

## Rule 451. Transmission of Proxy Material

(a) Whenever a person soliciting proxies shall furnish a member organization:

(1) copies of all soliciting material which such person is sending to registered holders, and

(2) satisfactory assurance that the person will reimburse such member organization for all out-of-pocket expenses, including reasonable clerical expenses, incurred by such member organization in connection with such solicitation, such member organization shall transmit to each beneficial owner of stock which is in its possession or control or to an investment adviser, registered under the Investment Advisers Act of 1940 or under the laws of a state, who exercises discretion pursuant to an advisory contract for the beneficial owner and has been designated in writing by the beneficial owner of such stock (hereinafter "designated investment adviser") to receive soliciting material in lieu of the beneficial owner, the material furnished; and

(b) such member organization shall transmit with such material either:

(1) a request for voting instructions and, as to matters which may be voted without instructions under Rule 452 [ ¶2452], a statement to the effect that, if such instructions are not received by the tenth day before the meeting, the proxy may be given at discretion by the owner of record of the stock; provided, however, that such statement may be made only when the proxy soliciting material is transmitted to the beneficial owner of the stock or to the beneficial owner's designated investment adviser, at least fifteen days before the meeting. When the proxy soliciting material is transmitted to the beneficial owner of the stock or to the beneficial owner's designated investment adviser twenty-five days or more before the meeting, the statement accompanying such material shall be to the effect that the proxy may be given fifteen days before the meeting at the discretion of the owner of record of the stock; or

(2) a signed proxy indicating the number of shares held for such beneficial owner and bearing a symbol identifying the proxy with proxy records of such member organization, and also a letter informing the beneficial owner or the beneficial owner's designated investment adviser, of the necessity for completing the proxy form and forwarding it to the person soliciting proxies in order that the shares may be represented at the meeting.

This rule shall not apply to beneficial owners outside the United States.

**Amended:** March 16, 1967; August 25, 1994; March 6, 2003 (NYSE-2002-50).

• • • **Supplementary Material:** -----

**.10 Annual reports to be transmitted.**—The annual report shall be transmitted to beneficial owners or to the beneficial owners' designated investment advisers under the same conditions as those applying to proxy soliciting material under Rule 451 even though it is not proxy-soliciting material under the proxy rules of the Securities and Exchange Commission.

#### **Amendment.**

August 25, 1994.

**.20 Forms of letters to clients requesting voting instructions.**—There appear below specimens of letters containing the information and instructions required pursuant to the proxy rules to be given to clients in the circumstances indicated in the appropriate heading. These are shown as examples and not as prescribed forms. Member organizations are permitted to adapt the form of these letters for their own purposes provided all of the required information and instructions are clearly enumerated in letters to clients. They have also been published in the NYSE Company Manual as a matter of information for companies having securities listed on this Exchange although member organizations will supply their own letters.

These letters are designed to permit furnishing to clients the actual proxy form for use in transmitting instructions to the member organization.

#### **When Broker May Vote on All Proposals Without Instructions**

To our Clients:

We have been requested to forward to you the enclosed proxy material relative to shares carried by us in your account but not registered in your name. Such shares can be voted only by the holder of record.

We shall be pleased to vote your shares in accordance with your wishes, if you will execute the enclosed proxy form and return it to us promptly in the self-addressed, stamped envelope, also enclosed. It is understood that, if you sign without otherwise marking the form, the shares will be voted as recommended by the management on all matters to be considered at the meeting.

Should you wish to have a proxy covering your shares issued to yourself or others, we shall be pleased to issue the same.

We urge you to send in your proxy so that we may vote your shares in accordance with your wishes. However, the Rules of the New York Stock Exchange provide that if instructions

are not received from you by the tenth day before the meeting, the proxy may be given at discretion by the holder of record of the shares. If you are unable to communicate with us by such date, we will, nevertheless follow your instructions, even if our discretionary vote has already been given, provided your instructions are received prior to the stockholders' meeting.

### **When Broker May Not Vote on Any Proposals Without Instructions**

To our Clients:

We have been requested to forward to you the enclosed proxy material relative to shares carried by us in your account but not registered in your name. Such shares can be voted only by the holder of record.

In order for your shares to be represented at the meeting, it will be necessary for us to have your specific voting instructions. Accordingly, please give your instructions over your signature on the enclosed proxy form and return it to us promptly in the self-addressed, stamped envelope, also enclosed. It is understood that, if you sign without otherwise marking the form, the shares will be voted as recommended by the management on all matters to be considered at the meeting.

Should you wish to have a proxy covering your shares issued to yourself or others, we shall be pleased to issue the same.

### **When Broker May Vote on Certain But Not All of the Proposals Without Instructions**

To our Clients:

We have been requested to forward to you the enclosed proxy material relative to shares carried by us in your account but not registered in your name. Such shares can be voted only by the holder of record.

We wish to call your attention to the fact that, under the rules of the New York Stock Exchange, we cannot vote your shares on one or more of the matters to be acted upon at the meeting without your specific voting instructions.

Accordingly, in order for your shares to be voted on all matters, please give your instructions over your signature on the enclosed proxy form and return it to us promptly in the

self-addressed, stamped envelope, also enclosed. It is understood that, if you sign without otherwise marking the form, you wish us to vote the shares as recommended by management on all matters to be acted upon at the meeting. If we do not hear from you by the tenth day before the meeting, we may vote your shares in our discretion to the extent permitted by the rules of the Exchange. If you are unable to communicate with us by such date, we will, nevertheless follow your voting instructions, even if our discretionary vote has already been given, provided your instructions are received prior to the stockholders' meeting.

Should you wish to have a proxy covering your shares issued to yourself or others, we shall be pleased to issue the same.

**Amendments.**

January 11, 1968.

December 12, 1974.

**.30 Forwarding of signed proxy.**—The following conditions shall be met by a member organization adopting the procedure of sending signed proxies to customers:

- (1)** Each signed proxy sent to a customer shall contain a code number for identification and the exact number of shares held of record for the account of the customer.
- (2)** Signed proxies sent to customers shall be accompanied by appropriate instructions to the customer for transmitting his voted to the company.
- (3)** The member organization shall advise the company of the number of proxies sent to customers and the identifying numbers and shares represented by such proxies.
- (4)** When requested by a company, the member organization shall send a follow-up request to customers whose proxies have not been received by the company.
- (5)** Records of the member organization covering the solicitation of proxies shall show:
  - (A)** The date of receipt of the proxy material from the issuer or other person soliciting the proxies.

**(B)** Names of customers to whom the material and proxies are sent, and the date of mailing.

**(C)** The number of shares covered by each proxy.

**(D)** The code number of each customer's proxy.

**.40Forms of letters to clients to accompany signed proxies.**—There appear below specimens of letters containing the information and instructions required pursuant to the proxy rules to be given to clients in the circumstances indicated in the appropriate heading. These are shown as examples and not as prescribed forms. They have also been published in the NYSE Company Manual as a matter of information for companies having securities listed on the Exchange, although, normally, member organizations will be expected to supply their own letters.

#### **When Proxy Contains No Proposals To Be Voted On**

To our Clients:

We have been requested to forward to you the enclosed proxy material relative to shares carried by us in your account but not registered in your name.

If you wish your stock to be voted at the meeting, it will be necessary for you to date and forward the enclosed proxy form, which has been signed by the holder of record, in the self-addressed, stamped envelope which is furnished for the purpose.

We urge you to send your proxy in promptly to assure the largest possible representation of stockholders at the meeting.

#### **When Proxy Contains Proposals To Be Voted On**

To our Clients:

We have been requested to forward to you the enclosed proxy material relative to shares carried by us in your account but not registered in your name.

If you wish your stock to be voted at the meeting, it will be necessary for you to complete and forward the enclosed proxy form, which has been signed by the holder of record, in the self-addressed, stamped envelope which is furnished for the purpose.

Please note that you may direct the manner in which your shares will be voted by marking the appropriate spaces in the signed proxy form. If you forward the proxy without indicating the manner in which you wish your shares to be voted, the proxy will be voted as recommended by the management on all matters to be considered at the meeting.

We urge you to send your proxy in promptly to assure the largest possible representation of stockholders at the meeting.

#### **Amendment.**

January 11, 1968.

**.50Method to be used in transmission of proxy material.**—First class mail should be used to facilitate the obtaining of voting instructions of forwarding signed proxies, unless another method is specified by the persons for whom the material is transmitted.

**.60Duty to transmit even when requested not to.**—The proxy material must be sent to a beneficial owner even though such owner has instructed the member organization not to do so, unless the beneficial owner has instructed the member organization in writing to send such material to the beneficial owner's designated investment adviser.

#### **Amendment.**

January 11, 1968.

August 25, 1994.

**.80Duty of out-of-town member organization.**—If securities are held in an omnibus account for an out-of-town or non-clearing member organization, it is incumbent upon the out-of-town or non-clearing member organization to see that the necessary proxy material is transmitted to the beneficial owners and that the proper records relative thereto are kept.

**.90Schedule 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 pursuant to Rule 451 and in mailing interim reports or other material pursuant to Rule 465. 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.

### **Charges For Initial Proxy and/or Annual Report Mailings**

Effective March 25, 2002 40¢ for each set of proxy material, i.e., proxy statement, form of proxy and annual report when mailed as a unit, unless an opposition proxy statement has been furnished to security holders, with a minimum of \$5.00 for all sets mailed;

Effective March 14, 1997, \$1.00 for each set of proxy material, i.e. proxy statement, form of proxy and annual report when mailed as a unit, for a meeting for which an opposition proxy statement has been furnished to security holders, with a minimum of \$5.00 for all sets mailed;

Effective March 14, 1997, 15¢ for each copy, plus postage, for annual reports, which are mailed separately from the proxy material pursuant to the instruction of the person soliciting proxies, with a minimum of \$3.00 for all sets mailed.

Effective March 25, 2002, the Exchange has approved, as fair and reasonable, the following supplemental proxy fees for intermediaries that coordinate multiple nominees:

\$20.00 per nominee plus (i) 10¢ for each set of proxy material, with respect to issuers whose shares are held in fewer than 200,000 nominee accounts, or (ii) 5¢ for each set of proxy material, with respect to issuers whose shares are held in at least 200,000 nominee accounts.

Effective March 14, 1997, the Exchange has approved, as fair and reasonable, a supplemental proxy fee per nominee of \$20.00 for intermediaries that coordinate multiple nominees.

### **Charges For Proxy Follow-Up Mailings**

Effective March 14, 1997, 40¢ for each set of follow-up material, plus postage.

### **Charges For Interim Report Mailings**

Effective March 14, 1997 15¢ for each copy, plus postage, for interim reports, annual reports if mailed separately, post meeting reports or other material, with a minimum of \$2.00 for all sets mailed;

Member organizations may charge for envelopes, provided they are not furnished by the person soliciting proxies.

Effective March 25, 2002, an "Incentive Fee" (as defined below) for proxy material mailings, including the annual report, and 10¢ for interim report mailings, with

respect to each account where the member organization has eliminated the need to send materials in paper format through the mails (such as by including multiple proxy ballots or forms in one envelope with one set of material mailed to the same household, by distributing multiple proxy ballots or forms electronically thereby reducing the sets of material mailed, or by distributing some or all material electronically).

### **Incentive Fees**

Effective March 14, 1997, 50¢ for proxy material mailings, including the annual report, and 10¢ for interim report mailings, with respect to each account where the member organization has eliminated the need to send materials in paper format through the mails (such as by including multiple proxy ballots or forms in one envelope with one set of material mailed to the same household, by distributing multiple proxy ballots or forms electronically thereby reducing the sets of material mailed, or by distributing some or all material electronically).

With respect to issuers whose shares are held in at least 200,000 nominee accounts the Incentive Fee shall be 25¢.

With respect to issuers whose shares are held in fewer than 200,000 nominee accounts, the Incentive Fee shall be 50¢.

### **Amendment.**

March 14, 1997.

February 12, 1998.

**.91 Proxy solicitation surcharge payable by issuers in connection with Rules 14b-1(c) and 17a-3(a)(9)(ii) of the Securities Exchange Act of 1934.**—The Exchange has approved the following surcharge on issuers as a fair and reasonable rate of reimbursement of member organizations for direct and indirect expenses associated with start-up costs incurred to comply with Rules 14b-1(c) and 17a-3(a)(9)(ii) of the Securities Exchange Act of 1934;

### **Surcharge For Proxy Mailings For Annual Meetings**

A surcharge for each set of proxy material, i.e., proxy statement and form of proxy (not including follow-up mailings), mailed in connection with each of the issuer's next two annual meetings held after March 28, 1985, at the following rates: 20¢ for each set of proxy material mailed in connection with the first such annual meeting; and 18 1/2¢ for each set of proxy material mailed in connection with the second such annual meeting. This surcharge will be in addition to the appropriate charge(s) specified in Rule 451.90. "Schedule of approved charges by member organizations in connection with proxy solicitations" and Rule 465.20. "Mailing charges by member organizations."

### **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 the reasonable expenses of the agent in providing such information, in addition to the rate described above. (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.

.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).

**Adopted.**

March 14, 1997.

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**Amendments.**

December 6, 1973.

November 19, 1979.

February 14, 1986.

March 14, 1997.

March 16, 1999.

February 22, 2001.

March 25, 2002 (SR NYSE-2001-53).

*(See ¶2465.30 for form of bill to be used.)*