

**THE BOARD OF DIRECTORS OF  
DTCC DATA REPOSITORY (U.S.) LLC**

**CHARTER**

**I. SCOPE**

This Charter of the Board of Directors of DTCC Data Repository (U.S.) LLC (“the Company”) sets forth the duties and responsibilities of the Board and of its member Directors.

**II. DUTIES AND RESPONSIBILITIES OF THE BOARD**

In meeting its responsibilities under the Board’s Mission Statement and this Charter, the Board of Directors fulfills its role (directly or by delegating certain responsibilities to its committees) by:

1. Overseeing management’s activities in managing, operating and developing the Company as a firm and evaluating management’s performance in its responsibilities;
2. Selecting and overseeing the CEO, providing advice and counsel to the CEO, and, where appropriate, replacing the CEO;
3. Providing oversight of performance of the CEO and of the Company to evaluate whether the business is being appropriately managed;
4. Setting expectations about the tone and ethical culture of the Company, and reviewing management efforts to instill an appropriate tone and culture throughout the Company;
5. Reviewing and approving the Company’s financial objectives (including annual goals) and major corporate plans and actions (including material capital expenditures, transactions outside the ordinary course of business and actions relating to the Company’s operational and technology capabilities);
6. Providing guidance to the CEO and to management in formulating corporate strategy and approving strategic plans;
7. Providing oversight of risk assessment and risk management monitoring processes;

8. Providing input and direction to governance structures and practices to position the Board to fulfill its duties effectively and efficiently (including organizational structure and guidelines for escalation of matters to the Board) consistent with the Company's Principles of Governance.
9. Providing oversight and guidance regarding the design of informational reporting to the Board and relevant regulators;
10. Adopting principles governing new initiative approval processes and overseeing the Company's processes relating to new business selection and development of new businesses and new or expanded products and services, including guidelines for the analyses supporting any material operational or risk management changes that are proposed by management;
11. Providing oversight of internal and external audit processes, financial reporting, and disclosure controls and procedures, including approving major changes in auditing and accounting principles and practices;
12. Fostering the Company's ability to ensure compliance with applicable laws and regulations including derivatives, securities and corporation laws and other applicable regulatory guidance and international standards; and
13. Performing such other functions as the Board believes appropriate or necessary, or as otherwise prescribed by rules or regulations.

### **III. BOARD COMPOSITION**

Under the Company's operating agreement, the number of Directors on the Board is to be between seven (7) and thirty (30), with the actual number set from time to time by Board resolution. All Board members are elected annually for one-year terms.

The majority of Board members are representatives of financial institutions which are fees-paying users of the Company's services ("participant Directors"). The Board will include an equal number of representatives of U.S.- and European-domiciled fees-paying users. A senior officer of DTCC is non-voting Chairman of the Board (a "management Director"). At least two Directors will be DTCC Board members. The Board may also include some members who are not directly affiliated with any financial institution user of the Company's services but who are members of the DTCC Board ("non-participant Directors"). The DTCC Governance Committee shall periodically review the appropriate mix of participant, management and non-participant Directors.

#### **IV. MEETINGS OF THE BOARD**

The Board meets a minimum of four (4) times per year. Directors are expected to attend all meetings of the Board, review all materials in advance and be prepared to participate fully in the meeting.

The Chairman of the Board establishes the agenda for each Board meeting in consultation with the General Manager. At a minimum, agendas for Board meetings shall provide for discussion on risk issues at each regularly-scheduled meeting, for a formal discussion of corporate strategy at least annually, and such other matters as shall be appropriate for the Board to consider. Information and data that is important to the Board's understanding of the business and consideration of such issues as may be scheduled for discussion is distributed to the Board generally in advance of the meeting.

#### **V. ELECTIONS TO THE BOARD**

The Company serves a broad range of constituencies including its shareholder, its financial institutional and non-financial institutional users, and the governmental and supervisory authorities responsible for regulating the markets served by the Company.

Each year, suggestions for nomination of Directors will be solicited annually from fees-paying users of the Company. Suggested individuals would either be employees of fees-paying users with derivatives industry experience or members of the DTCC Board. The Governance Committee of the DTCC Board will consider possible nominations on its own initiative and will also review suggestions received from fees-paying users as outlined above. At least two Directors will be DTCC Board members.

#### **VI. BOARD COMMITTEES**

The Board shall establish any standing committees that it deems necessary or appropriate to discharge its responsibilities.

For each such committee the Board shall establish a written charter which shall set forth the responsibilities of that committee, as well as committee structure and operations, and any required reporting to the full Board. Directors shall be appointed by the Board to the individual committees. Directors are expected to attend all meetings of the committees to which they are appointed, review all materials in advance and be prepared to participate fully in the meeting.

The Chairman of each committee shall determine the frequency and length of committee meetings consistent with the requirements set forth in the committee's charter. The Chairman of the committee, in consultation with appropriate members of management, will develop the committee's agenda. Management will be responsible for assuring that information and data important to the committee's understanding of the matters to be considered and acted upon by the

committee are distributed to each member of the committee in advance of the meeting to allow a reasonable time for review and evaluation of such information and data.

## VII. DUTIES AND RESPONSIBILITIES OF DIRECTORS

Each Director is required to act in good faith in the best interests of the Company and with due regard to his or her fiduciary responsibilities to the Company. In addition, each Director is required to comply with the provisions relating to conflicts of interest and confidentiality as set forth in the Code of Ethics.

### A. Commitment and Limits on Other Activities

Service on the Board requires a substantial commitment from Directors. As such, Directors must be prepared to devote the time required to prepare for and attend Board meetings, and fulfill their responsibilities effectively. Because of the time commitment associated with Board service, Directors are expected to limit the number of other boards (excluding non-profits) on which they serve. Directors are asked to advise the Chairman of the Board in advance of accepting an invitation to serve on another board.

### B. Term, Tenure and Age Limits

As an alternative to term limits, the DTCC Governance Committee formally reviews the performance of each Director in determining whether to re-nominate Directors for election. The Board does not currently set age limits for Directors to be eligible for nomination. Absent exceptional circumstances, Directors are expected to serve on the Board for a period not exceeding five (5) years.

### C. Resignation Upon a Job Change

When a Director's principal occupation or business association changes substantially from the position such Director held when originally invited to join the Board, the Director shall submit to the Chairman of the Board a letter of resignation. The DTCC Governance Committee shall review whether it would be appropriate for the Director to continue serving on the Board and recommend to the Board whether, in light of the circumstances, the Board should accept the resignation or request that the Director continue to serve.

## VIII. DIRECTORS' ACCESS TO MANAGEMENT AND INDEPENDENT ADVISERS

The Board and its committees are authorized to retain independent (non-management) advisers to assist them in carrying out their activities and the Company shall provide, if necessary, adequate resources to compensate such advisers. Directors have complete access to senior management and to the

Board's advisers.

**IX. ANNUAL BOARD AND COMMITTEE PERFORMANCE EVALUATIONS**

The Board conducts an annual self-evaluation of its performance, the performance of its committees and the performance of individual Board and committee members. The evaluation is moderated by the Chairman of the Board, and the results of the evaluation are summarized and presented to the full Board.

**X. BOARD MISSION STATEMENT AND CHARTER**

The Board reviews this Mission Statement and Charter periodically and recommends amendments as necessary.

**APPENDIX A**  
**DIRECTOR QUALIFICATION STANDARDS**

**Selection of Board Nominees**

Each year, suggestions for nomination of Directors will be solicited annually from fees-paying users of the Company. Suggested individuals would either be employees of fees-paying users with derivatives industry experience or members of the DTCC Board. The Governance Committee of the DTCC Board will consider possible nominations on its own initiative and will also review suggestions received from fees-paying users as outlined above. At least two Directors will be DTCC Board members. The criteria used by the DTCC Governance Committee in considering nominees to the Board include:

1. Characteristics essential for effectiveness as a Board member, including such factors as integrity, independence, objectivity, sound judgment and leadership;
2. Relevant expertise and experience, such as in the areas of: (a) strategic planning (e.g., new business development, expansion of markets/products/customers, joint ventures); (b) risk management (specifically relevant to the following risk areas: credit; market; liquidity operational; risk modeling/validation; and payment systems and systemic risk);(c) information technology (e.g., infrastructure, applications development and maintenance, information security, disaster recovery); (d) operations; (e) management of a business unit or function; (f) finance; (g) audit; (h) governmental/legislative relationship management; (i) regulatory affairs; (j) legal, regulatory and compliance expertise; and (k) derivatives;
3. Substantial seniority in their own firms;
4. Industry affiliations;
5. Education / other certification(s);
6. With respect to current Directors, length of service on the board and attendance, contribution and participation at board and committee meetings; and
7. Adequate diversity on the board.

The DTCC Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate criteria that Directors are required to fulfill (including

experience, qualifications, attributes, skills and other characteristics) in the context of the current make-up of the Board and the needs of the Board given the circumstances of the Company.