Fidelity | FIDELITY CLEARING CANADA

Conversion Process Overview – Transitioning Between Carrying Brokers

Fidelity INVESTMENTS

Characteristics of a Successful Conversion

❖ Executive Participation and Oversight

❖ Resource Planning

❖ Effective Communication Plan

❖ An Agreed to Conversion Approach

❖ Diligent Project Management

❖ Effective Training Plan

Project Management Considerations

❖ Determine key project contacts on your end who can make decisions and who will have time available for conversion meetings and documentation reviews.

❖ Think about special internal processes that you may have or account breakdowns (ie Fee-based accounts, accounts with special handling, etc)

❖ Consider policies or processes that you want to review and potentially change

❖ Advise on any key information/requirements or potential show-stoppers.

Training Considerations

❖ Consider clean-ups of your control accounts/error accounts

❖ Ensure that Dataphile has been successfully installed on every desktop

❖ Ensure that all userids and accesses have been tested (ie do they work, does each user have the requested level of access, do they see all of their accounts, etc.)

❖ Ask Advisors/Assistants to login and tour the application as they would use it during a regular business day (ie print reports, look at account summaries, mimick playing of an order, etc.)

❖ Request additional training if there is a need for a refresher.

Client Communication & Update

❖ Consider approaches to advising your end clients

❖ Formal client letter and broadcast message on your website is very effective.

❖ Publish old and new statements/trade confirmations to your Advisors so they are comfortable with the look and feel.

❖ Maybe publish to your website the old/new confirms and statements so that clients are aware of the new aesthetic; if not on your website, ensure those clients who are particular about this are made aware.

❖ Consolidate statement mailing for transition month

❖ Put both old and new statements on hold and have them hand stuffed into one envelope

❖ Prepare a covering letter explaining the transition mechanics and how to understand the statement activity

Fidelity INVESTMENTS®

Advisor & Branch Communication

❖ Put conversion updates out to your staff – Fidelity prepares a weekly executive summary that can be shared broadly.

❖ Publish the Fidelity conversion calendar and key cut-off dates to your branches so they're aware of the process and relevant dates.

❖ Encourage branches to be part of the quality assurance review of Account Mapping and Asset Conversion.

❖ Invite Fidelity to a branch roadshow to provide a formal introduction and answer any questions the branches may have.

❖ Website, bulletins and site visits are very effective means of regular communication.

Conversion Quality Assurance & Controls

- On conversion weekend, have staff available to compare their accounts (balances + positions) between the old and new platforms to both validate their results and increase confidence in the process.

- Identify key Advisors and/or key clients who accounts/holdings should be sampled as a means of validations. It's recommended to validate this sample set if there's concern they would be most affected/concerned about the conversion results.

First Trade Date

Ensure that you have access to your old systems to do compares

Ensure that everyone logs into their systems and is has the appropriate access levels

FCC representation is on hand- use them as required.

Client Conversion Overview

Overview

A Successful Transition

Objectives

Discuss and Understand:

- Transition Methodology & Planning

- Team Structure & Roles

- Key Deliverables

- Communication Plan

- Training Plan

- Experiences with Similar Clients

- Risk Identification and Mitigation

FCC
Solution & Experience

Experienced and Seasoned Team

- Extensive Experience Integrating New Broker Dealers at FCC and at other Clearing Firms

- Consultative Transition Approach

- Leverage Technology Tool Box to automate transition of Key Information

Desired Results

Deliverables

- All of our mutual Expectations Achieved

- Positive Client Firm and Client Firm Experience

- Realize Improved Operational Efficiency

- Identify Areas for Further Improvement

- Identify new Partnership Opportunities

Fidelity INVESTMENTS®

Conversion Process

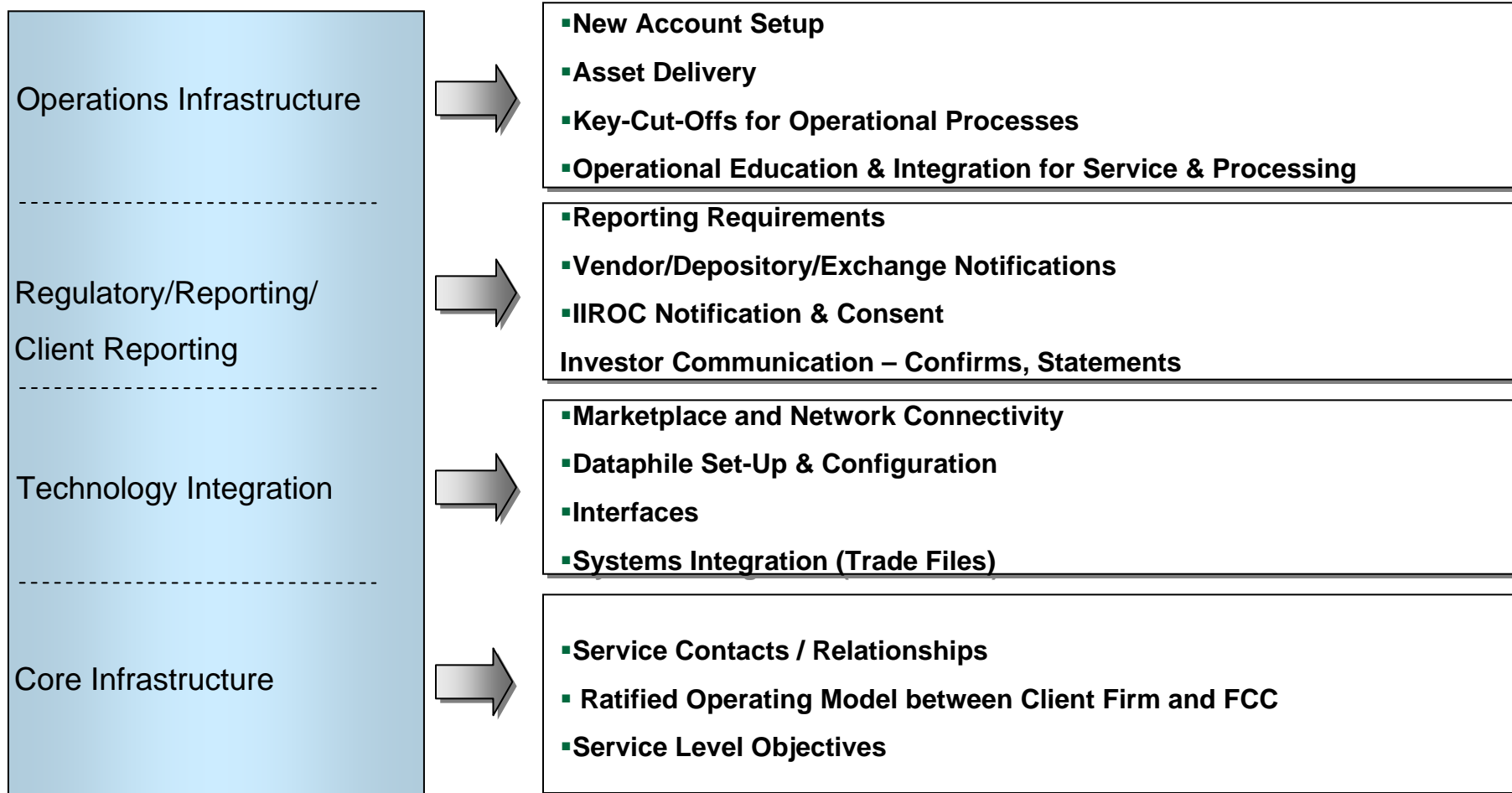| Phase	Discover	Plan	Execute	Launch	Transition
Goal	Transition to Integration	Planning & Approval	Ready to Launch	Client Live	Transition from Integration
Events	• Business Profile • Functional Review • Business Requirements • Resource Planning	• Client Kick-Off • Project Plan Development	• Finalize Detailed Requirements • Complete Project Tasks • Readiness Checklist • Name and Address Load / Dual Account Period	• 1st Trade Date • Position and Balance Transfer • 1st Settlement Date • On-site Training Support	• Client Service Support • Regular Client Visits • Post-Project Evaluation

Fidelity INVESTMENTS

Key Deliverables

Operations Infrastructure

- New Account Setup
- Asset Delivery
- Key-Cut-Offs for Operational Processes
- Operational Education & Integration for Service & Processing

Regulatory/Reporting/ Client Reporting

- Reporting Requirements
- Vendor/Depository/Exchange Notifications
- IIROC Notification & Consent

Investor Communication – Confirms, Statements

Technology Integration

- Marketplace and Network Connectivity
- Dataphile Set-Up & Configuration
- Interfaces
- Systems Integration (Trade Files)

Core Infrastructure

- Service Contacts / Relationships
- Ratified Operating Model between Client Firm and FCC
- Service Level Objectives

Key Deliverables (continued)

Data Conversion	➡	▪ **Name and Address** ▪ **Money & Stock** ▪ **Testing** ▪ **Data Mapping**
Money & Stock Conversion	➡	▪ **Confirm delivery of Cash and Securities, as appropriate** ▪ **Reconciliation**
Training	➡	▪ **Complete Training of all FCC Applications** ▪ **Ensure Understanding of Operational Procedures**
Post Conversion Support	➡	▪ **Residual Activity Sweeps** ▪ **Post Conversion Status Meetings**

Fidelity INVESTMENTS®

Project Management Tools

Tools	Description	Timing
Microsoft® Project Plan	▪ Detailed plan of all activities & task to take place & ▪ownership of all tasks	On-going
Conversion Overview Document	▪ Defines project objectives, scope, timing, and team resources from all parties involved. Is an evolving document	On-going
Project Status Report	▪ Dashboard provides a snapshot of project milestones, key decisions, reporting period accomplishments, and issues	Weekly
Readiness Checklist	▪ Detailed checklist used to status all project components to determine Client Firm and FCC readiness prior to launch	Reviewed prior to Launch phase
Action Items List	▪ Actively manage, prioritize, and resolution of post-conversion open items	Weekly (if necessary)

Typical Conversion Stages: Discovery, Set-Up, Conversion, Launch, Transition

Client Firm / Fidelity	June 7		June 14		June 21		June 28		July 5		July 12		July 15		July 19	
Information Gathering	■	■	■	■	■	■	■	■								
Bulk Account Opening		■														
Parallel Account Opening			■	■	■	■	■	■	■	■	■	■	■	■		
Trade File Testing			■	■	■	■	■	■								
Report Development			■	■	■	■	■	■	■	■						
Training			■	■	■	■	■	■								
Conversion			■	■	■	■	■									
First Trade Date						■	■	■	■	■						
First Settlement							■	■	■	■						
Business As Usual								■	■	■	■	■	■	■		

Fidelity INVESTMENTS