

The Depository Trust Company
IMPORTANT
Revised

B#: 5460R
DATE: November 18, 2003
TO: Participants and Other Users
CATEGORY: Executive Notices
FROM: Product Management
ATTENTION: Managing Partner/Officer, Operations Manager
SUBJECT: 2004 Revisions of DTC Service Fees

The Board has approved fee revisions to selected DTC product lines. The DTC fee adjustments are expected to increase existing participant services fees by \$9.1 million over the next year and continue our effort to move all product lines towards full cost recovery.

In conjunction with the implementation of the DTC fee changes, NSCC fee changes will also be implemented that are expected to reduce NSCC fees by \$11.5 million (see NSCC Important Notice A#5719 and P&S 5289). Overall, the DTC and NSCC fee revisions are anticipated to result in a net participant fee decrease of \$2.4 million in 2004.

In addition, fee increases will be implemented on DTC services to non-participants.

In 2004, DTC will introduce new services in the Asset Services product lines. The fees for these new services can be found in the attached DTC fee schedule.

The proposed fee revisions are consistent with DTC's overall pricing philosophy to align service fees with underlying costs, discourage manual and exception processing, and encourage immobilization and dematerialization of securities.

The DTC fee revisions can be found in the attached 2004 DTC Service Fee Revisions document, and an appropriate rule filing will be made with the Securities and Exchange Commission. If you have any

questions regarding the 2004 fee revisions, or the impact on your 2004 bills, please contact your Relationship Manager.

All fees are scheduled to become effective January 2, 2004.

John Abel
Director
Product Marketing and Development

2004 DTC Service Fee Revisions

| Service | Current Fee | Proposed Fee |
|---|-------------|------------------|
| REVISIONS TO PARTICIPANT FEES: | | |
| ASSET SERVICING | | |
| Dividends | | |
| P&I | | |
| Floating Payable Date Securities (ARPs, ARNs) | \$1.31 | \$2.40 |
| VRDO | \$2.40 | \$2.90 |
| DIVANN | \$1,500.00 | \$9,000.00 |
| Reorg New Fees | | |
| Proxy Record Date Meetings | \$0.00 | (See footnote 1) |
| Dissent letters / Shareholder Demands | \$0.00 | (See footnote 2) |
| Reorg Modified fees | | |
| Full Prerefundings | \$0.00 | \$7.00 |
| Voluntary Exchange/Tender | \$35.00 | (See footnote 3) |
| Vol Div Reinvest Program | \$11.29 | \$14.00 |
| Remarketing Agent Fee | \$0.00 | \$17.50 |
| CRS Service Election | \$25.00 | \$35.00 |
| Custody Fee | | |
| COD/Pickup - Next Day | \$16.91 | \$30.00 |
| COD/Ship | \$18.80 | \$24.00 |
| COD/Redeposit | \$15.35 | \$24.00 |
| Trailing Docs. | \$3.48 | \$4.50 |
| Certificate Copies - PINS | \$8.00 | \$15.00 |
| W/T's | \$25.69 | \$30.00 |
| Rush W/T's | \$46.69 | \$65.00 |
| COD/Partial | \$12.83 | \$24.00 |
| Reorg Rejects | \$37.93 | \$50.00 |
| Cancel Processing | \$12.67 | \$16.00 |
| Account No. Change | \$4.37 | \$5.00 |
| Non Securitized Rec. | \$3.09 | \$4.50 |
| Coupon Clipping | \$7.31 | \$9.00 |
| Custom/Mail Letter | \$4.72 | \$5.50 |
| COD/Pickup - Same Day | \$16.91 | \$30.00 |
| Non-Transferables (Long Position) | \$0.71 | \$1.00 |
| Deposits | | |
| DWAC | \$1.00 | \$1.50 |
| Rejects | \$41.00 | \$50.00 |
| Deposit Mail Charge | \$1.05 | \$1.50 |
| Research | \$0.00 | \$55.00 |
| Research of CUSIP for name change | \$4.85 | \$15.00 |
| WTs | | |
| WT DMD | \$5.40 | \$9.50 |

| Service | Current Fee | Proposed Fee |
|---|--------------------|---------------------|
| WT Delivery to the Participant | \$7.90 | \$9.50 |
| DWAC | \$1.00 | \$1.50 |
| WT DMD Mail Cost | \$2.50 | \$3.00 |
| WT Hold and Bust Feature | \$0.60 | \$1.00 |
| Rush WT Transfer | \$49.69 | \$65.00 |
| WT Mail Issue Surcharge for TA Outside of NYC | \$1.05 | \$1.50 |
| Rejects | \$41.00 | \$50.00 |
| WT DMA (Cert or DRS) | \$4.60 | \$5.00 |
| CODs | | |
| Critical COD (Cede and Co.) | \$46.69 | \$75.00 |
| DRS | | |
| DRS Certificate Surcharge (cert. discentive) | \$1.00 | \$5.00 |
| DRS LPA Account Charge per Month | \$225.00 | \$275.00 |
| DRS LPA Application Fee | \$0.00 | \$250.00 |
| SETTLEMENT | | |
| Deliveries | | |
| MMI Transactions | \$0.56 | \$0.70 |
| Day (Zone B) Receiving | \$0.26 | \$0.27 |
| Day (Zone B) Deliveries | \$0.44 | \$0.45 |
| Payment Orders | \$0.10 | \$0.11 |
| Memo Segregation | \$0.10 | \$0.09 |
| Institutional Deliveries | \$0.17 | \$0.16 |
| CNS Deliveries | \$0.17 | \$0.16 |
| New Issues | | |
| Basic BEO Eligibility | \$250.00 | \$275.00 |
| CD BEO Eligibility | \$90.00 | \$125.00 |
| Non-receipt of final offering docs. | \$0.00 | \$300.00 |
| Multi Certificated | \$675.00 | \$1,000.00 |
| MMI Swings | \$0.00 | \$250.00 |
| Single Certificated | \$585.00 | \$750.00 |
| WUN Incentive Rebate | (See footnote 4) | |
| INTERNATIONAL TAX SERVICES | | |
| Foreign Tax Service (EDS) | \$27.00 | (See footnote 5) |
| DTax – PTS inquiries | \$5.00 | \$15.00 |
| DTax - Web | \$1,500.00 | \$5,000.00 |
| DTax – CCF File | \$1,500.00 | \$7,500.00 |
| U.S. Tax Withholding – Minimum Annual Fee | N/A | \$5,000.00 |
| U.S. Tax Withholding – Tax Adjustments | \$1.50 | \$1.80 |
| Training | | |
| E-Learning Courses (per course) | \$0.00 | \$75.00 |
| Instructor Led Course (Cust. Site) | (See footnote 6) | (See footnote 7) |
| Instructor Led Course (Internet) | \$0.00 | (See footnote 8) |
| E-Learning Certification Exam. | \$0.00 | \$400.00 |

| Service | Current Fee | Proposed Fee |
|---|-------------|------------------|
| REVISIONS TO NON-PARTICIPANT FEES: | | |
| Bankruptcies | \$0.00 | \$300 per hour |
| TA Drop Monthly Account Fee | \$1,500.00 | \$2,000.00 |
| Consulting & Advisory Opinion Fees | \$0.00 | \$300 per hour |
| NEW SERVICE FEES (PARTICIPANT) | | |
| Asset Servicing | | |
| GCA Validation Service | \$0.00 | (See footnote 9) |
| Securities processing research fee (per hour) | \$0.00 | \$55.00 |
| Voluntary GCA Message | \$0.00 | \$1.25 |
| Mandatory GCA Message | \$0.00 | \$0.75 |
| LPA Application Fee (per app) | \$0.00 | \$250.00 |
| Annual Maintenance | \$0.00 | \$1,200.00 |
| GCA Subsequent Message | \$0.00 | \$0.50 |

Footnote 1- \$0.50 per participant record date position.

Footnote 2 - \$400 per dissent letter / shareholder demand processed.

Footnote 3 - \$35 per Letter of Transmittal, \$20 offer service fee per position holder, and a voluntary offering instruction fee of \$20 for the first 50 instructions, and \$0.70 for each instruction over 50.

Footnote 4 - A rebate of \$52 for single CUSIP issues, and \$107 for multi-CUSIP issues, will be applied if the issue is submitted via WUM.

Footnote 5 - One half of one percent (.5%) of the tax relief secured by the participant. A minimum fee of \$30 and a maximum fee of \$500 per transaction will apply.

Footnote 6 - Current fee is \$1000 per day per customer visit

Footnote 7 - \$750 per student with a two student minimum.

Footnote 8 - \$250 per student with a two student minimum.

Footnote 9 - Fee varies based on the number and region of Securities Of Interest (SOI).