the CUSIP / Event Type combination may remain the same as the previous testing cycle