

CHAPTER 6. MISCELLANEOUS PROVISIONS

Rule 6.110. Comparison and Settlement Requirements

- (a) Every Member who is a Member of a registered clearing agency shall implement comparison and settlement procedures under the rules of such entity.
- (b) For purposes of this LTSE Rule, a registered clearing agency shall mean a clearing agency (as defined in the Act) which has agreed to supply the Exchange with data reasonably requested in order to permit the Exchange to enforce compliance by its Members with the provisions of the Act, the rules and regulations thereunder, and the Rules of the Exchange.
- (c) Anything contained in paragraph (a) to the contrary notwithstanding, the Board may extend or postpone the time of the delivery of an Exchange transaction whenever, in its opinion, such action is called for by the public interest, by just and equitable principles of trade or by the need to meet unusual conditions. In such case, delivery shall be effected at such time, place and manner as directed by the Board.

Rule 6.120. Failure to Deliver and Failure to Receive

- (a) Borrowing and deliveries shall be effected in accordance with Rule 203 of Regulation SHO, under the Exchange Act. The Exchange incorporates by reference Rules 200 and 203 of Regulation SHO, to this LTSE Rule 6.120, as if they were fully set forth herein.

Rule 6.130. Forwarding of Proxy and Other Issuer-Related Materials; Proxy Voting

- (a) A Member when so requested by an issuer and upon being furnished with: (1) sufficient copies of proxy material, annual reports, information statements or other material required by law to be sent to security holders periodically, and (2) satisfactory assurance that it will be reimbursed by such issuer for all out-of-pocket expenses, including reasonable clerical expenses, shall transmit promptly to each beneficial owner of securities (or the beneficial owner's designated investment adviser) of such issuer which are in its possession and control and registered in a name other than the name of the beneficial owner all such material furnished. In the event of a proxy solicitation, such material shall include a signed proxy indicating the number of shares held for such beneficial owner and bearing a symbol identifying the proxy with proxy records maintained by the Member, and a letter informing the beneficial owner (or the beneficial owner's designated investment adviser) of the time limit and necessity for completing the proxy form and forwarding it to the person soliciting proxies prior to the expiration of the time limit in order for the shares to be represented at the

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meeting. A Member shall furnish a copy of the symbols to the person soliciting the proxies and shall also retain a copy thereof pursuant to the provisions of Exchange Act Rule 17a-4. This paragraph shall not apply to beneficial owners residing outside of the U.S., though Members may voluntarily comply with the provisions hereof in respect of such persons if they so desire.

- (b) No Member shall give a proxy to vote stock that is registered in its name, unless: (i) such Member is the beneficial owner of such stock; (ii) such proxy is given pursuant to the written instructions of the beneficial owner; or (iii) such proxy is given pursuant to the rules of any national securities exchange or association of which it is a Member, provided that the records of the Member clearly indicate the procedure it is following.
- (c) Notwithstanding the foregoing, a Member that is not the beneficial owner of a security registered under Section 12 of the Exchange Act is prohibited from granting a proxy to vote the security in connection with a shareholder vote on the election of a Member of the board of directors of an issuer (except for a vote with respect to uncontested election of a Member of the board of directors of any investment company registered under the Investment Company Act of 1940), executive compensation, or any other significant matter, as determined by the Commission, by rule, unless the beneficial owner of the security has instructed the Member to vote the proxy in accordance with the voting instructions of the beneficial owner.
- (d) Notwithstanding the foregoing, a Member may give a proxy to vote any stock registered in its name if such Member holds such stock as executor, administrator, guardian, trustee, or in a similar representative or fiduciary capacity with authority to vote. A Member that has in its possession or within its control stock registered in the name of another Member and that desires to transmit signed proxies pursuant to the provisions of paragraph (a) of this LTSE Rule 6.130, shall obtain the requisite number of signed proxies from such holder of record. Notwithstanding the foregoing: (1) any Member designated by a named Employee Retirement Income Security Act of 1974 (as amended) ("ERISA") Plan fiduciary as the investment manager of stock held as assets of the ERISA Plan may vote the proxies in accordance with the ERISA Plan fiduciary responsibilities if the ERISA Plan expressly grants discretion to the investment manager to manage, acquire, or dispose of any plan asset and has not expressly reserved the proxy voting right for the named ERISA Plan fiduciary; and (2) any designated investment adviser may vote such proxies.

(e) Designated Investment Advisor

For purposes of this LTSE Rule 6.130, the term “designated investment adviser” is a person registered under the Investment Advisers Act of 1940 (as the same may be amended from time-to-time) (the “Advisers Act”), or registered as an investment adviser under the laws of a state, who exercises investment discretion pursuant to an advisory contract for the beneficial owner and is designated in writing by the beneficial owner to receive proxy and related materials and vote the proxy, and to receive annual reports and other material sent to security holders.

- (f) For purposes of this LTSE Rule 6.130, the term “state” shall have the meaning given to such term in Section 202(a)(19) of the Advisers Act.
- (g) The written designation must be signed by the beneficial owner, be addressed to the Member, and include the name of the designated investment adviser.
- (h) Members that receive such a written designation from a beneficial owner must ensure that the designated investment adviser is registered with the SEC pursuant to the Advisers Act, or with a state as an investment adviser under the laws of such state, and that the investment adviser is exercising investment discretion over the customer’s account pursuant to an advisory contract to vote proxies and/or to receive proxy soliciting material, annual reports and other material. Members must keep records substantiating this information.
- (i) Beneficial owners have an unqualified right at any time to rescind designation of the investment adviser to receive materials and to vote proxies. The rescission must be in writing and submitted to the Member.

Rule 6.140. Assigning of Registered Securities in Name of a Member

- (a) A Member may authorize one or more persons who are its employees to assign registered securities in the name of such Member and to guarantee assignments of registered securities with the same effect as if the name of such Member had been signed under like circumstances by one of the partners of the Member or by one of the authorized officers of the Member by executing and filing with the Exchange, in a form prescribed by it, a separate Power of Attorney for each person so authorized.

Rule 6.150. Commissions

Nothing in LTSE Rules, the Bylaws or the Exchange practices shall be construed to require, authorize or permit any Member, or any person associated with a Member, to agree or

Rule 6.180. Transactions Involving LTSE Employees

arrange, directly or indirectly, for the charging of fixed rates of commission for transactions effected on, or effected by the use of the facilities of, the Exchange.

Rule 6.160. Off-Exchange Transactions

No rule, stated policy or practice of this Exchange shall prohibit or condition, or be construed to prohibit or condition or otherwise limit, directly or indirectly, the ability of any Member to effect any transaction otherwise than on this Exchange with another person in any security listed on this Exchange, or to which unlisted trading privileges on this Exchange have been extended.

Rule 6.170. Regulatory Services Agreement

The Exchange may enter into one or more agreements with another self-regulatory organization to provide regulatory services to the Exchange to assist the Exchange in discharging its obligations under Section 6 and Section 19(g) of the Exchange Act. Any action taken by another self-regulatory organization, or its employees or authorized agents, acting on behalf of the Exchange pursuant to a regulatory services agreement shall be deemed to be an action taken by the Exchange; provided, however, that nothing in this provision shall affect the oversight of such other self-regulatory organization by the Commission.

Notwithstanding the fact that the Exchange may enter into one or more regulatory services agreements, the Exchange shall retain ultimate legal responsibility for, and control of, its self-regulatory responsibilities, and any such regulatory services agreement shall so provide.

Rule 6.180. Transactions Involving LTSE Employees

- (a) When a Member has actual notice that an LTSE employee has a financial interest in, or controls trading in, an account, the Member shall promptly obtain and implement an instruction from the employee directing that duplicate account statements be provided by the Member to LTSE.
- (b) No Member shall directly or indirectly make any loan of money or securities to any LTSE employee; provided, however, that this prohibition does not apply to loans made in the context of disclosed, routine banking and brokerage agreements, or loans that are clearly motivated by a personal or family relationship.
- (c) Notwithstanding the annual dollar limitation set forth in LTSE Rule 3.291, no Member shall directly or indirectly give, or permit to be given, anything of more than nominal value to any LTSE employee who has responsibility for a regulatory matter that involves the Member. For purposes of this subsection, the term "regulatory matter" includes, but is not limited to, examinations, disciplinary proceedings, membership applications, listing applications, delisting proceedings, and dispute-resolution proceedings that involve the Member.

Rule 6.210. Ex-Dividend or Ex-Rights Dates

Transactions in securities traded "regular" shall be "ex-dividend" or "ex-rights" as the case may be, on the business day preceding the record date fixed by the company or the date of the closing of transfer books, except when the Board of Directors rules otherwise. Should such record date or such closing of transfer books occur upon a day other than a business day this Rule shall apply for the second preceding business day.