

### **Securities Safekeeping Product Operating Agreement**

Authorization. The Master Membership Agreement (“MMA”) and Master Membership Contract (“MMC”) between Member and Alloya are incorporated herein by reference and represent additional terms that are part of this Product Operating Agreement (“POA”).

- I. **General.** Member has transferred and/or proposed hereafter to transfer to Alloya for safekeeping certain notes, bonds, obligations and other securities owned by Member (the “Securities”). This is a bailment for hire contract under which Alloya is bailee for any Securities transferred to it, its agents or designees (referenced herein as “Alloya”).
- II. **Receipt.** Upon receipt of any Securities by Alloya, its agents or designees, Alloya shall cause a receipt to be delivered to Member describing such Securities.
- III. **Obligations.** Alloya is obligated to:
  1. Safekeep and account to Member for each Security at all times that it is in the possession or control of Alloya,
  2. Credit, as of the date actually received by Alloya, the designated account of Member at Alloya with the amount of principal and coupon payments on each Security and/or proceeds from the sale or maturity of each Security,
  3. Not remove a Security from safekeeping, commingle a Security with its own securities, or to pledge, assign, sell, hypothecate or use a Security in repurchase transactions without the prior approval of Member that owns the Security, and
  4. Deliver, or cause the delivery of, each Security out of safekeeping, as instructed by Member.

The above listed obligations of Alloya regarding the Securities, the principal and coupon payments on the Securities and/or the proceeds from the sale or maturity of the Securities are subject to any limitations imposed by legal process (for example, injunctions or stay orders) initiated by a third-party.
- IV. **Reports.** As of the last day of each month, Alloya will provide Member with a report that lists the identity of each Security, and the date and nature of any transactions, including credits for any principal, coupon and proceeds payment that occurred during the month.
- V. **Instructions.** Member shall give Alloya notice of the officers and employees of Member authorized to give Alloya instructions regarding the Securities, principal, and coupon payments on the Securities and/or the proceeds from the sale or maturity of Securities. Member shall provide the aforementioned notice of authorized individuals by using Alloya’s “Premier View User Authorization Form” document, which is incorporated herein by reference, or by updating user authorizations in Premier View using the Self-Administration function. Alloya shall rely on the authority of each officer and employee listed in any such notice until Alloya receives notice revoking or changing the individual’s authority either using Premier View Self-Administration or updating the Premier View “User Authorization Form.”
- VI. **Document Authorization.** Alloya and its agents and designees are authorized to execute in the name of Member such documents, certificates and other instruments as Alloya shall deem necessary in the collection of the principal and coupon payments on, and/or the proceeds from the sale or maturity of, the Securities.
- VII. **Reasonable Care.** Alloya will exercise reasonable care with respect to the Securities, principal and coupon payments thereon, proceeds therefrom and any other property transferred to, or received by, Alloya or, its agents or designees. Until actually received by Alloya, Alloya assumes no responsibility or liability for Securities

placed in transit by Member or, its agents or designees. Alloya will exercise reasonable care with respect to any Securities actually placed in transit by it. The liability of Alloya to Member shall be limited to:

1. the actual cost of a security that is identical to a Security lost while in the possession or control of Alloya, its agents or designees, due to theft, mysterious disappearance, or the negligence of Alloya, its employees, agents and designees, and
2. the actual amount of any principal and coupon payments on the Securities and/or proceeds from the sale or maturity of the Securities to which Member is entitled.