

Information Memo

Legal & Government Affairs



NYSE Regulation, Inc. | 20 Broad Street
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TO: ALL NYSE, NYSE AMEX AND NYSE ARCA EQUITIES
MEMBERS, ETP HOLDERS AND LISTED COMPANIES

SUBJECT: NYSE RULE FILING RELATING TO DODD-FRANK IMPACT TO
PROXY VOTING REQUIREMENTS

On August 4, 2010 the NYSE sent a notice to all NYSE, NYSE AMEX and NYSE ARCA Equities members, ETP holders and listed companies advising that the NYSE intended to file an amendment to NYSE Rule 452 to prohibit members from voting uninstructed shares at meetings held after July 21, 2010 if the matter to be voted on relates to executive compensation.

As explained in the August 4 notice, this rule filing is mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), signed by President Obama on July 21, 2010, which among other things requires each national securities exchange to amend its rules to prohibit member organizations from voting shares without specific beneficial owner instructions in stockholder votes with respect to executive compensation.

Yesterday, the NYSE formally filed proposed rule changes with the Securities and Exchange Commission (the "SEC"). The NYSE stated in its filing that because the relevant provisions of the Dodd-Frank Act do not provide for a transition phase, the substance of the proposed rule changes is currently applicable to proxy voting. The Exchange is also requesting that the Commission approve the proposal on an accelerated basis.

Proposals that are included on proxy statements that involve executive compensation matters, even if they also apply to employees below executive level, will be treated as "May Not Vote" matters, including in those cases where member organizations have previously been allowed to vote uninstructed shares, such as with respect to some plans put to a stockholder vote in order to rely on the performance-based compensation exception to the \$1 million annual deduction limit under section 162(m) of the Internal Revenue Code. Similarly, "say on pay" and "say on golden parachute" proposals will also be treated as "May Not Vote" matters.

NYSE Amex and NYSE Arca will file identical amendments to their rules.

Since the Dodd-Frank Act also provides the SEC with the authority to require other changes to NYSE Rule 452, other amendments may be needed and we will keep you apprised of any further developments.

Questions may be directed to either Judith McLevey, VP – Corporate Actions & Market Watch, at (212) 656-4509 or Janet Kissane, SVP & Corporate Secretary, Legal & Government Affairs, at (212) 656-2039, jkissane@nyx.com,

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