

OMB APPROVAL

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Page 1 of 56

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549
 Form 19b-4

File No. SR - 2005 - 16
 Amendment No. []

Proposed Rule Change by The Depository Trust Company
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input checked="" type="checkbox"/>	Section 19(b)(3)(A) <input type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action <input type="checkbox"/>	Date Expires <input type="text"/>	Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document Exhibit 3 Sent As Paper Document

Description
 Provide a brief description of the proposed rule change (limit 250 characters).
 The proposed rule change would require that Participants of DTC other than Limited Participants purchase shares of the common stock of DTCC.

Contact Information
 Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name Last Name
 Title
 E-mail
 Telephone Fax

Signature
 Pursuant to the requirements of the Securities Exchange Act of 1934,
 has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date
 By General Counsel
 (Name) (Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change.

- (a) The proposed rule change would require that Participants of The Depository Trust Company (“DTC”) other than Limited Participants purchase shares of the common stock of the Depository Trust & Clearing Corporation (“DTCC Common Shares”).

Proposed revisions of DTC’s Rules are annexed hereto as Exhibit 5.

- (b) Not applicable.

- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

- (a) The proposed rule change was approved by DTC’s Board of Directors at its meeting on June 22, 2005.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

- (a) The Depository Trust & Clearing Corporation (“DTCC”) is a holding company for three registered clearing agencies, DTC, The National Securities Clearing Corporation (“NSCC”) and The Fixed Income Clearing Corporation (“FICC”). Pursuant to DTCC’s Shareholders Agreement, substantially all participants of DTC, NSCC and FICC (“Participants”) are entitled to but are not required to purchase DTCC Common Shares. Participants are allocated an entitlement to purchase DTCC Common Shares on the basis of their relative use of the services of DTC, NSCC and FICC. As of the last periodic allocation of share entitlements in 2003, approximately 1,100 Participants had a right to purchase DTCC Common Shares; however, only 190 Participants currently own any DTCC Common Shares and of these only 86 own DTCC Common Shares up to the full amounts of their share entitlements.

DTCC is currently soliciting the consent of its Common Share Holders to proposed amendments to the Shareholders Agreement pursuant to which Participants of DTC, NSCC and FICC that make full use of the services of one or more of these clearing agency subsidiaries of DTCC would be required to purchase DTCC Common Shares (“Mandatory Purchaser Participants”) in accordance with the terms of the Shareholders Agreement, while preserving the right (but not the obligation) of other Participants that make only limited use of their services to purchase DTCC Common Shares (“Voluntary Purchaser Participants”).¹

¹ The Proposed DTCC Shareholders Agreement marked to show the proposed amendments is annexed hereto as Exhibit 3. The effective date of the Proposed DTCC Shareholders Agreement will be the later to occur of (i) approval by DTCC Common Share Holders owning two-thirds of the outstanding DTCC Common Shares and

Under the proposed amendments to the Shareholders Agreement, a “Mandatory Purchaser Participant” that is a Participant in more than one clearing agency will be required to purchase DTCC Common Shares based upon its relative use of the services of all clearing agencies of which it is a Participant.

DTCC Common Share Holders are entitled to elect all of the directors of DTCC other than two directors that DTCC Preferred Holders² are entitled to elect. DTCC Common Shareholders are entitled to vote on all other matters submitted to a vote of DTCC Share Holders, and each DTCC Common Share Holder is entitled to one vote per DTCC Common Share. DTCC Common Share Holders are entitled to cumulate their votes for the election of directors. In addition, DTCC Common Share Holders are entitled to receive, when and if declared by the Board of Directors of DTCC, out of assets of DTCC, dividends payable in cash or stock or otherwise. However, since DTC, NSCC and FICC provide their services to the securities industry on a cost-basis with revenues in excess of expenses and necessary reserves rebated or discounted to their Participants, as a matter of policy and practice DTCC does not pay any dividends on DTCC Common Shares. The proposed amendments to the DTCC Shareholders Agreement will have no effect on these rights of DTCC Common Share Holders and Preferred Share Holders.

Pursuant to certain covenants in the DTCC Shareholders Agreement, a person elected a director of DTCC also serves as a director of each of DTC, NSCC and FICC. The proposed changes in the DTCC Shareholders Agreement will have no effect on these covenants.

The system for allocating entitlements to purchase shares, which was incorporated into the DTCC Shareholders Agreement, was first implemented by DTC in respect of DTC Common Shares in 1973. At that time, the banks that were users of DTC’s services purchased their DTC Common Shares directly but, for logistical and other reasons, the NYSE, the NASD and the AMEX (the “Self-Regulatory Organizations”) allocated to the broker-dealers that were members of the Self-Regulatory Organizations and users of the services of DTC. It was anticipated that, over time, as broker-dealers exercised their right to purchase DTC Common Shares, the number of DTC Common Shares held by broker-dealers directly would increase and the number of DTC Common Shares held by

(ii) approval by the Commission of the subject rule filing and similar rule filings being submitted by NSCC and FICC.

² In connection with the 1999 integration of DTC and NSCC and formation of DTCC, the New York Stock Exchange (“NYSE”) and the NASD, the co-owners of NSCC, each received 10,000 DTCC Preferred Shares in exchange for their NSCC Common Stock. DTCC Preferred Share Holders have no right to vote on any matters submitted to a vote of DTCC Share Holders, except that each of the two DTCC Preferred Share Holders are entitled to elect one director. DTCC Preferred Shareholders have no right to receive any dividends. In the event of any liquidation, dissolution or winding up of the affairs of DTCC, DTCC Preferred Share Holders are entitled to a liquidation preference of \$300 per share of DTCC Preferred Stock.

the Self-Regulatory Organizations would correspondingly decrease, potentially to zero, since the share entitlements of the Self-Regulatory Organizations were a function of the unexercised share entitlements of their members.

The Self-Regulatory Organizations, notwithstanding the passage of time and the opportunity afforded their members to purchase DTCC Common Shares, continue to hold a significant block of DTCC Common Shares. NYSE holds approximately 29% of the outstanding DTCC Common Shares while the NASD and the AMEX each holds approximately 3.7%. Accordingly, a total of approximately 36.4% of the outstanding DTCC Common Shares are not held by Participants but rather are held in a representative capacity by the Self-Regulatory Organizations for broker-dealer Participants which have not purchased any DTCC Common Shares or have not purchased DTCC Common Shares commensurate with their share entitlements. It is also the case that a significant number of Participants other than broker-dealers have not purchased any DTCC Common Shares or have not purchased DTCC Common Shares commensurate with their share entitlements.

Ownership of DTCC Common Shares (and previously ownership of DTC Common Shares) is not a financial investment but instead is a vehicle for supporting each registered clearing agency and influencing its policies and operations through the election of directors.

The proposed rule change is being submitted, together with similar proposed rule changes being submitted by NSCC and FICC.³ These proposed rule changes and the proposed amendments to the DTCC Shareholders Agreement, by providing that all DTCC Common Shares are owned by Participants, will guarantee that Participants continue to govern and control the activities of DTC, NSCC and FICC, including the kinds and quality of services provided and the service fees charged. In particular, Participants will be in a position to assure that DTC, NSCC and FICC continue the practices of establishing fees that are cost-based and use-based and of returning to Participants in the form of cash rebates or discounts revenues in excess of expenses and necessary reserves. Finally, because they introduce the greatest risks to the clearing agencies and obtain the greatest benefits from clearing agency services, it is appropriate to require those Participants making full use of the services of DTC, NSCC or FICC to contribute to DTCC's capital through the purchase of its Common Shares.

³ Each clearing agency's proposed rule changes define the categories of its Participants that are "Mandatory Purchaser Participants" and those that are "Voluntary Purchaser Participants." It should be noted that many firms are Participants of more than one of DTCC's clearing agency subsidiaries and, therefore, that a Participant defined as a "Voluntary Purchaser Participant" under the rules of one clearing agency by virtue of its limited use of that clearing agency's services may be defined as a "Mandatory Purchaser Participant" under the rules of another clearing agency. With respect to a Participant's payment for DTCC Common Shares purchased, each clearing agency's proposed rule changes provides for that clearing agency on behalf of DTCC, without duplication of payment, to debit its Participant's settlement account for the total amount due.

(b) The proposed rule change is consistent with Section 17A of the Securities Exchange Act of 1934 by assuring fair representation of DTC's Participants in the selection of DTC's directors and the administration of its affairs.

4. Self-Regulatory Organization's Statement on Burden on Competition.

DTC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

Written comments relating to the proposed rule change have not yet been solicited or received. DTC will notify the Commission of any written comments received by DTC.

6. Extension of Time Period for Commission Action.

DTC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D).

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission.

The proposed rule change is not based on the rules of another self-regulatory organization or the Commission.

9. Exhibits

Exhibit 1 - Notice of proposed rule change for publication in the Federal Register.

Exhibit 2 - N/A

Exhibit 3 - Proposed DTCC Shareholders Agreement

Exhibit 4 - N/A

Exhibit 5 - Proposed Rule Text

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-DTC-2005-16)

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by The Depository Trust Company (“DTC”) would require that Participants of DTC other than Limited Participants purchase shares of the common stock of the Depository Trust & Clearing Corporation (“DTCC Common Shares”)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”), 15 U.S.C. 78s(b)(1), notice is hereby given that on _____, DTC filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The text of the proposed rule change is attached hereto as Exhibit 5.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, DTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

- (a) The Depository Trust & Clearing Corporation (“DTCC”) is a holding company for three registered clearing agencies, DTC, The National Securities Clearing Corporation (“NSCC”) and The Fixed Income Clearing Corporation (“FICC”). Pursuant to DTCC’s Shareholders Agreement, substantially all participants of DTC, NSCC and FICC (“Participants”) are entitled to but are not required to purchase DTCC Common Shares. Participants are allocated

an entitlement to purchase DTCC Common Shares on the basis of their relative use of the services of DTC, NSCC and FICC. As of the last periodic allocation of share entitlements in 2003, approximately 1,100 Participants had a right to purchase DTCC Common Shares; however, only 190 Participants currently own any DTCC Common Shares and of these only 86 own DTCC Common Shares up to the full amounts of their share entitlements.

DTCC is currently soliciting the consent of its Common Share Holders to proposed amendments to the Shareholders Agreement pursuant to which Participants of DTC, NSCC and FICC that make full use of the services of one or more of these clearing agency subsidiaries of DTCC would be required to purchase DTCC Common Shares (“Mandatory Purchaser Participants”) in accordance with the terms of the Shareholders Agreement, while preserving the right (but not the obligation) of other Participants that make only limited use of their services to purchase DTCC Common Shares (“Voluntary Purchaser Participants”).¹

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DTCC Common Share Holders are entitled to elect all of the directors of DTCC other than two directors that DTCC Preferred Holders² are entitled to elect. DTCC Common Shareholders are entitled to vote on all other matters submitted to a vote of DTCC Share Holders, and each DTCC Common Share Holder is entitled to one vote per DTCC Common Share. DTCC Common Share Holders are entitled to cumulate their votes for the election of directors. In addition, DTCC Common Share Holders are entitled to receive, when and if declared by the Board of Directors of DTCC, out of assets of DTCC, dividends payable in cash or stock or otherwise. However, since DTC, NSCC and FICC provide their services to the securities industry on a cost-basis with revenues in excess of expenses and necessary reserves rebated or discounted to their Participants, as a matter of policy and practice DTCC does not pay

¹ The Proposed DTCC Shareholders Agreement marked to show the proposed amendments is annexed hereto as Exhibit 3. The effective date of the Proposed DTCC Shareholders Agreement will be the later to occur of (i) approval by DTCC Common Share Holders owning two-thirds of the outstanding DTCC Common Shares and (ii) approval by the Commission of the subject rule filing and similar rule filings being submitted by NSCC and FICC.

² In connection with the 1999 integration of DTC and NSCC and formation of DTCC, the New York Stock Exchange (“NYSE”) and the NASD, the co-owners of NSCC, each received 10,000 DTCC Preferred Shares in exchange for their NSCC Common Stock. DTCC Preferred Share Holders have no right to vote on any matters submitted to a vote of DTCC Share Holders, except that each of the two DTCC Preferred Share Holders are entitled to elect one director. DTCC Preferred Shareholders have no right to receive any dividends. In the event of any liquidation, dissolution or winding up of the affairs of DTCC, DTCC Preferred Share Holders are entitled to a liquidation preference of \$300 per share of DTCC Preferred Stock.

any dividends on DTCC Common Shares. The proposed amendments to the DTCC Shareholders Agreement will have no effect on these rights of DTCC Common Share Holders and Preferred Share Holders.

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The Self-Regulatory Organizations, notwithstanding the passage of time and the opportunity afforded their members to purchase DTCC Common Shares, continue to hold a significant block of DTCC Common Shares. NYSE holds approximately 29% of the outstanding DTCC Common Shares while the NASD and the AMEX each holds approximately 3.7%. Accordingly, a total of approximately 36.4% of the outstanding DTCC Common Shares are not held by Participants but rather are held in a representative capacity by the Self-Regulatory Organizations for broker-dealer Participants which have not purchased any DTCC Common Shares or have not purchased DTCC Common Shares commensurate with their share entitlements. It is also the case that a significant number of Participants other than broker-dealers have not purchased any DTCC Common Shares or have not purchased DTCC Common Shares commensurate with their share entitlements.

Ownership of DTCC Common Shares (and previously ownership of DTC Common Shares) is not a financial investment but instead is a vehicle for supporting each registered clearing agency and influencing its policies and operations through the election of directors.

The proposed rule change is being submitted, together with similar proposed rule changes being submitted by NSCC and FICC.³ These proposed rule changes and the proposed amendments to the DTCC Shareholders Agreement, by providing that all DTCC Common Shares are owned by Participants, will guarantee that Participants continue to govern and control the activities of DTC, NSCC and FICC, including the kinds and quality of services provided and the service fees charged. In particular, Participants will be in a position to assure that DTC, NSCC and FICC continue the practices of establishing fees that are cost-based and use-based and of returning to Participants in the form of cash rebates or discounts revenues in excess of expenses and necessary reserves. Finally, because they introduce the greatest risks to the clearing agencies and obtain the greatest benefits from clearing agency services, it is appropriate to require those Participants making full use of the services of DTC, NSCC or FICC to contribute to DTCC's capital through the purchase of its Common Shares.

B. Self-Regulatory Organization's Statement on Burden on Competition.

DTC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

Written comments relating to the proposed rule change have not yet been solicited or received. DTC will notify the Commission of any written comments received by DTC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve such proposed rule change, or

³ Each clearing agency's proposed rule changes define the categories of its Participants that are "Mandatory Purchaser Participants" and those that are "Voluntary Purchaser Participants." It should be noted that many firms are Participants of more than one of DTCC's clearing agency subsidiaries and, therefore, that a Participant defined as a "Voluntary Purchaser Participant" under the rules of one clearing agency by virtue of its limited use of that clearing agency's services may be defined as a "Mandatory Purchaser Participant" under the rules of another clearing agency. With respect to a Participant's payment for DTCC Common Shares purchased, each clearing agency's proposed rule changes provides for that clearing agency on behalf of DTCC, without duplication of payment, to debit its Participant's settlement account for the total amount due.

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

- Electronic comments may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>), or send an e-mail to rule-comment@sec.gov. Please include File No. [XX] on the subject line.
- Paper comments should be sent in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington D.C. 20549-0609

All submissions should refer to File Number [XX]. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C 552, will be available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, NW, Washington DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of DTC. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submission should refer to the file number above and should be submitted within _____ days after the date of publication.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz

THE DEPOSITORY TRUST & CLEARING CORPORATION

~~SECOND~~THIRD AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

~~January 1, 2003~~

[Date]

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~~SECOND~~THIRD AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

AGREEMENT, dated as of ~~January 1, 2003~~, [date], by and among (i) The Depository Trust & Clearing Corporation, a New York corporation (the "Corporation"), (ii) The Depository Trust Company, a New York limited purpose trust company ("DTC"), (iii) Emerging Markets Clearing Corporation, a New York corporation ("EMCC"), (iv) Fixed Income Clearing Corporation, a New York corporation ("FICC"), (v) National Securities Clearing Corporation, a New York corporation ("NSCC"), (vi) the holders of shares of the Common Stock, par value \$100.00 per share, of the Corporation (the "Common Shares"), (vii) New York Stock Exchange, Inc., a New York corporation ("NYSE"), which is a holder of Common Shares, (viii) Stock Clearing Corporation, a New York corporation and a wholly-owned subsidiary of the NYSE ("SCC"), which owns 10,000 shares of the Series A Preferred Stock, par value \$0.50 per share, of the Corporation (the "Series A Preferred Shares"), (ix) National Association of Securities Dealers, Inc., a Delaware corporation ("NASD"), which is a holder of Common Shares, (x) National Clearing Corporation, a Delaware corporation and a wholly-owned subsidiary of NASD ("NCC"), which owns 10,000 shares of the Series B Preferred Stock, par value \$0.50 per share, of the Corporation (the "Series B Preferred Shares"), and (xi) American Stock Exchange LLC, a Delaware limited liability company ("AMEX"), which is a holder of Common Shares.

WITNESSETH

WHEREAS, in connection with a transaction (the "Integration Transaction") pursuant to which (i) the holders of all of the shares of the outstanding capital stock of DTC exchanged their shares for Common Shares, (ii) SCC exchanged all of its shares of the outstanding capital stock of NSCC for Series A Preferred Shares and NCC exchanged all of its shares of the outstanding capital stock of NSCC for Series B Preferred Shares and (iii) DTC and NSCC became direct wholly-owned subsidiaries of the Corporation (~~the "Integration Transaction"~~), the Corporation, DTC, NSCC, the former holders of the capital stock of DTC and NSCC (including NYSE, NASD and AMEX) and DTC Holdings (Delaware) Corp., a Delaware corporation and wholly-owned subsidiary of the Corporation which was merged into the Corporation on November 4, 1999, entered into a Shareholders Agreement, dated as of November 4, 1999, relating to the Common Shares, Series A Preferred Shares and Series B Preferred Shares and the business and affairs of the Corporation, DTC and NSCC (the "Original Shareholders Agreement");

WHEREAS, in connection with a transaction (the "Synergy Transaction") pursuant to which (i) the holders of all of the outstanding shares of the capital stock of Government Securities Clearing Corporation, a New York corporation ("GSCC"), the holders of all of the outstanding shares of the capital stock of MBS Clearing Corporation, a Delaware corporation ("MBSCC"), and the holders of a majority of the outstanding shares of the capital stock of EMCC (including NSCC) exchanged their shares for Common Shares, (ii) GSCC and MBSCC became indirect wholly-owned subsidiaries of the Corporation and (iii) EMCC became an indirect majority-owned subsidiary of the Corporation (~~the "Synergy Transaction"~~), the Original Shareholders Agreement was amended and restated, as of January 1, 2002, to reflect the changes required in the Original Shareholders Agreement as a result of the Synergy Transaction (the "First Amended and Restated Shareholders Agreement");

WHEREAS, ~~on the date hereof, pursuant to an Agreement and Plan of Merger, dated as of January 1, 2003, among GSCC, GSCC Acquisition Company LLC, a New York limited liability company and a direct wholly owned subsidiary of the Corporation, MBSCC and MBSCC Holding Company Inc., a New York limited liability company and an indirect wholly owned subsidiary of the Corporation, (i) MBSCC has been~~in connection with a transaction (the "Merger Transaction") pursuant to which (i) MBSCC was merged with and into GSCC, (ii) ~~GSCC has been~~was renamed FICC, (iii) MBSCC ~~has~~ ceased to exist as a corporation; and (iv) ~~FICC will continue in business~~continued as the surviving corporation of the merger ~~(the "Merger")~~ and (v) ~~FICC will (A) operate, (A) operating~~ the former business of GSCC through a newly-formed Government Securities Division of FICC (the "GS Division") and (B) ~~operate~~operating the former business of MBSCC through a newly-formed Mortgage-Backed Securities Division of FICC (the "MBS Division"); the First Amended and Restated Shareholders Agreement was amended and restated, as of January 1, 2003, to reflect the changes required in the First Amended and Restated Shareholders Agreement as a result of the Merger Transaction (the "Second Amended and Restated Shareholders Agreement").

WHEREAS, the Corporation owns, directly or indirectly through its affiliates, as a result of the Integration Transaction, the Synergy Transaction and the Merger Transaction, (i) 18,500 shares of the outstanding Common Stock, par value \$100 per share, of DTC (the "DTC Shares"), (ii) 20,000 shares of the outstanding Common Stock, par value \$0.50 per share, of NSCC (the "NSCC Shares"), (iii) 20,400 shares of the outstanding Common Stock, par value \$0.50 per share, of FICC (the "FICC Shares"), and (iv) 1,668 shares of the outstanding Class A Common Stock, no par value, of EMCC (the "EMCC Shares"); ~~and~~

WHEREAS, in March 2004, DTCC purchased from NSCC all of the Common Shares acquired by NSCC in the Synergy Transaction, so that such Common Shares are now treasury shares of the Corporation and NSCC no longer holds any Common Shares (the "Repurchase Transaction");

WHEREAS, in February 2005, EMCC ceased to do business, and is in the process of being dissolved (the "EMCC Dissolution"); and

WHEREAS, the parties hereto wish to amend and restate the ~~First~~Second Amended and Restated Shareholders Agreement to reflect (i) certain changes required in the ~~First~~Second Amended and Restated Shareholders Agreement as a result of the ~~Merger and Repurchase Transaction and the EMCC Dissolution~~, (ii) certain ~~other changes that the parties hereto wish to make in the First Amended and Restated Shareholders Agreement~~changes with respect to the ~~definition~~purchase and sale of "~~Common Share Price~~"Common Shares and (iii) certain technical and conforming changes;

NOW, THEREFORE, in consideration of the mutual premises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the ~~First~~Second Amended and Restated Shareholders Agreement is hereby amended and restated in its entirety as follows:

ARTICLE I

DEFINITIONS AND CONVENTIONS

Section 1.01 Certain Definitions. For all purposes of this Agreement, unless the context otherwise requires:

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

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

The term “Agreement” means this ~~Second~~Third Amended and Restated Shareholders Agreement.

The term “AMEX” has the meaning set forth in the forepart of this Agreement.

The term “Business Day” means a day on which the Corporation is open for business.

The term “Commission” means the Securities and Exchange Commission.

The term “Common Share Account” means the entries on books kept by the Corporation which reflect the number of Common Shares held by each Common Share Holder.

The term “Common Share Amount” means as follows:

- (1) The “Common Share Amount” of each Participant other than a Self-Regulatory Organization shall be determined by applying the formula set forth below to the relevant facts obtaining at the time of the determination:

$$\frac{1}{5} \left(\frac{4F}{TF} + \frac{L}{TL} \right) (TS)$$

in which formula:

“F” means the total amount of fees the Participant paid or owes to each and any of the Operating Subsidiaries (or to EMCC prior to the time that EMCC ceased to do business) due to its activities as a Participant during the appropriate calculation period;

“TF” means the sum of the amounts represented by “F” with respect to all Participants;

“L” means the average market value of all securities credited to the DTC account of the Participant as of the end of the last Business Day of each month during the appropriate calculation period, including any market value attributable

to securities with respect to which such DTC account shows an interest, including without limitation the interest of a pledgee, as being held by another Person;

“TL” means the sum of the amounts represented by “L” with respect to all Participants; and

“TS” means the total number of Common Shares (including any Common Shares held by the Corporation as treasury shares).

(2) The “Common Share Amount” of each Self-Regulatory Organization shall be ~~determined in accordance with Section 2.01(b)(3)~~ zero.

(3) The “Common Share Amount” of ~~NSCC and~~ each Participant Affiliate shall be zero.

(4) The term “Common Share Amount Deficiency” of the Corporation shall be zero.

The term “Common Share Amount Deficiency” (i) with respect to a Voluntary Purchaser Participant, means the number of Common Shares by which the Common Share Amount of a Participant or Self-Regulatory Organization exceeds the number of Common Shares held by it, such Voluntary Purchaser Participant exceeds the number of Common Shares held by it, and (ii) with respect to a Mandatory Purchaser Participant, means the sum of (A) the number of Common Shares by which the Common Share Amount of such Mandatory Purchaser Participant exceeds the number of Common Shares held by it and (B) the number of Common Shares determined by applying the formula set forth below to the relevant facts obtaining at the time of the determination:

$$\left(\frac{AD - AP}{ASA} \right)$$

in which formula:

“AD” means the aggregate Common Share Amount Deficiencies of all Voluntary Purchaser Participants;

“AP” means the aggregate number of Common Shares that Voluntary Purchaser Participants with Common Share Amount Deficiencies elect to purchase;

“SA” means the Common Share Amount of such Mandatory Purchaser Participant; and

“ASA” means the aggregate Common Share Amount of all Mandatory Purchaser Participants.

The term “Common Share Amount Excess” means the number of Common Shares by which the number of Common Shares held by ~~NSCC~~the Corporation or a Participant, Self-Regulatory Organization or Participant Affiliate exceeds its Common Share Amount.

The term “Common Share Holder” (including with related meanings the terms “hold”, “held” and “holdings” when used with reference to Common Shares) shall mean any Person which is a party to this Agreement and to whose Common Share Account are credited Common Shares or, as used in Section 2.02 to refer to a Person from whom Common Shares were transferred, to whose Common Share Account were credited the Common Shares which were transferred by operation of that Section. If any Common Share Holder is not the beneficial owner of all of the interest in all Common Shares held by it, such Common Share Holder shall immediately notify the Corporation in writing of the identity of any Person which is the beneficial owner of an interest in such Common Shares and the nature and amount of such beneficial owner's interest. Any changes in such beneficial ownership shall likewise be reported to the Corporation by the Common Share Holder.

The term “Common Share Price” means:

(1) except as provided in Clause (2) hereof, an amount per Common Share equal to:

(A) the book value of the Common Shares as of December 31 of the calendar year preceding the calendar year in which the determination is made (the “Calculation Date”), as shown on the Statement of Condition of the Corporation as of the Calculation Date;

minus

(B) an amount equal to the aggregate amount of the retained earnings of all of the Operating Subsidiaries as of the Calculation Date ~~(including the pro forma retained earnings of FICC for the calendar year ending December 31, 2001)~~;

plus

(C) an amount equal to the lesser of (i) \$24,007,000 or (ii) the retained earnings of DTC as of the Calculation Date.

(2) in the case of Common Shares issued after the Calculation Date:

(A) the pro forma book value of the Common Shares as of the Calculation Date, as shown on the Statement of Condition of the Corporation as of the Calculation Date;

minus

- (B) an amount equal to the aggregate amount of the retained earnings of all of the Operating Subsidiaries as of the Calculation Date ~~(including the pro forma retained earnings of FICC for the calendar year ending December 31, 2001)~~;

plus

- (C) an amount equal to the lesser of (i) \$24,007,000 ~~as of December 31, 2001~~ or (ii) the retained earnings of DTC as of the Calculation Date.

The term “Common Share Purchase Price” means the money amount obtained by multiplying the Common Share Price (or, if applicable under Section 2.04, the price per Common Share) by the number of Common Shares which are the subject of a purchase or sale by, or, under Section 2.02, a transfer by or to, a Common Share Holder and, in the case of a purchase by or transfer to such an entity, adding to the resulting amount the amount of any applicable stock transfer or similar taxes.

The term “Common Shares” has the meaning set forth in the forepart of this Agreement.

The term “Corporation” has the meaning set forth in the forepart of this Agreement.

The term “Deliver” (including with related meanings all variations of that term) means: (i) in the case of a delivery by the Corporation, to deliver an item by messenger to, or to deposit an item with postage thereon prepaid in the United States Postal Service directed to, the recipient at its principal office or to the office or address designated by the recipient for the delivery to it by the Corporation of such an item, and the delivery by the Corporation of an item by mail shall be deemed to have been completed when deposited in the United States Postal Service as aforesaid; and (ii) in the case of a delivery to the Corporation, to deliver an item by messenger or by mail to the Secretary of the Corporation at its principal office, and the delivery to the Corporation of an item by mail shall be deemed to have been completed when received by the Secretary or an Assistant Secretary of the Corporation.

The term “DTC” has the meaning set forth in the forepart of this Agreement.

The term “DTC Participant” has the meaning given to the term “Participant” in the DTC Rules.

The term “DTC Rules” means the rules governing the operations of DTC, as filed with the Commission pursuant to the 1934 Act and as amended from time to time.

The term “DTC Shares” has the meaning set forth in the forepart of this Agreement.

The term “EMCC” has the meaning set forth in the forepart of this Agreement.

The term “EMCC Participant Dissolution” has the meaning ~~given to the term “Member” in the EMCC Rules.~~ The term “EMCC Rules” means the rules governing the operations of

~~EMCC, as filed with the Commission pursuant to the 1934 Act and as amended from time to time set forth in the forepart of this Agreement.~~

The term “EMCC Shares” has the meaning set forth in the forepart of this Agreement.

The term “FICC” has the meaning set forth in the forepart of this Agreement.

The term “FICC Shares” has the meaning set forth in the forepart of this Agreement.

The term “First Amended and Restated Shareholders Agreement” has the meaning set forth in the forepart of this Agreement.

The term “GSCC” has the meaning set forth in the forepart of this Agreement.

The term “GS Division” has the meaning set forth in the forepart of this Agreement.

The term “GS Division Participant” has the meaning given to the term “Member” in the GS Division Rules.

The term “GS Division Rules” means the rules governing the operations of the GS Division, as filed with the Commission pursuant to the 1934 Act and as amended from time to time.

The term “Holder” means a Common Share Holder or Preferred Share Holder.

The term “Integration Transaction” has the meaning set forth in the forepart of this Agreement.

~~The term “Member Participant” means any Participant which is a member or member organization of a Self-Regulatory Organization.~~

The term “Mandatory Purchaser Participant” means, as more specifically set forth in the Rules of DTC, NSCC, the GS Division and the MBS Division, a Participant that is (i) a “Participant” other than a “Limited Participant” of DTC (as defined in the DTC Rules), (ii) a “Member” other than a “Mutual Fund/Insurance Services Member” of NSCC (as defined in the NSCC Rules) or (iii) a “Member” other than a “Comparison-Only Member” of the GS Division (as defined in the GS Division Rules).

The term “MBSCC” has the meaning set forth in the forepart of this Agreement.

The term “MBS Division” has the meaning set forth in the forepart of this Agreement.

The term “MBS Division Participant” has the meaning given to the term “Participant” in the MBS Division Rules.

The term “MBS Division Rules” means the rules governing the operations of the MBS Division, as filed with the Commission pursuant to the 1934 Act and as amended from time to time.

The term “Member Participant” means any Participant which is a member or member organization of a Self-Regulatory Organization.

The term “Merger Transaction” has the meaning set forth in the forepart of this Agreement.

The term “NASD” has the meaning set forth in the forepart of this Agreement.

The term “NCC” has the meaning set forth in the forepart of this Agreement.

The term “NCC Change of Control” has the meaning set forth in Section 3.01(a).

The term “NSCC” has the meaning set forth in the forepart of this Agreement.

The term “NSCC Participant” means a “participant” (as defined in the 1934 Act) of NSCC but shall not include any Self-Regulatory Organization.

The term “NSCC Rules” means the rules governing the operations of NSCC, as filed with the Commission pursuant to the 1934 Act and as amended from time to time.

The term “NSCC Shares” has the meaning set forth in the forepart of this Agreement.

The term “NYSE” has the meaning set forth in the forepart of this Agreement.

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

The term “Operating Subsidiary” means DTC, ~~EMCC~~, FICC or NSCC.

The term “Original Shareholders Agreement” has the meaning set forth in the forepart of this Agreement.

The term “Participant” means a DTC ~~Participant~~, ~~EMCC~~ Participant, GS Division Participant, MBS Division Participant or NSCC Participant.

The term “Participant Affiliate” means a Person (i) which is not a Participant but is an affiliate of a Participant and (ii) which received its Common Shares in exchange for EMCC Shares in the Synergy Transaction.

The term “Person” means any individual, corporation, partnership, trust or other business organization or enterprise or any government or any agency or political subdivision thereof.

The term “Preferred Share Account” means the entries on the books kept by the Corporation which reflect the number of Preferred Shares held by each Preferred Share Holder.

The term “Preferred Share Holder” (including with related meanings the terms “hold”, “held” and “holdings” when used with reference to Preferred Shares) shall mean any Person which is a party to this Agreement and to whose Preferred Share Account are credited Preferred Shares or, as used in Section 3.01 to refer to a Person from whom Preferred Shares were transferred, to whose Preferred Share Account were credited the Preferred Shares which were transferred by operation of that Section. If any Preferred Share Holder is not the beneficial owner of all of the interest in all Preferred Shares held by it, such Preferred Share Holder shall immediately notify the Corporation in writing of the identity of any Person which is the beneficial owner of an interest in such Preferred Shares and the nature and amount of such beneficial owner's interest. Any changes in such beneficial ownership shall likewise be reported to the Corporation by the Preferred Share Holder.

The term “Preferred Share Price” means \$30.00 per Preferred Share.

The term “Preferred Share Purchase Price” means the money amount obtained by multiplying the Preferred Share Price (or, if applicable under Section 3.03, the price per Preferred Share) by the number of Preferred Shares which are the subject of the purchase or sale by, or, under Section 3.01, a transfer by or to, a Preferred Share Holder and, in the case of a purchase by or transfer to such entity, adding to the resulting amount the amount of any applicable stock transfer or similar taxes.

The term “Preferred Shares” means the Series A Preferred Shares or Series B Preferred Shares.

The term “Purchase Price” means the Common Share Purchase Price or Preferred Share Purchase Price.

The term “Qualified Person” means a Person of a type consistent with, and which holds or for which is held Shares in an amount consistent with, any and all laws, rules and regulations as may be applicable from time to time the effect of which is to restrict the types of Persons which may have an interest in the Corporation or an Operating Subsidiary and/or the amount of such interest :

- (1) which has not applied for or consented to the appointment of a receiver, trustee or liquidator of itself or of its property, been unable, or admitted in writing its inability, to pay its debts as they mature, made a general assignment for the benefit of creditors, been adjudicated a bankrupt or insolvent, filed a voluntary petition in bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors or to take advantage of any insolvency law or an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding, taken corporate action for the purpose of effecting any of the foregoing, or failed to file an answer to a petition filed against it in any bankruptcy, reorganization or insolvency proceeding within the period of time prescribed by any applicable law, rule, regulation or order for filing an answer to such petition;

- (2) which, in the case of a Self-Regulatory Organization, is registered as a national securities exchange or association under the 1934 Act, and has at least one Member Participant as a member, member organization or affiliate;
- (3) which holds or for which is held Shares in an amount and a manner consistent with federal and state banking laws, as amended from time to time, applicable to its purchase or holding of Shares; and
- (4) which, with respect to all transfers of Shares to it pursuant to Sections 2.02 or 3.01, has fulfilled all its Settlement obligations and (A) has Delivered to the Corporation checks which are finally paid or (B) has had the appropriate amounts (i) paid through its settlement account at an Operating Subsidiary or (ii) wired to a designated bank account of the Corporation.

The term “Qualified under the 1933 Act” means, with respect to a transaction involving any Shares: (i) that a registration statement under the 1933 Act is in effect with respect to the Shares at the time of such transaction, or (ii) that an opinion to the Corporation, of counsel reasonably satisfactory to the Corporation, to the effect that such transaction will not violate the 1933 Act has been Delivered to the Corporation both at the time the Corporation is first notified under this Agreement of the proposed transaction and on the day the transaction is effected.

The term “Record Date” has the meaning stated in the By-Laws of the Corporation and the New York Business Corporation Law, as either may be amended from time to time, but as used in Section 2.01 refers only to such date with respect to an annual or special meeting, or any adjournments thereof, of the shareholders the Corporation for the purpose of electing directors.

The term “Repurchase Transaction” has the meaning set forth in the forepart of this [Agreement](#).

The term “Rules” means the DTC ~~Rules~~, ~~EMCC~~ Rules, GS Division Rules, MBS Division Rules or NSCC Rules.

The term “SCC” has the meaning set forth in the forepart of this Agreement.

The term “SCC Change of Control” has the meaning set forth in Section 3.01(a).

The term “Second Amended and Restated Shareholders Agreement” has the meaning set forth in the forepart of this [Agreement](#).

The term “Self-Regulatory Organization” means NYSE, NASD or AMEX, each a national securities exchange or association registered as such under the 1934 Act, each so long as it is a Qualified Person in all respects other than meeting the requirement that a Qualified Person hold Shares.

The term “Sell” (including with related meanings the terms “Sale” and “Seller” and with inversely related meanings the terms “Purchase” and “Purchaser”), for purposes of Sections 2.04,

2.06, 3.03, 3.04 and 4.06, includes sell, assign, transfer or dispose of an interest, for value or otherwise, or pledge or create a lien, charge, security interest or other encumbrance.

The term “Series A Preferred Shares” has the meaning set forth in the forepart of this Agreement.

The term “Series B Preferred Shares” has the meaning set forth in the forepart of this Agreement.

The term “Settlement” means the following transactions:

- (1) With respect to a purchase of Shares, at or before 5 P.M. New York City Time on the Settlement Date, each purchaser shall execute and Deliver to the Corporation a copy of this Agreement (unless such purchaser is already a party hereto) and shall either (A) Deliver to the Corporation a check for the Purchase Price, which check shall be a certified or an official bank check if the Purchase Price exceeds \$5,000, or (B) have the appropriate amount (i) paid through its settlement account at an Operating Subsidiary or (ii) wired to a designated bank account of the Corporation, and the Corporation shall credit the number of Shares purchased by each purchaser to the Share Account thereof after the Purchase Price has been paid by each purchaser as aforesaid.
- (2) With respect to a sale of Shares, after such time as the Corporation may, and before such time as the Corporation shall, credit the Share Accounts of the purchasers in accordance with Clause (1) above, the Corporation shall debit the number of Shares sold to the Share Account of the seller and shall either (A) Deliver to the seller a check in the amount of the Purchase Price or (B) have the appropriate amount (i) paid to the seller through its settlement account at an Operating Subsidiary or (ii) wired to a designated bank account of the seller.
- (3) With respect to a transfer of Shares under Sections 2.02 or 3.01, by 5 P.M. New York City Time on the Settlement Date, each transferee shall either (A) Deliver to the Corporation a check for the Purchase Price, which check shall be a certified or an official bank check if the Purchase Price exceeds \$5,000, or (B) have the appropriate amount (i) paid through its settlement account at an Operating Subsidiary or (ii) wired to a designated bank account of the Corporation, and the Corporation shall either (A) Deliver to the transferor a check in the amount of the Purchase Price or (B) have the appropriate amount (i) paid to the transferor through its settlement account at an Operating Subsidiary or (ii) wired to a designated bank account of the transferor; provided, however, that if one or more transferees cease to be Qualified Persons due to their failure to fulfill all their Settlement obligations as aforesaid, the Corporation shall not make any payment to the transferor until after Settlement has been effected in respect of all transfers pursuant to Sections 2.02 or 3.01 caused by such failure of one or more transferees (or of any subsequent transferees from them) to fulfill all their Settlement obligations.

Notwithstanding the use of the terms “purchaser” and “purchase” in this Agreement, a Person which has elected to purchase or would otherwise have purchased Shares under this Agreement shall have no interest in such Shares until such Person has fulfilled its Settlement obligations in respect of its purchase of Shares, and the Corporation has appropriately credited the Share Account of such Person. This paragraph shall have no applicability to a transfer of Shares under Sections 2.02 or 3.01.

Each purchase of Common Shares under Section 2.01 shall be made pro rata from all sellers of Common Shares, and a failure to purchase Common Shares shall thus proportionately reduce the number of Common Shares sold by each seller.

The term “Settlement Date” means the date specified by the Corporation in accordance with this Agreement on which Holders and other Persons purchasing or receiving transfers of Shares shall effect Settlement in respect thereof. In respect of transactions under Section 2.01, the Settlement Date shall be at least 10 Business Days prior to the Record Date.

The term “Share Account” means the Common Share Account or Preferred Share Account.

The term “Share Price” means the Common Share Price or Preferred Share Price.

The term “Shares” means the Common Shares or Preferred Shares.

The term “Subject NSCC Participant” means, with respect to a Self-Regulatory Organization:

- (1) an NSCC Participant which is a member or member organization of such Self-Regulatory Organization (A) for which the Securities Investor Protection Corporation or the Commission has designated such Self-Regulatory Organization as responsible for the examination of such member or member organization for compliance with applicable financial responsibility rules or (B) for which the Commission has not relieved such Self-Regulatory Organization of the responsibilities set forth in Section 17(d)(1)(A) of the 1934 Act; or
- (2) any other NSCC Participant with respect to which NSCC has requested the Self-Regulatory Organization to provide, and the Self-Regulatory Organization has agreed to provide, the services described in Section 3.05.

The term “Synergy Transaction” has the meaning set forth in the forepart of this Agreement.

[The term “Voluntary Purchaser Participant” means, as more specifically set forth in the Rules of DTC, NSCC, the GS Division and the MBS Division, a Participant other than a Mandatory Purchaser Participant.](#)

Section 1.02 Certain Conventions. For all purposes of this Agreement, unless the context otherwise requires, (i) words using the singular number include the plural number and words using the plural number include the singular number, (ii) the terms “hereof,” “herein,” “hereby,” “hereto” and similar words refer to this Agreement and (iii) the terms “Article”, “Section”, “Paragraph” or “Exhibit” refer to the specified Article, Section, Paragraph or Exhibit of this Agreement. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified.

ARTICLE II

COMMON SHARES AND COMMON SHARE HOLDERS

Section 2.01 ~~Annual Allocation of Common Share Entitlements.~~ Periodic Allocation of Common Share Entitlements.

(a) ~~(a)~~ Commencing in calendar year ~~2003~~2006 and thereafter when the Board of Directors of the Corporation determines it to be appropriate, but no more frequently than once a year and no less frequently than once every three years, the Common Shares (including any Common Shares held by the Corporation as treasury shares) shall be reallocated for purchase and sale by Participants, in accordance with their respective use of the services of the Operating Subsidiaries during the period beginning on the first day of the calendar year in which the previous reallocation was made ~~(or January 1, 2002 in the case of the reallocation in calendar year 2003)~~ and ending on the last day of the calendar year preceding the calendar year in which such reallocation is made, on the basis and in the manner herein stated, it being the intention of the parties that such reallocation, purchases and sales be effected prior to the Record Date for the annual meeting of shareholders of the Corporation in the calendar year in which such reallocation is made, so that, through their entitlements to own Common Shares, Participants will be assured a fair representation in the selection of the directors of the Corporation who, in accordance with the terms of Sections 2.08 and 3.10, shall also be the directors of each of the Operating Subsidiaries, and in the administration of the affairs of the Corporation and the Operating Subsidiaries.

(b) After January 1 of each year in which a reallocation is to take place pursuant to Paragraph (a) of this Section 2.01, the Corporation shall ascertain the Common Share Amount and Common Share Amount Deficiency or Common Share Amount Excess, if any, of ~~NSCC~~the Corporation and each Participant, Self-Regulatory Organization and Participant Affiliate, and the Common Share Price and Settlement Date. The following procedures shall be observed:

- (1) At least 30 Business Days prior to the Record Date and at least 20 Business Days prior to the Settlement Date, the Corporation shall Deliver to each Voluntary Purchaser Participant written notice, in the form of Exhibit A, of its Common Share Amount, Common Share Amount Deficiency or Common Share Amount Excess, if any, and the Common Share Price and Settlement Date.

- (2) Before the close of business on the 10th Business Day prior to the Settlement Date, each Voluntary Purchaser Participant which has a Common Share Amount Deficiency may elect to purchase any number of Common Shares not exceeding its Common Share Amount Deficiency by Delivering to the Corporation a written notice, in the form of Exhibit A, of such election.
- (3) At least 7 Business Days prior to the Settlement Date, the Corporation shall deliver to each Mandatory Purchaser Participant, Self-Regulatory Organization and Participant, Affiliate written notice, in the form of Exhibit A of its Common Share Amount, Common Share Amount Deficiency or Common Share Amount Excess, if any, and the Common Share Price and Settlement Date. ~~The Corporation shall determine the Common Share Amount of each Self-Regulatory Organization by multiplying the number of Common Shares by which the sum of the Common Share Amount Deficiencies of all Member Participants exceeds the total number of Common Shares which all Member Participants have elected to purchase by a percentage which shall be 79.254% in the case of NYSE, 10.37% in the case of NASD and 10.37% in the case of AMEX.~~
- ~~(4) Before the close of business of the 4th Business Day prior to the Settlement Date, each Self-Regulatory Organization which has a Common Share Amount Deficiency may elect to purchase any number of Common Shares not exceeding its Common Share Amount Deficiency by Delivering to the Corporation a written notice, in the form of Exhibit A, of such election.~~
- (c) On the Settlement Date, (i) each Voluntary Purchaser Participant and Self-Regulatory Organization which has elected to purchase Common Shares shall effect Settlement ~~consistent with such election~~ for that amount of Common Shares and (ii) each Mandatory Purchaser Participant which is required to purchase Common Shares shall effect Settlement for that amount of Common Shares.
- (d) Each Common Share Holder to which written notice of a Common Share Amount Excess is Delivered shall be obligated to sell at the Common Share Price the number of Shares determined by the Corporation. The Corporation shall determine such number of Common Shares by multiplying the Common Share Amount Excess of such Common Share Holder by a fraction, (i) the numerator of which shall be the total number of Common Shares which (A) all Voluntary Purchaser Participants and Self-Regulatory Organizations have properly elected to purchase in accordance with Paragraph (b)(2) and ~~(4) of this Section 2.01 and B)~~ all Mandatory Purchaser Participants are required to purchase in accordance with Paragraph (b)(3), and (ii) the denominator of which shall be the total of all Common Share Amount Deficiencies. Settlement shall be effected consistent with such determination and the Common Share Price and Settlement Date set forth in the notices Delivered by the Corporation pursuant to Paragraph (b)(1) and (3) of this Section 2.01. Before Settlement, the Corporation shall Deliver to each Common Share Holder which will sell Common Shares a notice, in the form of Exhibit B, of such sale.

Section 2.02 ~~Mandatory~~—Transfer of Common Shares: Upon Disqualification. In the event that any Common Share Holder, other than a Self-Regulatory Organization, ceases to be a Qualified Person, either all Common Shares held by it or so many of such Shares as shall be necessary to remove the disqualification shall simultaneously with such disqualification be transferred to all other Common Holders pro rata in accordance with the number of Common Shares held by them, notwithstanding any lapse of time between (i) such disqualification and transfer and (ii) the Corporation's determination under Paragraph (c) of this Section 2.02 and its correction of the Common Share Accounts to reflect such transfer.

(b) In the event that any Self-Regulatory Organization ceases to be a Qualified Person, either all the Common Shares held by it or so many of such Common Shares as shall be necessary to remove the disqualification shall simultaneously with such disqualification be transferred to all other Self-Regulatory Organizations or, if there be no Self-Regulatory Organizations holding Common Shares at such time, to all Common Share Holders, in either case pro rata in accordance with the number of Common Shares held by them, notwithstanding any lapse of time between (i) such disqualification and transfer and (ii) the Corporation's determination under Paragraph (c) of this Section 2.02 and its correction of the Common Share Accounts to reflect such transfer.

(c) Upon its ceasing to be a Qualified Person, a Common Share Holder shall forthwith notify the Corporation orally and in writing of its disqualification, the time of its disqualification and the reasons therefor. Thereupon, or upon the Corporation's determining that such disqualification has occurred notwithstanding the lack of such notice, the Corporation shall determine, in its sole discretion, the number of Common Shares previously held by such Common Share Holder which have been transferred pursuant to Paragraphs (a) or (b) of this Section 2.02 and shall Deliver to each other Common Share Holder written notice, in the form of Exhibit C, of the number of Common Shares which have been transferred to it, the Common Share Price and the Settlement Date. Such transfer of Common Shares under Paragraphs (a) or (b) of this Section 2.02 and Settlement therefor under Paragraph (d) of this Section 2.02 shall be mandatory.

(d) On the Settlement Date, Settlement shall be effected in accordance with the notice provided for in Paragraph (c) of this Section 2.02, except that prior to the Settlement Date and as soon as it has completed its determination under Paragraph (c) of this Section 2.02, the Corporation may correct the Common Share Accounts to reflect the transfer which has occurred under Paragraphs (a) or (b) of this Section 2.02.

(e) Should any transfer of Common Shares pursuant to Paragraphs (a) or (b) of this Section 2.02 be effected prior to a Record Date but the appropriate corrections to Common Share Accounts not be effected until after such Record Date, the Corporation shall, in its sole discretion, determine what action, if any, shall be taken in respect of the meeting or other action relating to such Record Date.

(f) Notwithstanding any provision to the contrary contained in this Agreement, the Corporation shall, to the extent it is aware of the possibility of such an event, (i) limit any

allocation of or election to purchase Common Shares which would, because of the number of Common Shares held by a Common Share Holder, cause such Common Share Holder to become disqualified as a Qualified Person, and (ii) with respect to any determination under Paragraphs (a) or (b) of this Section 2.02, determine the effect of one or more other disqualifications and transfers of Common Shares caused by a transfer of Common Shares pursuant to Paragraphs (a) or (b) of this Section 2.02, so that one Settlement may be effected in respect of all such transfers.

Section 2.03 Transfer of Common Shares Upon Merger, Consolidation or Sale of Assets.
~~(a)~~—Notwithstanding Section 2.04, the Common Shares held by a Common Share Holder may be transferred to another Person if:

- (1) upon such transfer such other Person will be a Qualified Person;
- (2) prior to such transfer such other Person is a party to this Agreement;
- (3) such transfer is effected in the course of or pursuant to a merger or consolidation of the Common Share Holder into or with such other Person or a sale by the Common Share Holder to such other Person of all or substantially all its business and assets;
- (4) at least 20 Business Days prior to such transfer, the Common Share Holder Delivers to the Corporation written notice, in the form of Exhibit D, of the proposed transfer; and
- (5) such transfer is Qualified under the 1933 Act.

(b) A Person to which Common Shares are transferred pursuant to Paragraph (a) of this Section 2.03 other than a Participant or Self-Regulatory Organization shall be subject to the provisions of this Agreement as set forth in Section 2.04(h) with respect to a Common Share Holder which purchases Shares in accordance with Section 2.04(g).

Section 2.04 ~~Voluntary Disposition Of Common Shares.~~ Voluntary Disposition Of Common Shares.

(a)

- ~~(a)~~—(1) The parties hereto understand and agree that, as of the date hereof, the Common Shares are unregistered and, except for transactions effected in accordance with the provisions of this Agreement excluding any offer to Sell, as contemplated by Paragraph (c) of this Section 2.04, or any Sale, pursuant to Paragraph (g) of this Section 2.04, of Common Shares to a prospective Purchaser, must be held indefinitely by the parties unless the Common Shares are subsequently registered under the 1933 Act, an exemption from such registration is available or the Common Shares are exempt from the requirement of such registration. Any Sale of Common Shares made in reliance upon Rule 144 promulgated by the Commission under the 1933 Act can be made only in limited amounts in accordance with the terms and conditions of that Rule and the

provisions of this Agreement, and in the case of Common Shares to which Rule 144 is not applicable, compliance with the provisions of this Agreement and Regulation A promulgated by the Commission under the 1933 Act or some other exemption will be required.

- (2) The parties hereto understand and agree that the Corporation is under no obligation to register any Common Shares, or to comply with Regulation A or any other exemption, under the 1933 Act. As to proposed transactions which are, in the sole opinion of counsel to the Corporation, consistent with the provisions of this Agreement and applicable law, the Corporation will upon request furnish to a Common Share Holder such information as the Corporation may have which is necessary to enable the Common Share Holder to make a Sale of Common Shares under Rule 144, provided that the Common Share Holder agrees to reimburse the Corporation for any expenses the Corporation reasonably incurs in complying with such request.
- (3) Each Common Share Holder hereby represents to each other Common Share Holder and the Corporation that all its Purchases of Common Shares have been, are and will be only for its own account and not with a view to the Sale or distribution thereof except as required under the provisions of this Agreement excluding any offer to Sell, as contemplated by Paragraph (c) of this Section 2.04, or any Sale, pursuant to Paragraph (g) of this Section 2.04, of Common Shares to a prospective Purchaser. Each Common Share Holder understands that each other Common Share Holder is relying and will rely upon such representation in Selling Common Shares to it without the registration thereof under the 1933 Act, and that the Corporation is relying and will rely upon such representation in fulfilling its obligations under this Agreement and in registering the transfers of Common Shares on its books. Each Common Share Holder agrees that the instrument or instruments representing the Common Shares shall bear the legend set forth in Section 4.02, to the provisions of which each Common Share Holder agrees.

(b) No Common Share Holder shall Sell any of the Common Shares held by it except in accordance with Sections 2.01, 2.02, 2.03, 2.05, 2.06 or 4.06, or in accordance with this Section 2.04.

(c) At any time other than a time during which a transaction pursuant to Sections 2.01, 2.02, 2.06, 4.06 or this Section 2.04 has been initiated but not completed, a Common Share Holder which desires to Sell Common Shares under this Section 2.04 shall initiate the Sale process by Delivering to the Corporation a written notice, in the form of Exhibit E, of the name and address of the prospective Purchaser of the Common Shares which it proposes to Sell, the number and kind of Common Shares which it proposes to Sell and the consideration to be received and the other material terms of the proposed Sale. If the consideration offered by the prospective Purchaser is in property other than money, the Common Share Holder proposing to Sell Common Shares shall include in such notice the price per Common Share in money equivalent to such consideration. The prospective Purchaser must (i) have a bona fide intention

and the means to Purchase such Common Shares for the consideration stated in the notice, (ii) be a party to this Agreement before the proposed Sale is effected and (iii) from the time of the Delivery of the notice in accordance with this Paragraph (c) until after the proposed Sale to it has been effected or terminated, be a Qualified Person, assuming that it holds such Common Shares. The proposed Sale shall be held in abeyance and be subject to the transactions specified in this Section 2.04 and, if applicable, in Section 4.06.

(d) Each Common Share Holder, other than the Common Share Holder proposing to Sell Common Shares, shall have the right to Purchase in accordance with this Section 2.04 such portion of the Common Shares proposed to be Sold as the number of Common Shares held by it shall bear to the number of Common Shares held by all such Common Share Holders, but each such Common Share Holder may elect to Purchase up to the total number of Common Shares proposed to be Sold. On or before the 30th Business Day prior to the Settlement Date, the Corporation shall Deliver to each such Common Share Holder written notice, in the form of Exhibit F, of the number of Common Shares such Common Share Holder has a right to Purchase, the total number of Common Shares proposed to be Sold, the Common Share Price or the price per Common Share, whichever is lower, and the Settlement Date, which shall be the Business Day on or next after the 90th day after the written notice of the Common Share Holder's desire to Sell Common Shares is received by the Corporation.

(e) Any such Common Share Holder may elect to Purchase up to the total number of Common Shares proposed to be Sold by Delivering to the Corporation a written notice, in the form of Exhibit F, of such election on or before the close of business on the 20th Business Day prior to the Settlement Date. Prior to the Settlement Date, the Corporation shall ascertain the number of Common Shares so offered, if any, in excess of the number of Common Shares which all Common Share Holders have a right, and have properly elected, to Purchase. The Corporation shall allocate any such excess Common Shares to each Common Share Holder which elected to Purchase more Common Shares than it had a right to Purchase in such proportion as the difference between the number of Common Shares which it elected to Purchase and the number of Common Shares which it had a right to Purchase shall bear to the sum of such differences with respect to all such Common Share Holders. If such an allocation is made, the Corporation shall, on or before the 10th Business Day prior to the Settlement Date, Deliver to each such Common Share Holder written notice, in the form of Exhibit G of the number of Common Shares as to which its election to Purchase was effective. On the Settlement Date, Settlement shall be effected in accordance with the notices Delivered pursuant to Paragraph (d) of this Section 2.04 and this Paragraph (e).

(f) If any or all of the Common Shares which the Common Share Holder proposes to Sell are not sold in accordance with Paragraph (e) of this Section 2.04, within 10 Business Days after receiving notice of such fact from the Corporation, such Common Share Holder shall, if it continues to desire to Sell such Common Shares, deliver to the Corporation another written notice of its proposal to Sell Common Shares as provided in Paragraph (c) of this Section 2.04, and the process provided for in Paragraphs (d) and (e) of this Section 2.04 shall be repeated, except that only Purchasers of Common Shares in the prior offering of such Common Shares

shall be entitled to Purchase Common Shares in the offering conducted pursuant to this Paragraph (f).

(g) If any Common Shares remain unsold after the offerings described above have been completed, the Common Share Holder proposing to Sell such Common Shares may Sell them to the prospective Purchaser, if upon the Sale the prospective Purchaser will be a Qualified Person and the Sale will be Qualified under the 1933 Act. Immediately after any such Sale, the Seller shall Deliver to the Secretary of the Corporation written instruction, in such form as is acceptable to him, to register the transfer of such Common Shares and funds sufficient to pay any stock transfer or similar taxes.

(h) Notwithstanding any provision to the contrary contained in this Agreement, any Person other than ~~NSCC or~~ a Participant, Self-Regulatory Organization or Participant Affiliate which Purchases Common Shares in accordance with Paragraph (g) of this Section 2.04 shall be subject to all the provisions of this Agreement which are applicable to a Common Share Holder except (i) Section 2.01 shall not apply to such a Common Share Holder, (ii) Common Shares shall not be transferred to such a Common Share Holder in accordance with Section 2.02, (iii) such a Common Share Holder shall not be entitled to Purchase Common Shares under this Section 2.04 except in accordance with Paragraph (g) of this Section 2.04 or Section 2.06 and (iv) such a Common Share Holder may sell Common Shares in accordance with this Section 2.04 to all other Common Share Holders (except another such Common Share Holder which has Purchased Common Shares in accordance with Paragraph (g) of this Section 2.04) without having or presenting a prospective Purchaser.

(i) At any time, except within 3 Business Days prior to a Settlement Date unless waived by the Corporation, a Common Share Holder which has initiated a Sale of Common Shares under this Section 2.04 may terminate the Sale process hereunder as to any or all of the Common Shares it previously proposed to Sell by Delivering written notice of such termination to the Corporation; provided, however, that such a Common Share Holder may not increase the number of Common Shares it proposes to Sell under this Section 2.04 once it has initiated the Sale process hereunder.

Section 2.05 Sale of Common Shares by Certain Common Share Holders. At any time other than a time during which a transaction pursuant to Sections 2.01, 2.02, 2.04, 2.06 or 4.06 has been initiated but not completed:

(a) a Self-Regulatory Organization may sell any or all of the Common Shares held by it to one or more Member Participants without compliance with the provisions of Section 2.04, except that (i) prior to any such sale the Member Participant proposing to purchase Common Shares must be a party to this Agreement, (ii) any such sale must be Qualified under the 1933 Act and (iii) the Self-Regulatory Organization must, immediately after effecting such a sale, Deliver a written notice thereof, in the form of Exhibit H, to the Corporation; and

(b) ~~NSCC or~~ a Participant Affiliate may sell any or all of the Common Shares held by it to one or more Participants without compliance with the provisions of Section 2.04, except that

(i) prior to any such sale the Participant proposing to purchase Common Shares must be a party to this Agreement and (ii) any such sale must be Qualified under the 1933 Act; ~~and,~~

~~(e) — NSCC may sell any or all of the Common Shares held by it to the Corporation without compliance with the provisions of Section 2.04.~~

Section 2.06 Issue or Sale of Common Shares by the Corporation. The Corporation shall not issue or Sell any Common Shares except in accordance with Section 2.01 or Section 2.04, for the purposes of which, and for the purposes of Section 4.06, the Corporation shall be deemed to be a Common Share Holder ~~which proposes to Sell Common Shares~~. In respect of its issuance or Sale of Common Shares under Section 2.04, (i) the Corporation shall not be required to give the written notice of its proposed Sale of Common Shares provided for in Section 2.04(c) and (ii) the Corporation shall not be required to have or present a prospective Purchaser as a condition to Selling Common Shares under Section 2.04.

Section 2.07 Certain Computations. Any determination by the Corporation of a number of Common Shares shall be made by converting any fraction into a decimal rounded to the nearest one-hundred-thousandth and by rounding to the nearest one-hundred-thousandth the product of any such decimal and any number of Common Shares. In order to make the products of all such determinations by the Corporation pursuant to any one provision of this Agreement consistent with the total number of Common Shares being allocated, the Corporation shall randomly assign to or deduct from the initial Common Share allocations of Persons to which allocations are being made, in units of one one-hundred-thousandth of a Common Share, any difference between such total number of Common Shares and the sum of such products.

Section 2.08 Certain Voting Arrangements. The Corporation shall vote its (or cause its affiliates to vote their) (i) DTC Shares so as to cause each individual who is elected a director of the Corporation by the Common Share Holders to be elected a director of DTC, (ii) EMCC Shares so as to cause each individual who is elected a director of the Corporation by the Common Share Holders to be elected a director of EMCC, (iii) FICC Shares so as to cause each individual who is elected a director of the Corporation by the Common Share Holders to be elected a director of FICC and (iv) NSCC Shares so as to cause each individual who is elected a director of the Corporation by the Common Share Holders to be elected a director of NSCC.

ARTICLE III

PREFERRED SHARES AND PREFERRED SHARE HOLDERS

Section 3.01 Mandatory Transfer of Preferred Shares.

(a) If NYSE sells any voting securities (or securities with any contingent voting rights) of SCC or SCC issues any such securities to a Person other than NYSE (an ‘SCC Change of Control’) or if NASD sells any voting securities (or securities with any contingent voting rights) of NCC or NCC issues any such securities to a Person other than NASD (an ‘NCC Change of Control’) or if any Preferred Share Holder (including SCC or NCC) ceases to be a Qualified

Person, then, in the event of such SCC Change of Control, NCC Change of Control or disqualification, all of the Preferred Shares held by SCC, NCC or such Preferred Share Holder, as the case may be, shall simultaneously with the occurrence of such event be transferred to all other Preferred Share Holders pro rata in accordance with the number of Preferred Shares held by them, notwithstanding any lapse of time between (i) such event and transfer and (ii) the Corporation's determination under Paragraph (b) of this Section 3.01 and its correction of the Preferred Share Accounts to reflect such transfer.

(b) Upon the occurrence of an event specified in Paragraph (a) of this Section 3.01, SCC, NCC or such other Preferred Share Holder, as the case may be, shall forthwith notify the Corporation orally and in writing of the event and the time of occurrence. Thereupon, or upon the Corporation's determining that such event occurred notwithstanding the lack of such notice, the Corporation shall determine, in its sole discretion, the number of Preferred Shares previously held by SCC, NCC or such Preferred Share Holder, as the case may be, which have been transferred pursuant to Paragraph (a) of this Section 3.01 and shall deliver to each other Preferred Share Holder written notice, in the form of Exhibit C, of the number of Preferred Shares which have been transferred to it, the Preferred Share Price and the Settlement Date. Such transfer of Preferred Shares under Paragraph (a) of this Section 3.01 shall be mandatory.

(c) On the Settlement Date, Settlement shall be effected in accordance with the notice provided in Paragraph (b) of this Section 3.01, except that prior to the Settlement Date and as soon as it has completed its determination under Paragraph (b) of this Section 3.01, the Corporation may correct the Preferred Share Accounts to reflect the transfer which has occurred under Paragraph (a) of this Section 3.01.

(d) Should any transfer of Preferred Shares pursuant to Paragraph (a) of this Section 3.01 be effected prior to a Record Date but the appropriate corrections to the Preferred Share Accounts not be effected until after such Record Date, the Corporation shall, in its sole discretion, determine what action, if any, shall be taken in respect of the meeting or other action relating to such Record Date.

Section 3.02 Transfer of Preferred Shares Upon Merger, Consolidation or Sale of Assets. Notwithstanding Section 3.03, the Preferred Shares held by a Preferred Share Holder may be transferred to another Person if:

(a) upon such transfer such other Person will be a Qualified Person;

(b) prior to such transfer such other Person is a party to this Agreement;

(c) such transfer is effected in the course of or pursuant to (i) a merger or consolidation of SCC into or with NYSE or a sale by SCC to NYSE of all or substantially all its business and assets or (ii) a merger or consolidation of NCC into or with NASD or a sale by NCC to NASD of all or substantially all of its business and assets;

(d) at least 20 Business Days prior to such transfer, the Preferred Share Holder Delivers to the Corporation written notice, in the form of Exhibit D, of the proposed transfer; and

(e) such transfer is Qualified under the 1933 Act.

Section 3.03 Voluntary Disposition Of Preferred Shares.

(a)

- ~~(a)~~ (1) The parties hereto understand and agree that, as of the date hereof, the Preferred Shares are unregistered and, except for transactions effected in accordance with the provisions of this Agreement excluding any offer to Sell, as contemplated by Paragraph (c) of this Section 3.03, or any Sale, pursuant to Paragraph (g) of this Section 3.03, of Preferred Shares to a prospective Purchaser, must be held indefinitely by the parties unless the Preferred Shares are subsequently registered under the 1933 Act, an exemption from such registration is available or the Preferred Shares are exempt from the requirement of such registration. Any Sale of Preferred Shares made in reliance upon Rule 144 promulgated by the Commission under the 1933 Act can be made only in limited amounts in accordance with the terms and conditions of that Rule and the provisions of this Agreement, and in the case of Preferred Shares to which Rule 144 is not applicable, compliance with the provisions of this Agreement and Regulation A promulgated by the Commission under the 1933 Act or some other exemption will be required.
- (2) The parties hereto understand and agree that the Corporation is under no obligation to register any Preferred Shares, or to comply with Regulation A or any other exemption, under the 1933 Act. As to proposed transactions which are, in the sole opinion of counsel to the Corporation, consistent with the provisions of this Agreement and applicable law, the Corporation will upon request furnish to a Preferred Share Holder such information as the Corporation may have which is necessary to enable the Preferred Share Holder to make a Sale of Preferred Shares under Rule 144, provided that the Preferred Share Holder agrees to reimburse the Corporation for any expenses the Corporation reasonably incurs in complying with such request.
- (3) Each Preferred Share Holder hereby represents to each other Preferred Share Holder and the Corporation that all its Purchases of Preferred Shares have been, are and will be only for its own account and not with a view to the Sale or distribution thereof except as required under the provisions of this Agreement excluding any offer to Sell, as contemplated by Paragraph (c) of this Section 3.03, or any Sale, pursuant to Paragraph (g) of this Section 3.03, of Preferred Shares to a prospective Purchaser. Each Preferred Share Holder understands that each other Preferred Share Holder is relying and will rely upon such representation in Selling Preferred Shares to it without the registration thereof under the 1933 Act, and that the Corporation is relying and will rely upon such representation in fulfilling its obligations under this Agreement and in registering the transfers of Preferred Shares on its books. Each Preferred Share Holder agrees that the instrument or

instruments representing the Preferred Shares shall bear the legend set forth in Section 4.02, to the provisions of which each Preferred Share Holder agrees.

(b) No Preferred Share Holder shall Sell any Preferred Shares held by it unless (i) it shall have obtained the written consent thereto of each other Preferred Share Holder, (ii) it is SCC and it Sells such Preferred Shares to NYSE, (iii) it is NCC and it Sells such Preferred Shares to NASD or (iv) it Sells such Preferred Shares in accordance with Sections 3.01, 3.02 or 4.06 or in accordance with this Section 3.03.

(c) At any time other than a time during which a transaction pursuant to Sections 3.01 or 4.06 or this Section 3.03 has been initiated but not completed, a Preferred Share Holder which desires to Sell Preferred Shares under this Section 3.03 shall initiate the Sale process by Delivering to the Corporation a written notice, in the form of Exhibit E, of the name and address of the prospective Purchaser of the Preferred Shares which it proposes to Sell, the number and kind of Preferred Shares which it proposes to Sell and the consideration to be received and the other material terms of the proposed Sale. If the consideration offered by the prospective Purchaser is in property other than money, the Preferred Share Holder proposing to Sell Preferred Shares shall include in such notice the price per Preferred Share in money equivalent to such consideration. The prospective Purchaser must (i) have a bona fide intention and the means to Purchase such Preferred Shares for the consideration stated in the notice, (ii) be a party to this Agreement before the proposed Sale is effected and (iii) from the time of the Delivery of the notice in accordance with this Paragraph (c) until after the proposed Sale to it has been effected or terminated, be a Qualified Person, assuming that it holds such Preferred Shares. The proposed Sale must be Qualified under the 1933 Act. The proposed Sale shall be held in abeyance and be subject to the transactions specified in this Section 3.03 and, if applicable, in Section 4.06.

(d) Each Preferred Share Holder, other than the Preferred Share Holder proposing to Sell Preferred Shares, shall have the right to Purchase in accordance with this Section 3.03 such portion of the Preferred Shares proposed to be Sold as the number of Preferred Shares held by it shall bear to the number of Preferred Shares held by all such Preferred Share Holders, but each such Preferred Share Holder may elect to Purchase up to the total number of Preferred Shares proposed to be Sold. On or before the 30th Business Day prior to the Settlement Date, the Corporation shall Deliver to each such Preferred Share Holder written notice, in the form of Exhibit F, of the number of Preferred Shares such Preferred Share Holder has a right to Purchase, the total number of Preferred Shares proposed to be Sold, the Preferred Share Price or the price per Preferred Share, whichever is lower, and the Settlement Date, which shall be the Business Day on or next after the 90th day after the written notice of the Preferred Share Holder's desire to Sell Preferred Shares is received by the Corporation.

(e) Any such Preferred Share Holder may elect to Purchase up to the total number of Preferred Shares proposed to be Sold by Delivering to the Corporation a written notice, in the form of Exhibit F, of such election on or before the close of business on the 20th Business Day prior to the Settlement Date. Prior to the Settlement Date, the Corporation shall ascertain the number of Preferred Shares so offered, if any, in excess of the number of Preferred Shares which all Preferred Share Holders have a right, and have properly elected, to Purchase. The

Corporation shall allocate any such excess Preferred Shares to each Preferred Share Holder which elected to Purchase more Preferred Shares than it had a right to Purchase in such proportion as the difference between the number of Preferred Shares which it elected to Purchase and the number of Preferred Shares which it had a right to Purchase shall bear to the sum of such differences with respect to all such Preferred Share Holders. If such an allocation is made, the Corporation shall, on or before the 10th Business Day prior to the Settlement Date, Deliver to each such Preferred Share Holder written notice, in the form of Exhibit G of the number of Preferred Shares as to which its election to Purchase was effective. On the Settlement Date, Settlement shall be effected in accordance with the notices Delivered pursuant to Paragraph (d) of this Section 3.03 and this Paragraph (e).

(f) If any or all of the Preferred Shares which the Preferred Share Holder proposes to Sell are not sold in accordance with Paragraph (e) of this Section 3.03, within 10 Business Days after receiving notice of such fact from the Corporation, such Preferred Share Holder shall, if it continues to desire to Sell such Preferred Shares, deliver to the Corporation another written notice of its proposal to Sell Preferred Shares as provided in Paragraph (c) of this Section 3.03, and the process provided for in Paragraphs (d) and (e) of this Section 3.03 shall be repeated, except that only Purchasers of Preferred Shares in the prior offering of such Preferred Shares shall be entitled to Purchase Preferred Shares in the offering conducted pursuant to this Paragraph (f).

(g) If any Preferred Shares remain unsold after the offerings described above have been completed, the Preferred Share Holder proposing to Sell such Preferred Shares may Sell them to the prospective Purchaser, if upon the Sale the prospective Purchaser will be a Qualified Person and the Sale will be Qualified under the 1933 Act. Immediately after any such Sale, the Seller shall Deliver to the Secretary of the Corporation written instruction, in such form as is acceptable to him, to register the transfer of such Preferred Shares and funds sufficient to pay any stock transfer or similar taxes.

(h) Notwithstanding any provision to the contrary contained in this Agreement, any Preferred Share Holder which Purchases Preferred Shares in accordance with Paragraph (g) of this Section 3.03 shall be subject to all the provisions of this Agreement which are applicable to a Preferred Share Holder.

(i) At any time, except within 3 Business Days prior to a Settlement Date unless waived by the Corporation, a Preferred Share Holder which has initiated a Sale of Preferred Shares under this Section 3.03 may terminate the Sale process hereunder as to any or all of the Preferred Shares it previously proposed to Sell by Delivering written notice of such termination to the Corporation; provided, however, that such a Preferred Share Holder may not increase the number of Preferred Shares it proposes to Sell under this Section 3.03 once it has initiated the Sale process hereunder.

Section 3.04 Issue or Sale of Preferred Shares by the Corporation. The Corporation shall not issue or Sell any Preferred Shares or any other shares of the capital stock of the Corporation having a preference in liquidation (except a preference in liquidation junior to the preference of

the Preferred Shares) except with the consent in writing of both the Preferred Share Holders holding a majority in interest of the Series A Preferred Shares and the Preferred Share Holders holding a majority in interest of the Series B Preferred Shares.

Section 3.05 Services to be Provided to NSCC. Each Self-Regulatory Organization shall provide the following services to NSCC with respect to each Subject NSCC Participant of such Self-Regulatory Organization:

(a) The Self-Regulatory Organization shall conduct periodic examinations of the books and records and the operations of the Subject NSCC Participant, shall periodically monitor the financial and operating condition of the Subject NSCC Participant for the purpose of obtaining pertinent information which may have a bearing on whether the Subject NSCC Participant is in such financial or operating difficulty that its suspension as an NSCC Participant or the closing of its accounts with NSCC is necessary for the protection of NSCC, its creditors and investors and other NSCC Participants, and shall report thereon to NSCC. The Self-Regulatory Organization shall also analyze and evaluate such information and make recommendations to NSCC in respect of the financial and operating condition of the Subject NSCC Participant. In providing such services, the Self-Regulatory Organization shall:

- (1) review and evaluate the financial responsibility reports, if any, submitted by the Subject NSCC Participant;
- (2) cause its examiners to conduct at least one annual field examination visit to the Subject NSCC Participant's principal office to review the accuracy of the financial responsibility reports, if any, submitted by the Subject NSCC Participant and to review the integrity of the operational systems of the Subject NSCC Participant by methods including a review of the material inadequacy reports of the independent public accountants retained by the Subject NSCC Participant; and
- (3) at the request of NSCC, perform the above services as to the Subject NSCC Participant within such reasonable time periods as NSCC shall specify.

(b) In order to assist NSCC in its compliance with the 1934 Act, the Self-Regulatory Organization shall, upon the request of NSCC:

- (1) within such reasonable time periods as NSCC may specify, perform the services described in Paragraph (a) of this Section 3.04 with respect to any Person who shall apply to become an NSCC Participant who would, if then an NSCC Participant, be a Subject NSCC Participant of such Self-Regulatory Organization and otherwise review the qualifications of such prospective Subject NSCC Participant; and
- (2) upon reasonable terms as agreed upon from time to time, assist NSCC in conducting staff studies or field research in respect of NSCC Rule changes under consideration by NSCC.

(c) In order to assist NSCC in protecting the integrity of its securities clearance and settlement system, the Self-Regulatory Organization shall report to NSCC any unusual market conditions with respect to a security which come to its attention and which appear to the Self-Regulatory Organization to be potentially disruptive to the orderly clearance and settlement through NSCC of transactions in the security.

Notwithstanding the foregoing, the Self-Regulatory Organization shall not be required to provide any of the above-described services in contravention of any order or judgment, issued or directed by a governmental agency or court, or officer thereof, having jurisdiction over the Self-Regulatory Organization which on its face purports to proscribe the Self-Regulatory Organization's performance of such services or if, upon advice of counsel, the Self-Regulatory Organization shall determine that the provision of such services might be deemed unlawful or might result in the payment of substantial damages by the Self-Regulatory Organization to third parties.

Section 3.06 Inspection of Books and Records of NSCC. In order to enable the Self-Regulatory Organizations to perform the services described in Section 3.05, each Self-Regulatory Organization shall have the right to inspect and make copies of the following books, records and data insofar as such books, records and data relate to a Subject NSCC Participant of such Self-Regulatory Organization:

(a) ~~(a)~~ the books and records of NSCC;

(b) ~~(b)~~ the books and records of any Person using the services of NSCC; and

(c) ~~(c)~~ all data, in whatever form it may be recorded, furnished by NSCC to Persons using the services of NSCC or furnished by Persons using the services of NSCC to NSCC;

provided, however, that such rights in respect of the books, records and data referred to in Clauses (b) and (c) above shall be limited to whatever rights NSCC has in respect thereof. For the purpose of implementing such right to inspect and copy the books, records and data referred to in Clauses (b) and (c) above, NSCC hereby appoints each Self-Regulatory Organization its duly authorized representative and agent and hereby authorizes each Self-Regulatory Organization to exercise on its behalf any and all rights NSCC has or may have to inspect and copy such books, records and data at any and all places at which they may be located, including the premises of any and all Persons who provide services to NSCC, which services are directly related to NSCC's clearing agency activities. NSCC shall, to the extent and for such periods as approved or not formally objected to or disapproved by the Commission, secure for itself the rights to inspect and copy the books, records and data referred to in Clauses (b) and (c) above at any and all places they may be located, including the premises of any and all Persons providing services to NSCC, which services are directly related to NSCC's clearing agency activities, by the adoption of NSCC Rules giving NSCC such rights with respect to Persons using the services of NSCC and/or by written agreement between NSCC and each such Person and by written agreement between NSCC and each Person who provides services to NSCC, which services are

directly related to NSCC's clearing agency activities. Notwithstanding any provision to the contrary in this Section 3.06, no Self-Regulatory Organization shall have the right to inspect any books, records or data referred to above which are in the possession of another Self-Regulatory Organization.

Section 3.07 Review and Approval of NSCC Rules. It is understood by the parties hereto that the Self-Regulatory Organizations have certain statutory responsibilities relating to their respective members and member organizations and the conduct of the securities business by them and that such responsibilities may include the manner in which transactions in securities are settled and practices relating to the settlement of such transactions. For this reason, it is appropriate that each Self-Regulatory Organization be in a position to secure, to the extent necessary, that the NSCC Rules will not conflict or be inconsistent with the proper discharge of the statutory responsibilities such Self-Regulatory Organization in these areas. NSCC shall not adopt any NSCC Rule or modify or amend any NSCC Rule in a way which would be inconsistent with any rule of any Self-Regulatory Organization relating to the settlement of contracts unless NSCC obtains the prior written consent thereto of such Self-Regulatory Organization. Such consent of a Self-Regulatory Organization shall not be withheld if the proposed NSCC Rule or modification or amendment of an existing NSCC Rule is necessary in order for NSCC to comply with any statute or ordinance, or any rule or regulation promulgated thereunder, which is applicable to NSCC or to NSCC's conduct of its business or with any order or judgment issued or directed by a governmental agency or court, or any officer thereof, having jurisdiction over NSCC and shall not be withheld unless the matter in respect of which the consent is required would, if consent were granted, adversely affect the ability of the party whose consent is required to meet any statutory responsibilities it may have in respect of the settlement of contracts.

Section 3.08 Certain Undertakings of NSCC.(a) Subject to the provisions of Paragraph (b) of this Section 3.08, NSCC shall use its best efforts to make its clearing agency services available (i) in respect of all securities listed on NYSE and AMEX, (ii) in respect of all securities not listed on NYSE or AMEX which in the opinion of NSCC meet the standards for acceptance set forth in the NSCC Rules and (iii) generally to the members and member organizations of NYSE, AMEX and NASD.

(b) Nothing contained in Paragraph (a) of this Section 3.08 shall affect the right of NSCC (i) to deny participation to, to condition the participation of, to discipline by expulsion, by suspension, by limitation of activities, functions and operations, by fine, by censure or by any other fitting sanction, or to prohibit or limit the access to its services of, any Person in accordance with the NSCC Rules or otherwise in accordance with the 1934 Act, (ii) to limit the number and types of securities in respect of which it makes its clearing agency services available consistent with its operational capabilities, provided, however, that NSCC shall in good faith and consistent with sound fiscal practices attempt to expand such operational capabilities as may be necessary from time to time in order to make its clearing agency services available in respect of the securities described in Paragraph (a)(i) and (ii) of this Section 3.08 or (iii) from time to time to change the types of clearing agency services it provides and to change the manner in which such services are provided.

Section 3.09 Certain Restrictions on NSCC. Unless the Preferred Share Holders holding a majority in interest of the Series A Preferred Shares and the Preferred Share Holders holding a majority in interest of the Series B Preferred Shares each consent in writing, NSCC shall not, and the Corporation shall not vote any of its NSCC Shares in favor of, (i) any amendment or change of the Certificate of Incorporation of NSCC, except to delete Paragraph 4 thereof, (ii) any adoption, amendment or repeal of the By-Laws of NSCC, except to eliminate the classification of directors in Section 2.1 thereof and make the number of directors the same as the number of directors fixed in the By-Laws of the Corporation, make conforming changes in Sections 2.2 and 2.3 thereof, eliminate the right of the Board of Directors to remove directors for cause in Section 2.5 thereof and make any changes needed so that Article IV thereof is consistent with the indemnification provisions of the By-Laws of the Corporation, (iii) any purchase by NSCC of any securities issued by any Person, other than a purchase of securities incident to its normal conduct of business as described in Paragraph 2(A) of its Certificate of Incorporation, (iv) any repurchase of any securities issued by NSCC or (v) any issuance of securities by NSCC.

Section 3.10 Certain Voting Arrangements.

The Corporation shall vote its (or cause its affiliates to vote their) (i) DTC shares so as to cause each individual who is elected a director of the Corporation by the Preferred Share Holders to be elected a director of DTC, (ii) EMCC Shares so as to cause each individual who is elected director of the Corporation by the Preferred Share Holders to be elected a director of EMCC, (iii) FICC Shares so as to cause each individual who is elected a director of the Corporation by the Preferred Share Holders to be elected a director of FICC and (iv) NSCC Shares so as to cause each individual who is elected a director of the Corporation by the Preferred Share Holders to be elected a director of NSCC.

ARTICLE IV

MISCELLANEOUS

Section 4.01 Notices. Except as otherwise provided herein, all notices, requests and other communications by any party hereto shall be in writing (including facsimile telecopy or other similar teletransmission), and shall be given to:

(a) the Corporation, at:

55 Water Street, ~~49th~~22nd Floor
New York, New York 10041
Telephone: (212) 855-1000
Telecopy: (212) 855-3274
Attention: Secretary, The Depository Trust & Clearing Corporation

(b) DTC, at:

55 Water Street, ~~49th~~22nd Floor

New York, New York 10041
Telephone: (212) 855-1000
Telecopy: (212) 855-3274
Attention: Secretary, The Depository Trust Company

(c) EMCC, at:

55 Water Street, ~~49th~~22nd Floor
New York, New York 10041
Telephone: (212) 855-1000
Telecopy: (212) 855-3274
Attention: Secretary, Emerging Markets Clearing Corporation

(d) FICC, at:

55 Water Street, ~~31st~~22nd Floor
New York, New York 10041
Telephone: (212) 855-7630
Telecopy: (212) 269-0162
Attention: Secretary, Fixed Income Clearing Corporation

(e) NSCC, at:

55 Water Street, ~~49th~~22nd Floor
New York, New York 10041
Telephone: (212) 855-1000
Telecopy: (212) 855-3274
Attention: Secretary, National Securities Clearing Corporation

(f) any Common Share Holder, at the address for such Common Share Holder in the records of the Corporation; and

(g) any Preferred Share Holder, at the address for such Preferred Share Holder in the records of the Corporation.

All notices, requests and other communications given as aforesaid shall be effective when received. Any party hereto (including a Person which becomes a party hereto after the date hereof) may specify different or additional information for such notices, requests and other communications by providing such different or additional information to the other parties hereto in the manner provided in this Section 4.01.

Section 4.02 Instruments Representing Shares. The Corporation shall have custody of one instrument for each class or series of Shares which shall represent all the Shares of that class or series held by the parties to this Agreement and which shall indicate ownership of such Shares

in the amounts and the names of such Persons by reference to their Share Accounts. Each such instrument shall bear the following legend:

“THE SALE, ASSIGNMENT, TRANSFER, PLEDGE OR OTHER DISPOSITION OF THIS INSTRUMENT AND THE SHARES REPRESENTED HEREBY ARE SUBJECT TO ALL TERMS, CONDITIONS AND RESTRICTIONS, INCLUDING RESTRICTIONS ON WHO MAY BE REGISTERED BY THE ISSUER AS A HOLDER HEREOF, CONTAINED IN A CERTAIN ~~SECOND~~THIRD AMENDED AND RESTATED SHAREHOLDERS AGREEMENT DATED AS OF ~~JANUARY 1, 2003~~,[DATE], AS THE SAME MAY FROM TIME TO TIME BE AMENDED AS THEREIN PROVIDED, AMONG THE DEPOSITORY TRUST & CLEARING CORPORATION, THE REGISTERED HOLDERS OF THE SHARES REPRESENTED HEREBY AND OTHERS, TO ALL OF WHICH SUCH HOLDERS, BY ACCEPTANCE HEREOF, ASSENT. A COPY OF SAID ~~SECOND~~THIRD AMENDED AND RESTATED SHAREHOLDERS AGREEMENT (INCLUDING ANY AND ALL AMENDMENTS), TO WHICH REFERENCE IS HEREBY MADE, IS ON FILE IN THE OFFICE OF THE SECRETARY OF THE DEPOSITORY TRUST & CLEARING CORPORATION. THIS INSTRUMENT AND THE SHARES REPRESENTED HEREBY SHALL NOT BE TRANSFERABLE AT ANY TIME UNLESS SUCH TRANSFER IS CONSISTENT WITH THE TERMS OF SAID ~~SECOND~~THIRD AMENDED AND RESTATED SHAREHOLDERS AGREEMENT AND (i) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED FROM TIME TO TIME, IS IN EFFECT WITH RESPECT TO SUCH SHARES AT SUCH TIME, OR (ii) COUNSEL REASONABLY SATISFACTORY TO THE DEPOSITORY TRUST & CLEARING CORPORATION HAS GIVEN IT AN OPINION TO THE EFFECT THAT SUCH TRANSFER AT SUCH TIME WILL NOT VIOLATE THE SECURITIES ACT OF 1933, AS AMENDED FROM TIME TO TIME.”

The Corporation shall not register the transfer of any Shares unless such transfer is made pursuant to the provisions of this Agreement or to the order of a court of competent jurisdiction or the award of an arbitrator appointed pursuant to Section 4.03.

Section 4.03 Arbitration. All disputes, differences, claims and controversies relating to or arising out of this Agreement shall be settled by arbitration in the City of New York in accordance with the Rules then obtaining of the American Arbitration Association, and judgment upon any award rendered by the arbitrator or arbitrators may be entered in any court having jurisdiction thereof. The expenses of any such proceeding shall be shared equally by the parties to the proceeding, unless the arbitrator or arbitrators shall otherwise determine.

Section 4.04 Integration; Modification; Termination.

(a) This Agreement constitutes the entire agreement of the parties hereto with respect to its subject matter. The Schedules and Exhibits hereto constitute a part of this Agreement and the terms used therein shall have the meanings specified in this Agreement; provided, however, that any additional factual information supplied by the Corporation in any document in the form of an Exhibit hereto shall not constitute an amendment to or modification of this Agreement.

(b) No amendment, modification or waiver of any provision of Article II of this Agreement, or any provision of Article I or Article IV insofar as it affects Article II, shall be effective unless it be in writing and signed by (i) the Corporation and (ii) Common Share Holders holding two-thirds of the outstanding Common Shares. No amendment, modification or waiver of any provision of Article III of this Agreement or any provision of Article I or Article IV insofar as it affects Article III, shall be effective unless it be in writing and signed by (i) the Corporation, (ii) Preferred Share Holders holding a majority of the outstanding Series A Preferred Shares and (iii) Preferred Share Holders holding a majority of the outstanding Series B Preferred Shares.

(c) This Agreement shall continue in force until it is terminated by agreement of (i) the Corporation, (ii) Common Share Holders holding two-thirds of the outstanding Common Shares, (iii) Preferred Share Holders holding a majority of the outstanding Series A Preferred Shares and (iv) Preferred Share Holders holding a majority of the outstanding Series B Preferred Shares.

Section 4.05 Severability; Waiver of Term or Condition. The waiver of any term or condition of this Agreement shall not be deemed to constitute a waiver of any other term or condition, the waiver of any breach of this Agreement shall not be deemed to constitute the waiver of any further or other breach of this Agreement, and the breach of any term or condition of this Agreement shall not be deemed to constitute a breach of any other term or condition of this Agreement.

Section 4.06 Severability; Effect of Invalidity. If any provision of this Agreement be declared invalid, it shall not affect the validity of any other provision of this Agreement. If any provision of Section 2.04 or Section 3.03 is held to be invalid by a court of competent jurisdiction, any Holder proposing to Sell Shares shall, after the entry of such court order, offer such Shares for Sale in accordance with all the valid provisions of Section 2.04 or Section 3.03, as the case may be, before the Holder shall Sell such Shares to a Person not meeting the requirements relating to a prospective Purchaser under Section 2.04(c) and (g) or Section 3.03(c) and (g), as the case may be.

Section 4.07 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Section 4.08 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together constitute one and the same instrument, and any Person may become a party hereto at any time after the date hereof by executing any such counterpart and Delivering it to the Corporation.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE DEPOSITORY TRUST & CLEARING CORPORATION

By: _____ s/~~Jill M. Considine~~
Name: ~~Jill M. Considine~~
Title: ~~Chairman & Chief Executive Officer~~

THE DEPOSITORY TRUST COMPANY

By: _____ s/~~Jill M. Considine~~
Name: ~~Jill M. Considine~~
Title: ~~Chairman & Chief Executive Officer~~

EMERGING MARKETS CLEARING CORPORATION

By: _____ s/~~Jill M. Considine~~
Name: ~~Jill M. Considine~~
Title: ~~Chairman & Chief Executive Officer~~

FIXED INCOME CLEARING CORPORATION

By: _____ s/~~Dennis J. Dirks~~
Name: ~~Dennis J. Dirks~~
Title: ~~Chief Executive Officer~~

NATIONAL SECURITIES CLEARING CORPORATION

By: _____ s/~~Jill M. Considine~~
Name: ~~Jill M. Considine~~
Title: ~~Chairman & Chief Executive Officer~~

NEW YORK STOCK EXCHANGE, INC.

By: _____ s/~~Catherine Kinney~~
Name: ~~Catherine Kinney~~
Title: ~~Executive Vice Chairman, President and~~
~~Co-Chief Operating Officer~~

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

By: _____ s/~~T. Grant Callery~~
Name: ~~T. Grant Callery~~
Title: ~~Senior Vice President and General Counsel~~

AMERICAN STOCK EXCHANGE LLC

By: _____ s/~~Michael J. Ryan, Jr.~~
Name: ~~Michael J. Ryan, Jr.~~
Title: ~~Executive Vice President and General Counsel~~

STOCK CLEARING CORPORATION

By: _____ s/~~Darla C. Stuckey~~
Name: ~~Darla C. Stuckey~~
Title: ~~Secretary and Vice President~~

NATIONAL CLEARING CORPORATION

By: _____ s/~~T. Grant Callery~~
Name: ~~T. Grant Callery~~
Title: ~~Senior Vice President and General Counsel~~

Name of Common Share Holder

By: _____
Name:
Title:

EXHIBIT A

THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTICE OF COMMON SHARE AMOUNT

[Date]

TO:

The following information is given pursuant to Section 2.01(b) of the ~~Second~~Third Amended and Restated Shareholders Agreement, dated as of ~~January 1, 2003,~~[date], among The Depository Trust & Clearing Corporation, the Holders of its Shares and others:

Common Share Price: \$per Common Share

Settlement Date:

Total Fees	Average Market Value of Securities	Common Share Amount	Common Share Amount Deficiency	Common Share Amount Excess
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[Date]

ELECTION TO PURCHASE COMMON SHARES

TO: THE DEPOSITORY TRUST & CLEARING CORPORATION

Gentlemen:

Pursuant to the above notice and Section 2.01(~~eb~~) of the above-referenced ~~Second~~Third Amended and Restated Shareholders Agreement, the undersigned elects to purchase _____ Common Shares, but not more than the Common Share Amount Deficiency shown above, and hereby represents to all parties to the ~~Second~~Third Amended and Restated Shareholders Agreement that, at the present, it is, and, after the purchase of such Common Shares, it will be, a Qualified Person, as defined in the ~~Second~~Third Amended and Restated Shareholders Agreement.

Very truly yours,

EXHIBIT B

THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTICE OF COMMON SHARES SOLD

[Date]

TO:

The following information is given pursuant to Section 2.01(d) of the ~~Second~~Third Amended and Restated Shareholders Agreement, dated as of ~~January 1, 2003,~~[date], among The Depository Trust & Clearing Corporation, the Holders of its Shares and others:

Number of Common Shares sold:

Common Share Price: \$ per Common Share

Settlement Date:

EXHIBIT C

THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTICE OF MANDATORY TRANSFER OF SHARES

[Date]

TO:

Pursuant to [Section 2.02(c)] [Section 3.01(c)] of the ~~Second~~Third Amended and Restated Shareholders Agreement, dated as of ~~January 1, 2003,~~[date], among The Depository Trust & Clearing Corporation, the Holders of its Shares and others, you are hereby notified that due to the disqualification of _____ as a Qualified Person, the number of [class or series of Shares] indicated below were mandatorily transferred to you. Settlement shall be effected pursuant to [Section 2.02(d)] [Section 3.01(d)] of the ~~Second~~Third Amended and Restated Shareholders Agreement in accordance with the following information:

Number of Shares transferred:

Share Price: \$ per Share

Settlement Date:

EXHIBIT D

[LETTERHEAD]

[Date]

TO: THE DEPOSITORY TRUST & CLEARING CORPORATION

Attention: *Secretary*

Re: Notice Of Proposed Transfer Of Shares

Gentlemen:

Pursuant to [Section 2.03] [Section 3.02] of the ~~Second~~Third Amended and Restated Shareholders Agreement, dated as of ~~January 1, 2003,~~[date], among The Depository Trust & Clearing Corporation, the Holders of its Shares and others, the undersigned hereby gives notice of its proposed transfer of all the [class and series of Shares] held by it to [name of proposed transferee] and represents to all parties to the ~~Second~~Third Amended and Restated Shareholders Agreement that (i) upon the transfer of such Shares to it, [name of proposed transferee] will be a Qualified Person, as defined in the ~~Second~~Third Amended and Restated Shareholders Agreement, (ii) such transfer will not be effected until [name of proposed transferee] has become a party to the ~~Second~~Third Amended and Restated Shareholders Agreement and (iii) such transfer is to be effected [in the course of a merger of the undersigned into [name of proposed transferee]] *or* [in the course of a consolidation of the undersigned with [name of proposed transferee]] *or* [pursuant to a sale of all or substantially all of the undersigned's business and assets to [name of proposed transferee]] on [date of proposed transfer].

Immediately after such transfer the undersigned will Deliver to the Secretary of The Depository Trust & Clearing Corporation written instruction, in such form as is acceptable to him, to register the transfer of such Shares and funds sufficient to pay any applicable stock transfer or similar taxes.

Very truly yours,

EXHIBIT E

[LETTERHEAD]

[Date]

TO: THE DEPOSITORY TRUST & CLEARING CORPORATION

Attention: *Secretary*

Re: Notice Of Proposal To Sell Shares

Gentlemen:

Pursuant to [Section 2.04(c)] [Section 3.03(c)] of the ~~Second~~Third Amended and Restated Shareholders Agreement, dated as of ~~January 1, 2003,~~[date], among The Depository Trust & Clearing Corporation, the Holders of its Shares and others, the undersigned hereby gives notice of its desire to [sell, pledge, etc.] [number and class or series of Shares) to [name and address of the prospective purchaser] for [consideration to be received, including the price per Share equivalent if such consideration is property other than money, and other material terms of the proposed sale, pledge, etc.]. We hereby represent to all parties to the ~~Second~~Third Amended and Restated Shareholders Agreement that [name of prospective purchaser] has a bona fide intention and the means to purchase such Shares for the consideration described above, that it shall become a party to the ~~Second~~Third Amended and Restated Shareholders Agreement before the sale proposed hereby is effected and that it is and, assuming consummation of the [sale, pledge, etc.] proposed hereby, will be a Qualified Person, as defined in the ~~Second~~Third Amended and Restated Shareholders Agreement.

Very truly yours,

EXHIBIT F

THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTICE OF RIGHT TO PURCHASE SHARES

[Date]

TO:

The following information is given pursuant to [Section 2.04(d)] [Section 3.03(d)] of the ~~Second~~Third Amended and Restated Shareholders Agreement, dated as of ~~January 1, 2003~~, [date], among The Depository Trust & Clearing Corporation, the Holders of its Shares and others:

Class or series of Shares:

Total number of Shares as to which an ELECTION to purchase may be made

Number of Shares as to which an elective RIGHT of purchase exists

Share Price [or price per Share]: \$.....per Share

Settlement Date:

[Date]

ELECTION TO PURCHASE SHARES

TO: THE DEPOSITORY TRUST & CLEARING CORPORATION

Gentlemen:

Pursuant to the above notice and [Section 2.04(e)] [Section 3.03(e)] of the above-referenced ~~Second~~Third Amended and Restated Shareholders Agreement, the undersigned elects to purchase _____ [Common] [Preferred] Shares and hereby represents to all parties to the ~~Second~~Third Amended and Restated Shareholders Agreement that, at the present, it is, and, after the purchase of such Shares, it will be, a Qualified Person, as defined in the Second Amended and Restated Shareholders Agreement.

Very truly yours,

EXHIBIT G

**THE DEPOSITORY TRUST & CLEARING CORPORATION
NOTICE OF SETTLEMENT FOR PURCHASE OF SHARES**

[Date]

TO:

The following information is given pursuant to [Section 2.04(e)] (Section 3.03(e)) of the ~~Second~~Third Amended and Restated Shareholders Agreement, dated as of ~~January 1, 2003~~, [date], among The Depository Trust & Clearing Corporation, the Holders of its Shares and others:

Class or series of Shares:

Number of Shares as to which an election to purchase was effective:

Share Price [or price per Share]: \$.....per Share

Settlement Date:

EXHIBIT H

[LETTERHEAD]

[Date]

TO: THE DEPOSITORY TRUST & CLEARING CORPORATION

Attention: *Secretary*

Re: Notice of Sale of Common Shares

Gentlemen:

Pursuant to Section 2.05(a)(iii) of the ~~Second~~Third Amended and Restated Shareholders Agreement, dated as of ~~January 1, 2003~~,[date], among The Depository Trust & Clearing Corporation, the Holders of its Shares and others, the undersigned hereby gives notice that on [date of transfer] it sold [number] of Common Shares to [name and address of purchaser] in accordance with the requirements of Section 2.05(a) of the ~~Second~~Third Amended and Restated Shareholders Agreement. The undersigned hereby instructs you to register the transfer of such Common Shares from the undersigned to the purchaser. Enclosed are funds sufficient to pay any applicable stock transfer or similar taxes in respect of the above-described sale.

Very truly yours,

Underlined boldface new rule text

RULE 31

DTCC SHAREHOLDERS AGREEMENT

Section 1. For purposes of this Rule 31:

“DTCC” means The Depository Trust & Clearing Corporation, the holder of all of the capital stock of the Corporation.

“Shareholders Agreement” means the Shareholders Agreement of DTCC, dated as of November 4, 1999, as heretofor or hereafter amended and restated.

“Common Shares” has the meaning given to such term in the Shareholders Agreement.

“Mandatory Purchaser Participant” has the meaning given to such term in the Shareholders Agreement.

“Voluntary Purchaser Participant” has the meaning given to such term in the Shareholders Agreement.

Section 2. As a condition to its use of the services and facilities of the Corporation, a Participant other than a Limited Participant shall be required to purchase and own Common Shares in accordance with the terms of the Shareholders Agreement and be a party to the Shareholders Agreement. For purposes of the Shareholders Agreement, a Participant (other than Limited Participant) shall be a Mandatory Purchaser Participant.

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

Section 4. The Corporation shall execute and deliver the Shareholders Agreement as attorney in fact for a Participant that purchases Common Shares pursuant to Section 2 of this Rule 31 if such Participant is not already a party to the Shareholders Agreement. In addition, the Corporation may on behalf of DTCC pursuant to the Shareholders Agreement, without duplication of payment, (A) debit the Settlement Account of a Participant for any amount payable by the Participant to DTCC for Common Shares purchased by the Participant and (B) credit the Settlement Account of a Participant for any amount payable by DTCC to the Participant for Common Shares sold by the Participant.

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