OMB APPROVAL
OMB Number: 3235-0045 Estimated average burden hours per response.....38

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 35

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

File No.* SR - 2020 - * 96
Amendment No. (req. for Amendments *)

Filing by New York Stock Exchange LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * ☑ Amendment * ☐ Withdrawal ☐

Section 19(b)(2) * ☑ Section 19(b)(3)(A) * ☐ Section 19(b)(3)(B) * ☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule
- ☐ 19b-4(f)(1)
- ☐ 19b-4(f)(2)
- ☐ 19b-4(f)(3)
- ☐ 19b-4(f)(4)
- ☐ 19b-4(f)(5)
- ☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐ Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

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

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposal to amend its rules establishing maximum fee rates to be charged by member organizations

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 action.

First Name * John Last Name * Carey

Title * Senior Director, NYSE Group Inc.

E-mail * John.Carey@theice.com

Telephone * (212) 656-5640 Fax (212) 656-8101

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 11/13/2020

By Clare Saperstein

(Name *)

(Title *)

Associate General Counsel

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.

Clare Saperstein,

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

Add Remove View

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 *

Add Remove View

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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

Add Remove View

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, security-based swap submission, or advance notice 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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] New York Stock Exchange LLC ("NYSE" or the "Exchange") proposes to amend its rules establishing maximum fee rates to be charged by member organizations for forwarding proxy materials to beneficial owners.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit.

(b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action is required under the Exchange's governing documents. Therefore, the Exchange's internal procedures with respect to the proposed rule change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

John Carey
Senior Director
NYSE Group, Inc.
(212) 656-5640

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

(a) Purpose

Rule 451 requires NYSE member organizations that hold securities for beneficial owners in street name to solicit proxies from, and deliver proxy and issuer communication materials to, beneficial owners on behalf of issuers.[3] For this

---

1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 The ownership of shares in street name means that a shareholder, or "beneficial owner," has purchased shares through a broker-dealer or bank, also known as a

service, issuers reimburse NYSE member organizations for out-of-pocket, reasonable clerical, postage and other expenses incurred for a particular distribution. This reimbursement structure stems from SEC Rules 14b-1 and 14b-2 under the Act,[4] which impose obligations on companies and nominees to ensure that beneficial owners receive proxy materials and are given the opportunity to vote. These rules require companies to send their proxy materials to nominees, i.e., broker-dealers or banks that hold securities in street name, for forwarding to beneficial owners and to pay nominees for reasonable expenses, both direct and indirect, incurred in providing proxy information to beneficial owners. The Commission's rules do not specify the fees that nominees can charge issuers for proxy distribution; rather, they state that issuers must reimburse the nominees for "reasonable expenses" incurred.[5]

Currently, the Supplementary Material to NYSE Rules 451 and 465 establish the fee structure for which a NYSE member organization may be reimbursed for expenses incurred in connection with distributing proxy materials to beneficial shareholders. This fee structure is also replicated in Section 402.10 of the NYSE Listed Company Manual. The NYSE fee structure represents the maximum approved rates that an issuer can be billed for proxy distribution services absent prior notification to and consent of the issuer.

All the SROs whose member organizations hold securities on behalf of street name holders have rules requiring their member organizations to forward proxy materials and other distributions on behalf of companies to street name account holders. The rules of all other exchanges simply provide that member organizations must undertake this activity if they receive "reasonable" reimbursement, without specifying any schedule of maximum permitted charges.[6]

"nominee." In contrast to direct ownership, where shares are directly registered in the name of the shareholder, shares held in street name are registered in the name of the nominee, or in the nominee name of a depository, such as the Depository Trust Company. For more detail regarding share ownership, see Securities Exchange Act Release No. 62495 (July 14, 2010), 75 FR 42982 (July 22, 2010) (Concept Release on the U.S. Proxy System) ("Proxy Concept Release").

4 17 CFR 240.14b-1; 17 CFR 240.14b-2.

5 In adopting the direct shareholder communications rules in the early 1980s, the Commission left the determination of reasonable costs to the self-regulatory organizations ("SROs") because they were deemed to be in the best position to make fair evaluations and allocations of costs associated with these rules. See Securities Exchange Act Release No. 20021 (July 28, 1983), 48 FR 35082 (August 3, 1983); see also Securities Exchange Act Release No. 45644 (March 25, 2002), 67 FR 15440, 15440 n.8 (April 1, 2002).

6 See, e.g., BZX Exchange, Inc. Rule 13.3; see also Investors Exchange Rulebook 6.130.

By contrast, FINRA includes a specific schedule of maximum charges that is substantively identical to that of the NYSE.[7]

Given the significant evolution of the securities industry during the period in which the NYSE has taken the lead in establishing proxy distribution reimbursement rates, the NYSE does not believe that it is best positioned to retain this responsibility going forward. All the NYSE member organizations that are subject to the NYSE fee schedule are also members of FINRA. In addition, all of the brokers who are not NYSE members but who hold shares on behalf of street name account holders are also FINRA members. Furthermore, a large percentage of the affected listed issuers are listed on Nasdaq, CBOE or other non-NYSE Group exchanges or are not listed on any national securities exchange, while the development of the mutual fund industry has led to the existence of a huge number of issuers who must pay these costs but have no relationship with any listing exchange.

The current fee schedule has been in place since 2013[8] and a comprehensive review of fee levels may be necessary in the near future to respond to the continuing evolution in both technology and the securities ownership patterns of investors since that time. All of the brokers who hold shares on behalf of street name account holders are FINRA members, while only a subset of them are members of the NYSE. Furthermore, a large and increasing number of the affected issuers are listed on Nasdaq, CBOE or other non-NYSE Group exchanges or are traded solely over the counter, while the development of the

---

7 See FINRA Rule 2251. The Exchange notes that FINRA Rule 2251differs from Rule 451 in one respect. Section 5 (Notice and Access Fees) of Supplementary Material .90 of Rule 451 provides that the Notice and Access fees set forth therein will also be charged with respect to the distribution of investment company shareholder reports pursuant to any "notice and access" rules adopted by the SEC in relation to such distributions and that such fee will not be charged for any account with respect to which an investment company pays a Preference Management Fee in connection with a distribution of investment company shareholder reports. It further provides that, in calculating the rates at which the issuer will be charged Notice and Access fees for investment company shareholder report distributions, all accounts holding shares of any class of stock of the applicable issuer eligible to receive the same distribution will be aggregated in determining the appropriate pricing tier under this Section 5 (Notice and Access Fees) of Supplementary Material .90 of Rule 451. FINRA has not adopted this text as part of FINRA Rule 2251. As the SEC has not at this time adopted any "notice and access" rules, this difference between the NYSE and FINRA rules does not have any current substantive effect.

8 See Securities Exchange Act Release No. 70720 (October 18, 2013), 78 FR 63530 (October 24, 2013) (SR-NYSE-2013-07) (order approving the most recent comprehensive amendments to the NYSE fee schedule).

mutual fund industry has led to the existence of a huge number of issuers who are not listed on any exchange.

In response to the developments described above. the NYSE proposes to amend Rule 451 by deleting the fee schedule and replacing it with text comparable to that of other exchanges providing that member organizations are entitled to receive fair and reasonable rates of reimbursement for all out-of-pocket expenses, including reasonable clerical expenses, incurred in connection with proxy solicitations and the processing of proxy and other material required under Rule 451. In addition, the amended rule text will provide that member organizations must comply with any schedule of approved charges set forth in the rules of any other national securities exchange or association of which such member organization is a member. As all NYSE member organizations subject to the NYSE fee schedule are also members of FINRA, this provision will effectively require member organizations to comply with the fee schedule set forth in FINRA Rule 2551.

The Exchange proposes to delete Section 402.10 of the Manual in its entirety as it is identical to provisions with respect to issuers other than mutual funds as set forth in Rule 451 and is therefore redundant.

Rule 465 governs the role of NYSE member organizations in distributing on behalf of issuers interim reports and other materials to “street name” account holders. Supplementary Material .20 to Rule 465 specifies that these distributions are subject to the fee schedule set forth in Supplementary Material 90-95 to Rule 451. The Exchange proposes to delete the current text of Supplementary Material .20 to Rule 465 and replace it with a paragraph that parallels the proposed new form of Supplementary Material .90 to Rule 451, providing that, in determining fair and reasonable rates of reimbursement for all out-of-pocket expenses, including reasonable clerical expenses, incurred in connection with copies of interim reports of earnings or other material being sent to stockholders pursuant to Rule 465, member organizations must comply with any schedule of approved charges set forth in the rules of any other national securities exchange or association of which such member organization is a member.

The Exchange notes that this proposal is in no way intended to take a position on the appropriateness of the fee schedules for proxy and other distributions currently set forth in Rules 451 and 465 or in the rules of any other national securities exchange or national securities association. The sole purpose of this proposal is obtain approval to delete the fee schedules from the NYSE rules and establish in their place a requirement to comply with the fee provisions set forth in the rules of any other national securities organization or national securities association of which an NYSE member organization is a member.

(b) Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the "Act") generally.[9] Section 6(b)(4)[10] requires that exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using the facilities of an exchange. Section 6(b)(5)[11] requires, among other things, that exchange rules are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect the public interest and the interests of investors, promote just and equitable principles of trade and that they are not designed to permit unfair discrimination between issuers, brokers or dealers. Section 6(b)(8)[12] prohibits any exchange rule from imposing any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange believes that the proposal is consistent with Sections 6(b)(4) and 6(b)(5) of the Act as it will not result in any substantive change in the reimbursement rates received by member organizations for proxy and other document distributions on behalf of issuers, as all NYSE member organizations are also subject to the fee schedule set forth in FINRA rules.

The Exchange believes that the proposal is also consistent with Section 6(b)(5) of the Act in that it is designed to promote just and equitable principles of trade, perfect the mechanism of a free and open market and promote just and equitable principles of trade. The maximum reimbursement rates brokers receive for making distributions of proxies and other materials on behalf of issuers will continue to be determined by FINRA, the self-regulatory organization of which all affected brokers are members.

As discussed above, all NYSE member organizations subject to these rules are also members of FINRA and, consequently, subject to the fee schedule set forth in FINRA Rule 2251. As the schedule set forth in FINRA Rule 2251 is substantively identical to the NYSE's current fee schedule, there will be no substantive change in the maximum rates NYSE member organizations may charge as a result of the proposed amendments.

---

9 15 U.S.C. 78f(b).

10 15 U.S.C. 78f(b)(4).

11 15 U.S.C. 78f(b)(5).

12 15 U.S.C. 78f(b)(8).

All of the brokers who hold shares on behalf of street name account holders are FINRA members, while only a subset of them are also members of the NYSE. Furthermore, a large and increasing number of the affected issuers are listed on Nasdaq, CBOE or other non-NYSE Group exchanges or are traded solely over the counter, while the development of the mutual fund industry has led to the existence of a huge number of issuers who must pay these costs but have no relationship with any listing exchange. Notably, while mutual funds are not listed on any exchange, they are all held primarily in "street name" accounts at brokers that are members of FINRA.

The Exchange believes that the proposal is consistent with Section 6(b)(8), as it does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. All of the NYSE member organizations that are subject to the fee schedule in the current forms of Rules 451 and 465 are also subject to the identical provisions of FINRA Rule 2251. Consequently, the proposed rule change will have no effect on competition among brokers, as they will all continue to be subject to the same maximum fee schedule. For the same reason there will be no effect on the competition among issuers resulting from the proposed rule change, as all issuers will remain subject to the same maximum fee schedule as applied under the FINRA rule. As all of the issuers listed on all of the national securities exchanges are currently obligated to pay the same maximum fees under the current NYSE rules and FIRNA Rule 2251, the proposal will also have no effect on the competition for listings among the national securities exchanges. For the foregoing reasons, the Exchange believes that the proposal does not impose any burden on competition that that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. All of the NYSE member organizations that are subject to the fee schedule in the current forms of Rules 451 and 465 are also subject to the identical provisions of FINRA Rule 2251. Consequently, the proposed rule change will have no effect on competition among brokers, as they will all continue to be subject to the same maximum fee schedule. For the same reason there will be no effect on the competition among issuers resulting from the proposed rule change, as all issuers will remain subject to the same maximum fee schedule as applied under the FINRA rule. As all of the issuers listed on all of the national securities exchanges are currently obligated to pay the same maximum fees under the current NYSE rules and FIRNA Rule 2251, the proposal will also have no effect on the competition for listings among the national securities exchanges. For the foregoing reasons, the Exchange believes that the proposal does not impose any burden on competition that that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

Not applicable.

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

Not applicable.

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

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Federal Register

Exhibit 5 – Proposed Rule Text

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NYSE-2020-96)

[Date]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change to Amend Its Rules Establishing Maximum Fee Rates to be Charged by Member Organizations

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 (the "Act")[2] and Rule 19b-4 thereunder,[3] notice is hereby given that, on November 13, 2020, New York Stock Exchange LLC ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 Exchange proposes to amend its rules establishing maximum fee rates to be charged by member organizations for forwarding proxy materials to beneficial owners The proposed rule change is available on the Exchange's website at www.nyse.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization included

---

1 15 U.S.C. 78s(b)(1).

2 15 U.S.C. 78a.

3 17 CFR 240.19b-4.

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 those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

Rule 451 requires NYSE member organizations that hold securities for beneficial owners in street name to solicit proxies from, and deliver proxy and issuer communication materials to, beneficial owners on behalf of issuers.[4] For this service, issuers reimburse NYSE member organizations for out-of-pocket, reasonable clerical, postage and other expenses incurred for a particular distribution. This reimbursement structure stems from SEC Rules 14b-1 and 14b-2 under the Act,[5] which impose obligations on companies and nominees to ensure that beneficial owners receive proxy materials and are given the opportunity to vote. These rules require companies to send their proxy materials to nominees, i.e., broker-dealers or banks that hold securities in street name, for forwarding to beneficial owners and to pay nominees for reasonable expenses, both direct and indirect, incurred in providing proxy information to beneficial

---

4 The ownership of shares in street name means that a shareholder, or "beneficial owner," has purchased shares through a broker-dealer or bank, also known as a "nominee." In contrast to direct ownership, where shares are directly registered in the name of the shareholder, shares held in street name are registered in the name of the nominee, or in the nominee name of a depository, such as the Depository Trust Company. For more detail regarding share ownership, see Securities Exchange Act Release No. 62495 (July 14, 2010), 75 FR 42982 (July 22, 2010) (Concept Release on the U.S. Proxy System) ("Proxy Concept Release").

5 17 CFR 240.14b-1; 17 CFR 240.14b-2.

owners. The Commission's rules do not specify the fees that nominees can charge issuers for proxy distribution; rather, they state that issuers must reimburse the nominees for "reasonable expenses" incurred.[6]

Currently, the Supplementary Material to NYSE Rules 451 and 465 establish the fee structure for which a NYSE member organization may be reimbursed for expenses incurred in connection with distributing proxy materials to beneficial shareholders. This fee structure is also replicated in Section 402.10 of the NYSE Listed Company Manual. The NYSE fee structure represents the maximum approved rates that an issuer can be billed for proxy distribution services absent prior notification to and consent of the issuer.

All the SROs whose member organizations hold securities on behalf of street name holders have rules requiring their member organizations to forward proxy materials and other distributions on behalf of companies to street name account holders. The rules of all other exchanges simply provide that member organizations must undertake this activity if they receive "reasonable" reimbursement, without specifying any schedule of maximum permitted charges.[7] By contrast, FINRA includes a specific schedule of maximum charges that is substantively identical to that of the NYSE.[8]

---

6 In adopting the direct shareholder communications rules in the early 1980s, the Commission left the determination of reasonable costs to the self-regulatory organizations ("SROs") because they were deemed to be in the best position to make fair evaluations and allocations of costs associated with these rules. See Securities Exchange Act Release No. 20021 (July 28, 1983), 48 FR 35082 (August 3, 1983); see also Securities Exchange Act Release No. 45644 (March 25, 2002), 67 FR 15440, 15440 n.8 (April 1, 2002).

7 See, e.g., BZX Exchange, Inc. Rule 13.3; see also Investors Exchange Rulebook 6.130.

8 See FINRA Rule 2251. The Exchange notes that FINRA Rule 2251differs from Rule 451 in one respect. Section 5 (Notice and Access Fees) of Supplementary Material .90 of Rule 451 provides that the Notice and Access fees set forth therein will also be charged with respect to the distribution of investment company

Given the significant evolution of the securities industry during the period in which the NYSE has taken the lead in establishing proxy distribution reimbursement rates, the NYSE does not believe that it is best positioned to retain this responsibility going forward. All the NYSE member organizations that are subject to the NYSE fee schedule are also members of FINRA. In addition, all of the brokers who are not NYSE members but who hold shares on behalf of street name account holders are also FINRA members. Furthermore, a large percentage of the affected listed issuers are listed on Nasdaq, CBOE or other non-NYSE Group exchanges or are not listed on any national securities exchange, while the development of the mutual fund industry has led to the existence of a huge number of issuers who must pay these costs but have no relationship with any listing exchange.

The current fee schedule has been in place since 2013[9] and a comprehensive review of fee levels may be necessary in the near future to respond to the continuing evolution in both technology and the securities ownership patterns of investors since that time. All of the brokers who hold shares on behalf of street name account holders are

---

shareholder reports pursuant to any "notice and access" rules adopted by the SEC in relation to such distributions and that such fee will not be charged for any account with respect to which an investment company pays a Preference Management Fee in connection with a distribution of investment company shareholder reports. It further provides that, in calculating the rates at which the issuer will be charged Notice and Access fees for investment company shareholder report distributions, all accounts holding shares of any class of stock of the applicable issuer eligible to receive the same distribution will be aggregated in determining the appropriate pricing tier under this Section 5 (Notice and Access Fees) of Supplementary Material .90 of Rule 451. FINRA has not adopted this text as part of FINRA Rule 2251. As the SEC has not at this time adopted any "notice and access" rules, this difference between the NYSE and FINRA rules does not have any current substantive effect.

9 See Securities Exchange Act Release No. 70720 (October 18, 2013), 78 FR 63530 (October 24, 2013) (SR-NYSE-2013-07) (order approving the most recent comprehensive amendments to the NYSE fee schedule).

FINRA members, while only a subset of them are members of the NYSE. Furthermore, a large and increasing number of the affected issuers are listed on Nasdaq, CBOE or other non-NYSE Group exchanges or are traded solely over the counter, while the development of the mutual fund industry has led to the existence of a huge number of issuers who are not listed on any exchange.

In response to the developments described above. the NYSE proposes to amend Rule 451 by deleting the fee schedule and replacing it with text comparable to that of other exchanges providing that member organizations are entitled to receive fair and reasonable rates of reimbursement for all out-of-pocket expenses, including reasonable clerical expenses, incurred in connection with proxy solicitations and the processing of proxy and other material required under Rule 451. In addition, the amended rule text will provide that member organizations must comply with any schedule of approved charges set forth in the rules of any other national securities exchange or association of which such member organization is a member. As all NYSE member organizations subject to the NYSE fee schedule are also members of FINRA, this provision will effectively require member organizations to comply with the fee schedule set forth in FINRA Rule 2551.

The Exchange proposes to delete Section 402.10 of the Manual in its entirety as it is identical to provisions with respect to issuers other than mutual funds as set forth in Rule 451 and is therefore redundant.

Rule 465 governs the role of NYSE member organizations in distributing on behalf of issuers interim reports and other materials to “street name” account holders. Supplementary Material .20 to Rule 465 specifies that these distributions are subject to

the fee schedule set forth in Supplementary Material 90-95 to Rule 451. The Exchange proposes to delete the current text of Supplementary Material .20 to Rule 465 and replace it with a paragraph that parallels the proposed new form of Supplementary Material .90 to Rule 451, providing that, in determining fair and reasonable rates of reimbursement for all out-of-pocket expenses, including reasonable clerical expenses, incurred in connection with copies of interim reports of earnings or other material being sent to stockholders pursuant to Rule 465, member organizations must comply with any schedule of approved charges set forth in the rules of any other national securities exchange or association of which such member organization is a member.

The Exchange notes that this proposal is in no way intended to take a position on the appropriateness of the fee schedules for proxy and other distributions currently set forth in Rules 451 and 465 or in the rules of any other national securities exchange or national securities association. The sole purpose of this proposal is obtain approval to delete the fee schedules from the NYSE rules and establish in their place a requirement to comply with the fee provisions set forth in the rules of any other national securities organization or national securities association of which an NYSE member organization is a member.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the "Act") generally.[10] Section 6(b)(4)[11] requires that exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using the facilities of an

[10] 15 U.S.C. 78f(b).

[11] 15 U.S.C. 78f(b)(4).

exchange. Section 6(b)(5)[12] requires, among other things, that exchange rules are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect the public interest and the interests of investors, promote just and equitable principles of trade and that they are not designed to permit unfair discrimination between issuers, brokers or dealers. Section 6(b)(8)[13] prohibits any exchange rule from imposing any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange believes that the proposal is consistent with Sections 6(b)(4) and 6(b)(5) of the Act as it will not result in any substantive change in the reimbursement rates received by member organizations for proxy and other document distributions on behalf of issuers, as all NYSE member organizations are also subject to the fee schedule set forth in FINRA rules.

The Exchange believes that the proposal is also consistent with Section 6(b)(5) of the Act in that it is designed to promote just and equitable principles of trade, perfect the mechanism of a free and open market and promote just and equitable principles of trade. The maximum reimbursement rates brokers receive for making distributions of proxies and other materials on behalf of issuers will continue to be determined by FINRA, the self-regulatory organization of which all affected brokers are members.

As discussed above, all NYSE member organizations subject to these rules are

---

12 15 U.S.C. 78f(b)(5).

13 15 U.S.C. 78f(b)(8).

also members of FINRA and, consequently, subject to the fee schedule set forth in FINRA Rule 2251. As the schedule set forth in FINRA Rule 2251 is substantively identical to the NYSE's current fee schedule, there will be no substantive change in the maximum rates NYSE member organizations may charge as a result of the proposed amendments.

All of the brokers who hold shares on behalf of street name account holders are FINRA members, while only a subset of them are also members of the NYSE. Furthermore, a large and increasing number of the affected issuers are listed on Nasdaq, CBOE or other non-NYSE Group exchanges or are traded solely over the counter, while the development of the mutual fund industry has led to the existence of a huge number of issuers who must pay these costs but have no relationship with any listing exchange. Notably, while mutual funds are not listed on any exchange, they are all held primarily in "street name" accounts at brokers that are members of FINRA.

The Exchange believes that the proposal is consistent with Section 6(b)(8), as it does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. All of the NYSE member organizations that are subject to the fee schedule in the current forms of Rules 451 and 465 are also subject to the identical provisions of FINRA Rule 2251. Consequently, the proposed rule change will have no effect on competition among brokers, as they will all continue to be subject to the same maximum fee schedule. For the same reason there will be no effect on the competition among issuers resulting from the proposed rule change, as all issuers will remain subject to the same maximum fee schedule as applied under the FINRA rule. As all of the issuers listed on all of the national securities exchanges are currently obligated

to pay the same maximum fees under the current NYSE rules and FIRNA Rule 2251, the proposal will also have no effect on the competition for listings among the national securities exchanges. For the foregoing reasons, the Exchange believes that the proposal does not impose any burden on competition that that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. All of the NYSE member organizations that are subject to the fee schedule in the current forms of Rules 451 and 465 are also subject to the identical provisions of FINRA Rule 2251. Consequently, the proposed rule change will have no effect on competition among brokers, as they will all continue to be subject to the same maximum fee schedule. For the same reason there will be no effect on the competition among issuers resulting from the proposed rule change, as all issuers will remain subject to the same maximum fee schedule as applied under the FINRA rule. As all of the issuers listed on all of the national securities exchanges are currently obligated to pay the same maximum fees under the current NYSE rules and FIRNA Rule 2251, the proposal will also have no effect on the competition for listings among the national securities exchanges. For the foregoing reasons, the Exchange believes that the proposal does not impose any burden on competition that that is not necessary or appropriate in furtherance of the purposes of the Act.

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

No written comments were solicited or received with respect to the proposed rule

change.

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

Within 45 days of the date of publication of this notice in the Federal Register or up to 90 days (i) as the Commission may designate 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 or disapprove the proposed rule change, or

(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:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2020-96 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSE-2020-96. 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 website (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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2020-96 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[14]

Eduardo A. Aleman
Deputy Secretary

---

[14] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Added text underlined;
Deleted text in [brackets].

NYSE Listed Company Manual

*** * * * ***

402.10 [Charges by Member Organizations for Distributing Material

The provisions of NYSE Rule 451.90 - .96 are reproduced herein as follows:

.90 Schedule of approved charges by member organizations in connection with proxy solicitations.—The Exchange has approved the following as fair and reasonable rates of reimbursement of member organizations for all out-of-pocket expenses, including reasonable clerical expenses, incurred in connection with proxy solicitations and the processing of proxy and other material pursuant to this Rule 451. In addition to the charges specified in this schedule, member organizations also are entitled to receive reimbursement for: (i) actual postage costs (including return postage at the lowest available rate); (ii) the actual cost of envelopes (provided they are not furnished by the person soliciting proxies); and (iii) any actual communication expenses (excluding overhead) incurred in receiving voting returns either telephonically or electronically.

1. Basic Processing and Intermediary Unit Fees

(a) Definitions: For purposes of this rule

(i) The term “nominee” shall mean a broker or bank subject to SEC Rule 14b-1 or 14b-2, respectively.

(ii) The term “intermediary” shall mean a proxy service provider that coordinates the distribution of proxy or other materials for multiple nominees.

(b) (i) For each set of proxy material, i.e., proxy statement, form of proxy and annual report when processed as a unit, a Processing Unit Fee based on the following schedule according to the number of nominee accounts through which the issuer’s securities are beneficially owned:

50 cents for each account up to 10,000 accounts;

47 cents for each account above 10,000 accounts, up to 100,000 accounts;

39 cents for each account above 100,000 accounts, up to 300,000 accounts;

34 cents for each account above 300,000 accounts, up to 500,000 accounts;

32 cents for each account above 500,000 accounts.

To clarify, under this schedule, every issuer will pay the tier one rate for the first 10,000 accounts, or portion thereof, with decreasing rates applicable only on additional accounts in the additional tiers. References in this Rule 451 to the number of accounts means the number of accounts holding securities of the issuer at any nominee that is providing distribution services without the services of an intermediary, or when an intermediary is involved, the aggregate number of nominee accounts with beneficial ownership in the issuer served by the intermediary.

(ii) In the case of a meeting for which an opposition proxy has been furnished to security holders, the Processing Unit Fee shall be $1.00 per account, in lieu of the fees in the above schedule.

(c) The following are supplemental fees for intermediaries:

(i) $22.00 for each nominee served by the intermediary that has at least one account beneficially owning shares in the issuer;

(ii) an Intermediary Unit Fee for each set of proxy material, based on the following schedule according to the number of nominee accounts through which the issuer’s securities are beneficially owned:

14 cents for each account up to 10,000 accounts;

13 cents for each account above 10,000 accounts, up to 100,000 accounts;

11 cents for each account above 100,000 accounts, up to 300,000 accounts;

9 cents for each account above 300,000 accounts, up to 500,000 accounts;

7 cents for each account above 500,000 accounts.

To clarify, under this schedule, every issuer will pay the tier one rate for the first 10,000 accounts, or portion thereof, with decreasing rates applicable only on additional accounts in the additional tiers.

(iii) For special meetings, the Intermediary Unit Fee shall be based on the following schedule, in lieu of the fees described in (ii) above:

19 cents for each account up to 10,000 accounts;

18 cents for each account above 10,000 accounts, up to 100,000 accounts;

16 cents for each account above 100,000 accounts, up to 300,000 accounts;

14 cents for each account above 300,000 accounts, up to 500,000 accounts;

12 cents for each account above 500,000 accounts.

To clarify, under this schedule, every issuer will pay the tier one rate for the first 10,000 accounts, or portion thereof, with decreasing rates applicable only on additional accounts in the additional tiers. For purposes of this subsection (iii), a special meeting is a meeting other than the issuer's meeting for the election of directors.

(iv) In the case of a meeting for which an opposition proxy has been furnished to security holders, the Intermediary Unit Fee shall be 25 cents per account, with a minimum fee of $5,000.00 per soliciting entity, in lieu of the fees described in (ii) or (iii) above, as the case may be. Where there are separate solicitations by management and an opponent, the opponent is to be separately billed for the costs of its solicitation.

2. Charges For Proxy Follow-Up Material

For each set of follow-up material, a Processing Unit Fee of 40 cents per account, except for those relating to an issuer's annual meeting for the election of directors, for which the Processing Unit Fee shall be 20 cents per account.

3. Charges For Interim Report and Other Material

For interim reports, annual reports if processed separately, post meeting reports or other material, a Processing Unit Fee of 15 cents per account.

4. Preference Management Fees

With respect to each account for which the nominee has eliminated the need to send materials in paper format through the mails (or by courier service), a Preference Management Fee in the following amount:

(a) For each set of proxy material described in Section 1(b) above, 32 cents; provided, however, that if the account is a Managed Account (as defined in Section 6 below), the Preference Management Fee shall be 16 cents.

(b) For each set of material described in either Section 2 or Section 3 above, the Preference Management Fee shall be 10 cents.

To clarify, the Preference Management Fee is in addition to, and not in lieu of, the other fees provided for in this rule.

5. Notice and Access Fees

When an issuer elects to utilize Notice and Access for a proxy distribution, there is an incremental fee based on all nominee accounts through which the issuer's securities are beneficially owned as follows:

25 cents for each account up to 10,000 accounts;

20 cents for each account over 10,000 accounts, up to 100,000 accounts;

15 cents for each account over 100,000 accounts, up to 200,000 accounts;

10 cents for each account over 200,000 accounts, up to 500,000 accounts;

5 cents for each account over 500,000 accounts.

To clarify, under this schedule, every issuer will pay the tier one rate for the first 10,000 accounts, or portion thereof, with decreasing rates applicable only on additional accounts in the additional tiers.

Follow up notices will not incur an incremental fee for Notice and Access.

No incremental fee will be imposed for fulfillment transactions (i.e., a full package sent to a notice recipient at the recipient's request), although out of pocket costs such as postage will be passed on as in ordinary distributions.

6. Fee Exclusion In Certain Circumstances.

Notwithstanding any other provision of this Supplementary Material .90, no fee shall be imposed for a nominee account that is a Managed Account (as hereinafter defined) and contains five or fewer shares or units of the security involved.

For purposes of this Supplementary Material .90, the term "Managed Account" shall mean an account at a nominee which is invested in a portfolio of securities selected by a professional advisor, and for which the account holder is charged a separate asset-based fee for a range of services which may include ongoing advice, custody and execution services. The advisor can be either employed by or affiliated with the nominee, or a separate investment advisor contracted for the purpose of selecting investment portfolios for the managed account. Requiring that investments or changes to the account be approved by the client shall not preclude an account from being a "Managed Account", nor shall the fact that commissions or transaction-based charges are imposed in addition to the asset-based fee.

Notwithstanding any other provision of this Supplementary Material .90, no fee shall be imposed for any nominee account which contains only a fractional share, i.e., less than one share or unit of the security involved.

7. Enhanced Brokers' Internet Platform Fee.

During the period ending December 31, 2018, there shall be a supplemental fee of 99 cents for each new account that elects, and each full package recipient among a brokerage firm's accounts that converts to, electronic delivery while having access to an Enhanced Brokers' Internet Platform ("EBIP"). This fee does not apply to electronic delivery consents captured by issuers (for example, through an open-enrollment program), nor to positions held in Managed Accounts (as defined in Section 6, above) nor to accounts voted by investment managers using electronic voting platforms. This is a one-time fee, meaning that an issuer may be billed this fee by a particular member organization only once for each account covered by this rule. Billing for this fee should be separately indicated on the issuer's invoice and must await the next proxy or consent solicitation by the issuer that follows the triggering election of electronic delivery by an eligible account. For the avoidance of doubt it is noted that accounts receiving a notice pursuant to the use of notice and access by the issuer, and accounts to which mailing is suppressed by householding, will not trigger the fee under this section.

To qualify under this section, an EBIP must provide notices of upcoming corporate votes (including record and shareholder meeting dates) and the ability to access proxy materials and a voting instruction form, and cast the vote, through the investor's account page on the member organization's web site without an additional log-in.

Any member organization with a qualifying EBIP must provide notice thereof to the Exchange, including the date such EBIP became operational, and any limitations on the availability of the EBIP to its customers.

Conversions to electronic delivery by accounts with access to an EBIP need to be tracked for the purpose of reporting the activity to the NYSE when requested, as do records of marketing efforts to encourage account holders to use the EBIP. In addition, records need

to be maintained and reported to the NYSE when requested regarding the proportion of non-institutional accounts that vote proxies after being provided access to an EBIP.

.91 Reserved

Transmission of Beneficial Ownership Information

.92 The Exchange, acting on the recommendation of the Ad Hoc Committee on Identification of Beneficial Owners, has approved the following as a fair and reasonable rate of reimbursement of member organizations for out-of-pocket expenses (except as referred to below), including reasonable clerical expenses, incurred in connection with furnishing non-objecting beneficial ownership information to requesting issuers pursuant to Rule 14b-1(c) of the Securities Exchange Act of 1934:

Charge For Providing Beneficial Ownership Information

6 1/2¢ per name of non-objecting beneficial owner provided to a requesting issuer.

Where the non-objecting beneficial ownership information is not furnished directly to the issuer by the member organization but is furnished through an agent designated by the member organization, the issuer will be expected to pay in addition the following fee to the agent:

10¢ per name for the first 10,000 names or portion thereof;

5¢ per name for additional names up to 100,000 names; and

4¢ per name above 100,000;

with a minimum fee of $100 per requested list. (See Rules 14a-13(b) and 14c-7(b) of the Securities Exchange Act of 1934 and notes thereto.)

Any member organization that designates an agent for the purpose of furnishing requesting issuers with beneficial ownership information pursuant to Rule 14b-1(c) and thereafter cancels that designation or appoints a new agent for such purpose should promptly inform interested issuers.

When an issuer requests beneficial ownership information as of a date which is the record date for an annual or special meeting or a solicitation of written shareholder consent, the issuer may ask to eliminate names holding more or less than a specified number of shares, or names of shareholders that have already voted, and the issuer may not be charged a fee for the NOBO names so eliminated. In all other cases the issuer must pay for all the names in the NOBO list.

.93 Member organizations are required to mail out such material as provided by Rules 451 and 465 when satisfactory assurance is received of reimbursement of expenses at such rates: provided that a member organization may request reimbursement of expenses at less than the approved rates; however, no member organization may seek reimbursement at rates higher than the approved rates or for items or services not specifically listed above without the prior notification to and consent of the person soliciting proxies or the company.

.95 "Householding" of Reports.— Rules 451 and 465 require member organizations to transmit issuer-supplied annual reports, interim reports, proxy statements and other material to beneficial owners. Member organizations are not required to transmit more than one annual report, interim report, proxy statement or other material to beneficial owners with more than one account (including trust accounts). In addition, member organizations may eliminate multiple transmissions of reports, statements or other materials to beneficial owners having the same address, provided they comply with applicable SEC rules with respect thereto (see SEC Rule 14b-1 under securities Exchange Act of 1934).

.96 Effective Date.— The changes to Rules 451, 465 and to Section 402.10 of the Listed Company Manual that were approved by the Securities and Exchange Commission on October 18, 2013 (Release No. 34-70720) shall, subject to certain conditions set forth in Part 7 of this Section 402.10, be effective for distributions or requests for non-objecting beneficial holder information, in each case where the applicable record date occurs on or after January 1, 2014, and, for purposes of the EBIP fee set forth in Section 7 above, for new account elections or existing account conversions to electronic delivery made on and after January 1, 2014.]

Reserved

*** * * * ***

NYSE Rulebook

*** * * * ***

Rule 451. Processing and Forwarding [transmission] of Proxy and Other Issuer-Related Materials

* * * * *

• • • ***Supplementary Material:***

* * * * *

.90 [Schedule of approved c]Charges by member organizations in connection with proxy solicitations.—[The Exchange has approved the following as] In determining fair and reasonable rates of reimbursement [of member organizations] for all out-of-pocket expenses, including reasonable clerical expenses, incurred in connection with proxy solicitations and the processing of proxy and other material pursuant to this Rule 451, member organizations must comply with any schedule of approved charges set forth in the rules of any other national securities exchange or association of which such member organization is a member. In addition to the charges specified in [this] any such applicable schedule, member organizations also are entitled to receive reimbursement for: (i) actual postage costs (including return postage at the lowest available rate); (ii) the actual cost of envelopes (provided they are not furnished by the person soliciting proxies); and (iii) any actual communication expenses (excluding overhead) incurred in receiving voting returns either telephonically or electronically.

[1. Basic Processing and Intermediary Unit Fees

(a) Definitions: For purposes of this rule

(i) The term “nominee” shall mean a broker or bank subject to SEC Rule 14b-1 or 14b-2, respectively.

(ii) The term “intermediary” shall mean a proxy service provider that coordinates the distribution of proxy or other materials for multiple nominees.

(b) (i) For each set of proxy material, i.e., proxy statement, form of proxy and annual report when processed as a unit, a Processing Unit Fee based on the following schedule according to the number of nominee accounts through which the issuer’s securities are beneficially owned:

50 cents for each account up to 10,000 accounts;

47 cents for each account above 10,000 accounts, up to 100,000 accounts;

39 cents for each account above 100,000 accounts, up to 300,000 accounts;

34 cents for each account above 300,000 accounts, up to 500,000 accounts;

32 cents for each account above 500,000 accounts.

To clarify, under this schedule, every issuer will pay the tier one rate for the first 10,000 accounts, or portion thereof, with decreasing rates applicable only on additional accounts in the additional tiers. References in this Rule 451 to the number of accounts means the number of accounts holding securities of the issuer at any nominee that is providing distribution services without the services of an intermediary, or when an intermediary is involved, the aggregate number of nominee accounts with beneficial ownership in the issuer served by the intermediary.

(ii) In the case of a meeting for which an opposition proxy has been furnished to security holders, the Processing Unit Fee shall be $1.00 per account, in lieu of the fees in the above schedule.

(c) The following are supplemental fees for intermediaries:

(i) $22.00 for each nominee served by the intermediary that has at least one account beneficially owning shares in the issuer;

(ii) an Intermediary Unit Fee for each set of proxy material, based on the following schedule according to the number of nominee accounts through which the issuer’s securities are beneficially owned:

14 cents for each account up to 10,000 accounts;

13 cents for each account above 10,000 accounts, up to 100,000 accounts;

11 cents for each account above 100,000 accounts, up to 300,000 accounts;

9 cents for each account above 300,000 accounts, up to 500,000 accounts;

7 cents for each account above 500,000 accounts.

To clarify, under this schedule, every issuer will pay the tier one rate for the first 10,000 accounts, or portion thereof, with decreasing rates applicable only on additional accounts in the additional tiers.

(iii) For special meetings, the Intermediary Unit Fee shall be based on the following schedule, in lieu of the fees described in (ii) above:

19 cents for each account up to 10,000 accounts;

18 cents for each account above 10,000 accounts, up to 100,000 accounts;

16 cents for each account above 100,000 accounts, up to 300,000 accounts;

14 cents for each account above 300,000 accounts, up to 500,000 accounts;

12 cents for each account above 500,000 accounts.

To clarify, under this schedule, every issuer will pay the tier one rate for the first 10,000 accounts, or portion thereof, with decreasing rates applicable only on additional accounts in the additional tiers. For purposes of this subsection (iii), a special meeting is a meeting other than the issuer's meeting for the election of directors.

(iv) In the case of a meeting for which an opposition proxy has been furnished to security holders, the Intermediary Unit Fee shall be 25 cents per account, with a minimum fee of $5,000.00 per soliciting entity, in lieu of the fees described in (ii) or (iii) above, as the case may be. Where there are separate solicitations by management and an opponent, the opponent is to be separately billed for the costs of its solicitation.

2. Charges For Proxy Follow-Up Material

For each set of follow-up material, a Processing Unit Fee of 40 cents per account, except for those relating to an issuer's annual meeting for the election of directors, for which the Processing Unit Fee shall be 20 cents per account.

3. Charges For Interim Report and Other Material

For interim reports, annual reports if processed separately, post meeting reports or other material, a Processing Unit Fee of 15 cents per account.

4. Preference Management Fees

With respect to each account for which the nominee has eliminated the need to send materials in paper format through the mails (or by courier service), a Preference Management Fee in the following amount:

(a) For each set of proxy material described in Section 1(b) above, 32 cents; provided, however, that if the account is a Managed Account (as defined in Section 6 below), the Preference Management Fee shall be 16 cents.

(b) For each set of material described in either Section 2 or Section 3 above, the Preference Management Fee shall be 10 cents.

To clarify, the Preference Management Fee is in addition to, and not in lieu of, the other fees provided for in this rule.

5. Notice and Access Fees

When an issuer elects to utilize Notice and Access for a proxy distribution, there is an incremental fee based on all nominee accounts through which the issuer's securities are beneficially owned as follows:

25 cents for each account up to 10,000 accounts;

20 cents for each account over 10,000 accounts, up to 100,000 accounts;

15 cents for each account over 100,000 accounts, up to 200,000 accounts;

10 cents for each account over 200,000 accounts, up to 500,000 accounts;

5 cents for each account over 500,000 accounts.

To clarify, under this schedule, every issuer will pay the tier one rate for the first 10,000 accounts, or portion thereof, with decreasing rates applicable only on additional accounts in the additional tiers.

Follow up notices will not incur an incremental fee for Notice and Access.

The Notice and Access fees set forth herein will also be charged with respect to the distribution of investment company shareholder reports pursuant to any "notice and access" rules adopted by the Securities and Exchange Commission in relation to such distributions. The Notice and Access fee will not be charged for any account with respect to which an investment company pays a Preference Management Fee in connection with a distribution of investment company shareholder reports.

In calculating the rates at which the issuer will be charged Notice and Access fees for investment company shareholder report distributions, all accounts holding shares of any

class of stock of the applicable issuer eligible to receive the same distribution will be aggregated in determining the appropriate pricing tier under this Section 5.

No incremental fee will be imposed for fulfillment transactions (i.e., a full package sent to a notice recipient at the recipient's request), although out of pocket costs such as postage will be passed on as in ordinary distributions.

6. Fee Exclusion in Certain Circumstances.

Notwithstanding any other provision of this Supplementary Material .90, no fee shall be imposed for a nominee account that is a Managed Account (as hereinafter defined) and contains five or fewer shares or units of the security involved.

For purposes of this Supplementary Material .90, the term "Managed Account" shall mean an account at a nominee which is invested in a portfolio of securities selected by a professional advisor, and for which the account holder is charged a separate asset-based fee for a range of services which may include ongoing advice, custody and execution services. The advisor can be either employed by or affiliated with the nominee, or a separate investment advisor contracted for the purpose of selecting investment portfolios for the managed account. Requiring that investments or changes to the account be approved by the client shall not preclude an account from being a "Managed Account", nor shall the fact that commissions or transaction-based charges are imposed in addition to the asset-based fee.

Notwithstanding any other provision of this Supplementary Material .90, no fee shall be imposed for any nominee account which contains only a fractional share, i.e., less than one share or unit of the security involved.

7. Enhanced Brokers' Internet Platform Fee.

During the period ending December 31, 2018, there shall be a supplemental fee of 99 cents for each new account that elects, and each full package recipient among a brokerage firm's accounts that converts to, electronic delivery while having access to an Enhanced Brokers' Internet Platform ("EBIP"). This fee does not apply to electronic delivery consents captured by issuers (for example, through an open-enrollment program), nor to positions held in Managed Accounts (as defined in Section 6, above) nor to accounts voted by investment managers using electronic voting platforms. This is a one-time fee, meaning that an issuer may be billed this fee by a particular member organization only once for each account covered by this rule. Billing for this fee should be separately indicated on the issuer's invoice and must await the next proxy or consent solicitation by the issuer that follows the triggering election of electronic delivery by an eligible account. For the avoidance of doubt it is noted that accounts receiving a notice pursuant to the use of notice and access by the issuer, and accounts to which mailing is suppressed by householding, will not trigger the fee under this section.

To qualify under this section, an EBIP must provide notices of upcoming corporate votes (including record and shareholder meeting dates) and the ability to access proxy materials and a voting instruction form, and cast the vote, through the investor's account page on the member organization's web site without an additional log-in.

Any member organization with a qualifying EBIP must provide notice thereof to the Exchange, including the date such EBIP became operational, and any limitations on the availability of the EBIP to its customers.

Conversions to electronic delivery by accounts with access to an EBIP need to be tracked for the purpose of reporting the activity to the NYSE when requested, as do records of marketing efforts to encourage account holders to use the EBIP. In addition, records need to be maintained and reported to the NYSE when requested regarding the proportion of non-institutional accounts that vote proxies after being provided access to an EBIP.

.91 Reserved

Transmission of Beneficial Ownership Information

.92 The Exchange, acting on the recommendation of the Ad Hoc Committee on Identification of Beneficial Owners, has approved the following as a fair and reasonable rate of reimbursement of member organizations for out-of-pocket expenses (except as referred to below), including reasonable clerical expenses, incurred in connection with furnishing non-objecting beneficial ownership information to requesting issuers pursuant to Rule 14b-1(c) of the Securities Exchange Act of 1934:

Charge For Providing Beneficial Ownership Information

6 1/2¢ per name of non-objecting beneficial owner provided to a requesting issuer.

Where the non-objecting beneficial ownership information is not furnished directly to the issuer by the member organization but is furnished through an agent designated by the member organization, the issuer will be expected to pay in addition the following fee to the agent:

10¢ per name for the first 10,000 names or portion thereof;

5¢ per name for additional names up to 100,000 names; and

4¢ per name above 100,000;

with a minimum fee of $100 per requested list. (See Rules 14a-13(b) and 14c-7(b) of the Securities Exchange Act of 1934 and notes thereto.)

Any member organization that designates an agent for the purpose of furnishing requesting issuers with beneficial ownership information pursuant to Rule 14b-1(c) and thereafter cancels that designation or appoints a new agent for such purpose should promptly inform interested issuers.

When an issuer requests beneficial ownership information as of a date which is the record date for an annual or special meeting or a solicitation of written shareholder consent, the issuer may ask to eliminate names holding more or less than a specified number of shares, or names of shareholders that have already voted, and the issuer may not be charged a fee for the NOBO names so eliminated. In all other cases the issuer must pay for all the names in the NOBO list.

.93 Member organizations are required to mail out such material as provided by Rules 451 and 465 when satisfactory assurance is received of reimbursement of expenses at such rates: provided that a member organization may request reimbursement of expenses at less than the approved rates; however, no member organization may seek reimbursement at rates higher than the approved rates or for items or services not specifically listed above without the prior notification to and consent of the person soliciting proxies or the company.

.95 "Householding" of Reports.— Rules 451 and 465 require member organizations to transmit issuer-supplied annual reports, interim reports, proxy statements and other material to beneficial owners. Member organizations are not required to transmit more than one annual report, interim report, proxy statement or other material to beneficial owners with more than one account (including trust accounts). In addition, member organizations may eliminate multiple transmissions of reports, statements or other materials to beneficial owners having the same address, provided they comply with applicable SEC rules with respect thereto (see SEC Rule 14b-1 under securities Exchange Act of 1934).

.96 Effective Date.— The changes to Rules 451, 465 and to Section 402.10 of the Listed Company Manual that were approved by the Securities and Exchange Commission on October 18, 2013 (Release No. 34-70720) shall, subject to certain conditions set forth in Part 7 of this Rule 451, be effective for distributions or requests for non-objecting beneficial holder information, in each case where the applicable record date occurs on or after January 1, 2014, and, for purposes of the EBIP fee set forth in Section 7 above, for new account elections or existing account conversions to electronic delivery made on and after January 1, 2014.]

*** * * * ***

Rule 465. Processing and transmission of Interim Reports and Other Material

A member organization, when so requested by a company, and upon being furnished with:
(1) copies of interim reports of earnings or other material being sent to stockholders, and

(2) satisfactory assurance that it will be reimbursed by such company for all out-of-pocket expenses, including reasonable clerical expenses, shall transmit such reports or material to each beneficial owner of stock of such company held by such member organization and registered in a name other than the name of the beneficial owner unless the beneficial owner has instructed the member organization in writing to transmit such reports or material to a designated investment adviser, registered either under the Investment Advisers Act of 1940 or under the laws of a state, who exercises investment discretion pursuant to an advisory contract for such beneficial owner.

• • • ***Supplementary Material:***

.10 Application of rule.—This rule applies to both listed and unlisted companies. (See Rule 451.10 for transmission of annual reports.)

.20 Charges by member organizations.—[Please see Rule 451.90—.96]. In determining fair and reasonable rates of reimbursement for all out-of-pocket expenses, including reasonable clerical expenses, incurred in connection with copies of interim reports of earnings or other material being sent to stockholders pursuant to this Rule 465, member organizations must comply with any schedule of approved charges set forth in the rules of any other national securities exchange or association of which such member organization is a member. In addition to the charges specified in any such applicable schedule, member organizations also are entitled to receive reimbursement for: (i) actual postage costs (including return postage at the lowest available rate); (ii) the actual cost of envelopes (provided they are not furnished by the person soliciting proxies); and (iii) any actual communication expenses (excluding overhead) incurred in receiving voting returns either telephonically or electronically.

*** * * * ***