

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 32	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2016 - * 19	Amendment No. (req. for Amendments *)
Filing by Investors' Exchange LLC Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934				
Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>
			Section 19(b)(3)(B) * <input type="checkbox"/>	
			Rule	
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934	
Section 806(e)(1) * <input type="checkbox"/>		Section 806(e)(2) * <input type="checkbox"/>		Section 3C(b)(2) * <input type="checkbox"/>
Exhibit 2 Sent As Paper Document <input type="checkbox"/>		Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
Description				
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).				
<input type="text" value="Proposed rule change to require listed companies to publicly disclose compensation or other payments by third parties to any nominee for director or sitting director in connection with their candidacy for or service on the companies' Board of Directors."/>				
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 *	<input type="text" value="Claudia"/>	Last Name *	<input type="text" value="Crowley"/>	
Title *	<input type="text" value="Chief Regulatory Officer"/>			
E-mail *	<input type="text" value="claudia.crowley@iextrading.com"/>			
Telephone *	<input type="text" value="(646) 343-2041"/>	Fax	<input type="text"/>	
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.				
(Title *)				
Date	<input type="text" value="12/05/2016"/>	Chief Regulatory Officer		
By	<input type="text" value="Claudia Crowley"/>	<input type="text"/>		
(Name *)				
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.				
		<input type="text" value="claudia.crowley@iextrading.com"/>		

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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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 *

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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 *

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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

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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

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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

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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

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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 Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to require listed companies to publicly disclose compensation or other payments by third parties to any nominee for director or sitting director in connection with their candidacy for or service on the companies’ Board of Directors. The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.³

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1. The text of the proposed rule change is attached as Exhibit

5.

(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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6)(iii).

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Claudia Crowley
Chief Regulatory Officer
Investors Exchange LLC
646-343-2041

Sophia Lee
General Counsel
Investors Exchange LLC
646-343-2040

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

a. Purpose

On June 17, 2016 the Commission granted IEX's application for registration as a national securities exchange under Section 6 of the Act including approval of rules applicable to the qualification, listing and delisting of companies on the Exchange. The Exchange plans to begin a listing program in 2017 and is proposing additional rules applicable to companies listing on the Exchange in this proposed rule change.

IEX rules require listed companies to make public disclosure in several areas. For example, a listed company is required to publicly disclose material information that would reasonably be expected to affect the value of its securities or influence investors' decisions as well as when non-independent directors serve on a committee that generally requires only independent directors, such as for a controlled company or under exceptional and limited circumstances.⁴ A listed company is also required to file required periodic reports with the Commission.⁵ A principal purpose of these disclosure requirements is to protect investors and ensure these investors have necessary information to make informed investment and voting decisions.

⁴ See Rules 14.207(b)(1), 14.407(c)(2), 14.405(c)(2)(B), 14.405(d)(2)(B) and 14.405(e)(3).

⁵ See Rule 14.207(c).

However, based on press reports and information from market participants, IEX understands there is one area where investors may not have complete or timely information. This is when third parties compensate directors in connection with their candidacy for and/or service on company Board of Directors. This third-party compensation, which may not be publicly disclosed, arises when a shareholder privately offers to compensate nominee directors in connection with those nominees' candidacy or service as directors. These arrangements vary but may include compensating directors based on achieving benchmarks such as an increase in share price over a fixed term.⁶

IEX believes these undisclosed compensation arrangements potentially raise several concerns, including that they may lead to conflicts of interest among directors and call into question the directors' ability to satisfy their fiduciary duties. These arrangements may also tend to promote a focus on short-term results at the expense of long-term value creation. IEX believes that enhancing transparency around third-party board compensation would help address these concerns and would benefit investors by making available information potentially relevant to investment and voting decisions. IEX further believes that the proposed disclosure would not create meaningful burdens on directors or those making these payments nor on the companies required to make the disclosure.⁷

Accordingly, IEX is proposing to adopt Rule 14.207(b)(3) to require listed companies to publicly disclose on or through the companies' website or proxy statement or information statement for any shareholders' meeting at which directors are elected (or,

⁶ See, discussion generally in Securities Exchange Act Release No. 78223 (July 1, 2016), 81 FR 44400 (July 7, 2016) (Order Granting Approval of SR-NASDAQ-2016-13).

⁷ See, note 6.

if they do not file proxy or information statements, in Form 10-K or Form 20-F),⁸ the material terms of all agreements and arrangements between any director or nominee and any person or entity other than the company (the “Third Party”) relating to compensation or other payment in connection with that person’s candidacy or service as a director.^{9, 10}

A company may make this disclosure through its website by hyperlinking to another website, which must be continuously accessible. If that website subsequently becomes inaccessible or that hyperlink inoperable, the company must promptly restore it or make other disclosure in accordance with this proposed rule.

Consistent with other exemptions afforded certain types of companies, the Exchange is also proposing to amend Rule 14.407(a)(3) to provide that a foreign private issuer may follow home country practice in lieu of the requirements of the proposed rule. A Foreign Private Issuer may follow its home country practice in lieu of the requirements of Rule 14.207(b)(3) by utilizing the process described in Rule 14.407(a)(3), including but not limited to the requirement to submit to IEX a written statement from an independent counsel in such Company’s home country certifying that the Company’s practices are not prohibited by the home country’s laws.

Companies listed at the time this proposed rule becomes effective or initially listed thereafter must disclose all agreements and arrangements in accordance with this proposed rule by no later than the date on which the Company files or furnishes a proxy

⁸ This disclosure method is consistent with the method under Rule 14.405(d)(2)(B) for disclosure of the appointment of a non-independent compensation committee member under exceptional and limited circumstances.

⁹ The proposal is intended to apply to agreements and arrangements whether or not the right to nominate a director legally belongs to a third party. See Supplementary Material .07 to Rule 14.405 (Independent Director Oversight of Director Nominations).

¹⁰ If the Company provides disclosure in a proxy or information statement, including to satisfy the SEC’s proxy disclosure requirements, sufficient to comply with this rule, its obligation to satisfy this rule is fulfilled regardless of the reason for which such disclosure was made.

or information statement subject to Regulation 14A or 14C under the Act in connection with the Company's next shareholders' meeting at which directors are elected (or, if they do not file proxy or information statements, no later than when the Company files next Form 10-K or Form 20-F). Thereafter, a listed company must make this disclosure at least annually until the earlier of the resignation of the director or one year following the termination of the agreement or arrangement.¹¹ The proposed rule does not separately require the initial disclosure of newly entered into agreements or arrangements, provided that disclosure is made pursuant to this rule for the next shareholder meeting at which directors are elected.

If a Company discovers an agreement or arrangement that should have been disclosed pursuant to subparagraph (A) of the proposed rule but was not, the Company must promptly make the required disclosure in accordance with this proposed rule.¹² In addition, for agreements and arrangements not required to be disclosed in accordance with subparagraph (A)(ii) of the proposed rule, such as employment with a third party that existed prior to the nominee's candidacy and is otherwise disclosed, but where the director or nominee's remuneration is thereafter materially increased specifically in connection with such person's candidacy or service as a director of the company, only the difference between the new and previous level of compensation or other payment obligation need be disclosed.

The terms "compensation" and "other payment" as used in this proposed rule are intended to be construed broadly and apply to agreements and arrangements that provide

¹¹ A Company posting the requisite disclosure on or through its website must make it publicly available no later than the date on which the Company files a proxy or information statement in connection with a shareholders' meeting at which directors are elected (or, if they do not file proxy or information statements, no later than when the Company files its next Form 10-K or Form 20-F).

¹² See infra discussion on remedial disclosure.

for non-cash compensation and other payment obligations, such as health insurance premiums or indemnification, made in connection with a person's candidacy or service as a director. Further, at a minimum, the disclosure should identify the parties to and the material terms of the agreement or arrangement relating to compensation.

In recognition of circumstances that do not raise the concerns noted above or where such disclosure may be duplicative, the proposed rule would not apply to agreements and arrangements that existed before the nominee's candidacy and the nominee's relationship with the Third Party has been otherwise publicly disclosed, for example, pursuant to Items 402(a)(2) of Regulation S-K or in a director's biographical summary included in periodic reports filed with the Commission. An example of an agreement or arrangement falling under this exception is a director or a nominee for director being employed by a private equity or venture capital firm, or a fund established by such firm, where employees are expected to and routinely serve on the boards of the fund's portfolio companies and their remuneration is not materially affected by such service. If such a director a nominee's remuneration is materially increased in connection with such person's candidacy or service as a director of the company, only the difference between the new and previous level of compensation needs to be disclosed under the proposed rule.

Additionally, the proposed rule would not apply to agreements and arrangements that relate only to reimbursement of expenses incurred in connection with candidacy as a director, whether or not such reimbursement arrangement has been publicly disclosed. Further, Commission Rule 14a-12(c) subjects persons soliciting proxies in opposition to companies' proxy solicitation to certain disclosure requirements of Schedule 14A of the

Act. The proposed rule relieves the company from the disclosure requirements of the proposed Rule 14.207(b)(3)(A) where an agreement or arrangement for a director or a nominee has been disclosed under Item 5(b) of Schedule 14A of the Act in the current fiscal year. However, such an agreement or arrangement is subject to the continuous disclosure requirements of the proposed Rule 14.207(b)(3)(B) on an annual basis. Similarly, a Company that provides disclosure in the current fiscal year pursuant to the requirement in Item 5.02(d)(2) of Form 8-K requiring “a brief description of any arrangement or understanding between the new director and any other persons, naming such persons, pursuant to which such director was selected as a director” – would not have to make a separate disclosure under the proposed Rule 14.207(b)(3)(A). Such disclosure under Commission rules, however, shall not relieve a company of its ongoing obligation under the proposed Rule 14.207(b)(3)(B) to make annual disclosure.

In recognition that a company, despite reasonable efforts, may not be able to identify all such agreements and arrangements, the proposed rule provides that a company shall not be deficient with the proposed disclosure requirements if it has undertaken reasonable efforts to identify all such agreements and arrangements, including by asking each director or nominee in a manner designed to allow timely disclosure, and upon discovery of a non-disclosed arrangement, promptly makes the required disclosure by filing a Form 8-K or 6-K, where required by Commission rules, or by issuing a press release. However, such remedial disclosure, regardless of its timing, does not satisfy the ongoing annual disclosure requirements under subparagraph (B).

In cases where a company is considered deficient, the company must provide a plan to regain compliance. Consistent with deficiencies from most other rules that allow

a company to submit a plan to regain compliance,¹³ IEX proposes to allow companies deficient under the proposed rule 45 calendar days to submit a plan sufficient to satisfy IEX staff that the company has adopted processes and procedures designed to identify and disclose relevant agreements and arrangements in the future. If the company does not do so, it would be issued a Staff Delisting Determination, which the company could appeal to a Hearings Panel pursuant to Rule 14.502.

b. Statutory Basis

IEX believes that the proposed rule change is consistent with Section 6(b)14 of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act, 15 in particular, in that it is 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 investors and the public interest. The proposal accomplishes these objectives by enhancing transparency around third party compensation and payments made in connection with board service. The Exchange believes such disclosure has several benefits: it would provide information to investors to help them make meaningful investing and voting decisions. It would also address potential concerns that undisclosed

¹³ Pursuant to Rule 14.501(c)(2)(A), a company is provided 45 days to submit a plan to regain compliance with Rules 14.408(c) (Quorum), 14.411 (Review of Related Party Transactions), 14.412 (Shareholder Approval), 14.207(c)(3) (Auditor Registration), 14.208(a) (Direct Registration Program), 14.406 (Code of Conduct), 14.407(a)(4)(E) (Quorum of Limited Partnerships), 14.407(a)(4)(G) (Related Party Transactions of Limited Partnerships), and 14.413 (Voting Rights). A company is generally provided 60 days to submit a plan to regain compliance with the requirements to timely file periodic reports contained in Rule 14.207(c)(1).

¹⁴ 15 U.S.C. 78f.

¹⁵ 15 U.S.C. 78f(b)(5).

third party compensation arrangements may lead to conflicts of interest among directors and call into question their ability to satisfy fiduciary duties.

The Exchange believes that it is consistent with the protection of investors and the public interest, and not unfairly discriminatory, to permit foreign private issuers to comply with home country practice in lieu of the requirements of the proposed rule. This approach is consistent with an existing structure for foreign private issuers whereby such companies may follow home country practice in lieu of certain listing rules, subject to an established process which includes disclosure obligations and submission to IEX of a written statement from an independent counsel in such Company's home country certifying that the Company's practices are not prohibited by the home country's laws.

Further, the Exchange notes that a substantially identical proposed rule change by the Nasdaq Stock Market LLC ("Nasdaq") was recently approved by the Commission, pursuant to which the Commission found that the Nasdaq proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.¹⁶ In particular, the Commission found that the Nasdaq proposed rule change is "consistent with the requirements of Section 6(b)(5) of the Act, which requires, among other things, that the Exchange's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and not be designed to permit, among other things, unfair discrimination between issuers." Accordingly, the Exchange believes that the same considerations apply

¹⁶ See Securities Exchange Act Release No. 78223 (July 1, 2016), 81 FR 44400 (July 7, 2016).

to this proposed rule change since the proposed changes are substantially identical to the Nasdaq rules.

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

IEX does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule to require listed companies to disclose third party compensation and payments in connection with board service is intended to provide meaningful information to investors and to address potential concerns with undisclosed compensation arrangements without creating unnecessary burdens on directors or those making the payments.

Further, the proposed rule change is intended to promote transparency and protect investors. To the extent that a competitor marketplace believes that the proposed rule change places it at a competitive disadvantage, it of course may file with the Commission a proposed rule change to adopt the same or similar rule.

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

Written comments were neither solicited nor received.

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)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)¹⁷ of the Act and Rule 19b-4(f)(6)¹⁸ thereunder, in that it effects a change that

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f)(6).

(A) does not significantly affect the protection of investors or the public interest; (B) does not impose any significant burden on competition; and (C) by its terms does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. As discussed in the Statutory Basis section, the proposed rule change is substantially identical to existing Nasdaq rules applicable to listed companies.¹⁹ Accordingly, the Exchange believes that the proposed rule change is noncontroversial and satisfies the requirements of Rule 19b-4(f)(6)²⁰ in that it does not raise any new or novel issues not already considered by the Commission.

Furthermore, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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

The proposed rule change is based on the rules of Nasdaq applicable to its listed companies.

¹⁹ See *supra* note 16

²⁰ 17 CFR 240.19b-4(f)(6).

9. Security-Based Swap Submissions Filed Pursuant to Section 3 C 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 the Proposed Rule Change for Publication in the Federal Register.

Exhibit 5 – Text of Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34 -); File No. SR-IEX-2016-19)

Self-Regulatory Organizations: Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Require Listed Companies to Publicly Disclose Compensation or Other Payments by Third Parties to Any Nominee for Director or Sitting Director in Connection with Their Candidacy for or Service On the Companies' Board of Directors.

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 (date), the Investors Exchange LLC ("IEX" 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

Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 ("Act"),⁴ and Rule 19b-4 thereunder,⁵ Investors Exchange LLC ("IEX" or "Exchange") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to require listed companies to publicly disclose compensation or other payments by third parties to any nominee for director or sitting director in

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ 15 U.S.C. 78s(b)(1).

⁵ 17 CFR 240.19b-4.

connection with their candidacy for or service on the companies' Board of Directors.

The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.⁶

The text of the proposed rule change is available at the Exchange's website at www.iextrading.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 the Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included 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 these statement may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

On June 17, 2016 the Commission granted IEX's application for registration as a national securities exchange under Section 6 of the Act including approval of rules applicable to the qualification, listing and delisting of companies on the Exchange. The Exchange plans to begin a listing program in 2017 and is proposing additional rules applicable to companies listing on the Exchange in this proposed rule change.

IEX rules require listed companies to make public disclosure in several areas. For example, a listed company is required to publicly disclose material information that

⁶ 17 CFR 240.19b-4(f)(6)(iii).

would reasonably be expected to affect the value of its securities or influence investors' decisions as well as when non-independent directors serve on a committee that generally requires only independent directors, such as for a controlled company or under exceptional and limited circumstances.⁷ A listed company is also required to file required periodic reports with the Commission.⁸ A principal purpose of these disclosure requirements is to protect investors and ensure these investors have necessary information to make informed investment and voting decisions.

However, based on press reports and information from market participants, IEX understands there is one area where investors may not have complete or timely information. This is when third parties compensate directors in connection with their candidacy for and/or service on company Board of Directors. This third-party compensation, which may not be publicly disclosed, arises when a shareholder privately offers to compensate nominee directors in connection with those nominees' candidacy or service as directors. These arrangements vary but may include compensating directors based on achieving benchmarks such as an increase in share price over a fixed term.⁹

IEX believes these undisclosed compensation arrangements potentially raise several concerns, including that they may lead to conflicts of interest among directors and call into question the directors' ability to satisfy their fiduciary duties. These arrangements may also tend to promote a focus on short-term results at the expense of long-term value creation. IEX believes that enhancing transparency around third-party board compensation would help address these concerns and would benefit investors by

⁷ See Rules 14.207(b)(1), 14.407(c)(2), 14.405(c)(2)(B), 14.405(d)(2)(B) and 14.405(e)(3).

⁸ See Rule 14.207(c).

⁹ See, discussion generally in Securities Exchange Act Release No. 78223 (July 1, 2016), 81 FR 44400 (July 7, 2016) (Order Granting Approval of SR-NASDAQ-2016-13).

making available information potentially relevant to investment and voting decisions.

IEX further believes that the proposed disclosure would not create meaningful burdens on directors or those making these payments nor on the companies required to make the disclosure.¹⁰

Accordingly, IEX is proposing to adopt Rule 14.207(b)(3) to require listed companies to publicly disclose on or through the companies' website or proxy statement or information statement for any shareholders' meeting at which directors are elected (or, if they do not file proxy or information statements, in Form 10-K or Form 20-F),¹¹ the material terms of all agreements and arrangements between any director or nominee and any person or entity other than the company (the "Third Party") relating to compensation or other payment in connection with that person's candidacy or service as a director.^{12, 13}

A company may make this disclosure through its website by hyperlinking to another website, which must be continuously accessible. If that website subsequently becomes inaccessible or that hyperlink inoperable, the company must promptly restore it or make other disclosure in accordance with this proposed rule.

Consistent with other exemptions afforded certain types of companies, the Exchange is also proposing to amend Rule 14.407(a)(3) to provide that a foreign private issuer may follow home country practice in lieu of the requirements of the proposed rule.

¹⁰ See, note 9.

¹¹ This disclosure method is consistent with the method under Rule 14.405(d)(2)(B) for disclosure of the appointment of a non-independent compensation committee member under exceptional and limited circumstances.

¹² The proposal is intended to apply to agreements and arrangements whether or not the right to nominate a director legally belongs to a third party. See Supplementary Material .07 to Rule 14.405 (Independent Director Oversight of Director Nominations).

¹³ If the Company provides disclosure in a proxy or information statement, including to satisfy the SEC's proxy disclosure requirements, sufficient to comply with this rule, its obligation to satisfy this rule is fulfilled regardless of the reason for which such disclosure was made.

A Foreign Private Issuer may follow its home country practice in lieu of the requirements of Rule 14.207(b)(3) by utilizing the process described in Rule 14.407(a)(3), including but not limited to the requirement to submit to IEX a written statement from an independent counsel in such Company's home country certifying that the Company's practices are not prohibited by the home country's laws.

Companies listed at the time this proposed rule becomes effective or initially listed thereafter must disclose all agreements and arrangements in accordance with this proposed rule by no later than the date on which the Company files or furnishes a proxy or information statement subject to Regulation 14A or 14C under the Act in connection with the Company's next shareholders' meeting at which directors are elected (or, if they do not file proxy or information statements, no later than when the Company files next Form 10-K or Form 20-F). Thereafter, a listed company must make this disclosure at least annually until the earlier of the resignation of the director or one year following the termination of the agreement or arrangement.¹⁴ The proposed rule does not separately require the initial disclosure of newly entered into agreements or arrangements, provided that disclosure is made pursuant to this rule for the next shareholder meeting at which directors are elected.

If a Company discovers an agreement or arrangement that should have been disclosed pursuant to subparagraph (A) of the proposed rule but was not, the Company must promptly make the required disclosure in accordance with this proposed rule.¹⁵ In

¹⁴ A Company posting the requisite disclosure on or through its website must make it publicly available no later than the date on which the Company files a proxy or information statement in connection with a shareholders' meeting at which directors are elected (or, if they do not file proxy or information statements, no later than when the Company files its next Form 10-K or Form 20-F).

¹⁵ See infra discussion on remedial disclosure.

addition, for agreements and arrangements not required to be disclosed in accordance with subparagraph (A)(ii) of the proposed rule, such as employment with a third party that existed prior to the nominee's candidacy and is otherwise disclosed, but where the director or nominee's remuneration is thereafter materially increased specifically in connection with such person's candidacy or service as a director of the company, only the difference between the new and previous level of compensation or other payment obligation need be disclosed.

The terms "compensation" and "other payment" as used in this proposed rule are intended to be construed broadly and apply to agreements and arrangements that provide for non-cash compensation and other payment obligations, such as health insurance premiums or indemnification, made in connection with a person's candidacy or service as a director. Further, at a minimum, the disclosure should identify the parties to and the material terms of the agreement or arrangement relating to compensation.

In recognition of circumstances that do not raise the concerns noted above or where such disclosure may be duplicative, the proposed rule would not apply to agreements and arrangements that existed before the nominee's candidacy and the nominee's relationship with the Third Party has been otherwise publicly disclosed, for example, pursuant to Items 402(a)(2) of Regulation S-K or in a director's biographical summary included in periodic reports filed with the Commission. An example of an agreement or arrangement falling under this exception is a director or a nominee for director being employed by a private equity or venture capital firm, or a fund established by such firm, where employees are expected to and routinely serve on the boards of the fund's portfolio companies and their remuneration is not materially affected by such

service. If such a director a nominee's remuneration is materially increased in connection with such person's candidacy or service as a director of the company, only the difference between the new and previous level of compensation needs to be disclosed under the proposed rule.

Additionally, the proposed rule would not apply to agreements and arrangements that relate only to reimbursement of expenses incurred in connection with candidacy as a director, whether or not such reimbursement arrangement has been publicly disclosed. Further, Commission Rule 14a-12(c) subjects persons soliciting proxies in opposition to companies' proxy solicitation to certain disclosure requirements of Schedule 14A of the Act. The proposed rule relieves the company from the disclosure requirements of the proposed Rule 14.207(b)(3)(A) where an agreement or arrangement for a director or a nominee has been disclosed under Item 5(b) of Schedule 14A of the Act in the current fiscal year. However, such an agreement or arrangement is subject to the continuous disclosure requirements of the proposed Rule 14.207(b)(3)(B) on an annual basis. Similarly, a Company that provides disclosure in the current fiscal year pursuant to the requirement in Item 5.02(d)(2) of Form 8-K requiring "a brief description of any arrangement or understanding between the new director and any other persons, naming such persons, pursuant to which such director was selected as a director" – would not have to make a separate disclosure under the proposed Rule 14.207(b)(3)(A). Such disclosure under Commission rules, however, shall not relieve a company of its ongoing obligation under the proposed Rule 14.207(b)(3)(B) to make annual disclosure.

In recognition that a company, despite reasonable efforts, may not be able to identify all such agreements and arrangements, the proposed rule provides that a

company shall not be deficient with the proposed disclosure requirements if it has undertaken reasonable efforts to identify all such agreements and arrangements, including by asking each director or nominee in a manner designed to allow timely disclosure, and upon discovery of a non-disclosed arrangement, promptly makes the required disclosure by filing a Form 8-K or 6-K, where required by Commission rules, or by issuing a press release. However, such remedial disclosure, regardless of its timing, does not satisfy the ongoing annual disclosure requirements under subparagraph (B).

In cases where a company is considered deficient, the company must provide a plan to regain compliance. Consistent with deficiencies from most other rules that allow a company to submit a plan to regain compliance,¹⁶ IEX proposes to allow companies deficient under the proposed rule 45 calendar days to submit a plan sufficient to satisfy IEX staff that the company has adopted processes and procedures designed to identify and disclose relevant agreements and arrangements in the future. If the company does not do so, it would be issued a Staff Delisting Determination, which the company could appeal to a Hearings Panel pursuant to Rule 14.502.

2. Statutory Basis

IEX believes that the proposed rule change is consistent with Section 6(b)17 of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act, 18 in particular, in that it is designed to prevent fraudulent and manipulative acts and practices,

¹⁶ Pursuant to Rule 14.501(c)(2)(A), a company is provided 45 days to submit a plan to regain compliance with Rules 14.408(c) (Quorum), 14.411 (Review of Related Party Transactions), 14.412 (Shareholder Approval), 14.207(c)(3) (Auditor Registration), 14.208(a) (Direct Registration Program), 14.406 (Code of Conduct), 14.407(a)(4)(E) (Quorum of Limited Partnerships), 14.407(a)(4)(G) (Related Party Transactions of Limited Partnerships), and 14.413 (Voting Rights). A company is generally provided 60 days to submit a plan to regain compliance with the requirements to timely file periodic reports contained in Rule 14.207(c)(1).

¹⁷ 15 U.S.C. 78f.

¹⁸ 15 U.S.C. 78f(b)(5).

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 investors and the public interest. The proposal accomplishes these objectives by enhancing transparency around third party compensation and payments made in connection with board service. The Exchange believes such disclosure has several benefits: it would provide information to investors to help them make meaningful investing and voting decisions. It would also address potential concerns that undisclosed third party compensation arrangements may lead to conflicts of interest among directors and call into question their ability to satisfy fiduciary duties.

The Exchange believes that it is consistent with the protection of investors and the public interest, and not unfairly discriminatory, to permit foreign private issuers to comply with home country practice in lieu of the requirements of the proposed rule. This approach is consistent with an existing structure for foreign private issuers whereby such companies may follow home country practice in lieu of certain listing rules, subject to an established process which includes disclosure obligations and submission to IEX of a written statement from an independent counsel in such Company's home country certifying that the Company's practices are not prohibited by the home country's laws.

Further, the Exchange notes that a substantially identical proposed rule change by the Nasdaq Stock Market LLC ("Nasdaq") was recently approved by the Commission, pursuant to which the Commission found that the Nasdaq proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder

applicable to a national securities exchange.¹⁹ In particular, the Commission found that the Nasdaq proposed rule change is “consistent with the requirements of Section 6(b)(5) of the Act, which requires, among other things, that the Exchange’s rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and not be designed to permit, among other things, unfair discrimination between issuers.” Accordingly, the Exchange believes that the same considerations apply to this proposed rule change since the proposed changes are substantially identical to the Nasdaq rules.

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

IEX does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule to require listed companies to disclose third party compensation and payments in connection with board service is intended to provide meaningful information to investors and to address potential concerns with undisclosed compensation arrangements without creating unnecessary burdens on directors or those making the payments.

Further, the proposed rule change is intended to promote transparency and protect investors. To the extent that a competitor marketplace believes that the proposed rule change places it at a competitive disadvantage, it of course may file with the Commission a proposed rule change to adopt the same or similar rule.

¹⁹ See Securities Exchange Act Release No. 78223 (July 1, 2016), 81 FR 44400 (July 7, 2016).

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

Written comments were neither solicited nor received.

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

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A)²⁰ of the Act and Rule 19b-4(f)(6)²¹ thereunder. Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)²² normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),²³ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay to the extent necessary so that the proposal may become operative at the time of the launch of its operation as a national securities exchange.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the

²⁰ 15 U.S.C. 78s(b)(3)(A).

²¹ 17 CFR 240.19b-4(f)(6).

²² 17 CFR 240.19b-4(f)(6).

²³ 17 CFR 240.19b-4(f)(6)(iii).

protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)²⁴ of the Act to determine whether the proposed rule change should be approved or 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 email to rule-comments@sec.gov. Please include File Number SR-IEX-2016-19 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-IEX-2016-03. This file number should be included in the subject line if email 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

²⁴ 15 U.S.C. 78s(b)(2)(B).

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 Section, 100 F Street, NE, Washington, DC 20549-1090. Copies of the filing will also be available for inspection and copying at the IEX's principal office and on its Internet website at www.iextrading.com. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-IEX-2016-19 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.²⁵

²⁵ 17 CFR 200.30-3(a)(12).

Exhibit 5 – Text of Proposed Rule Change

Proposed new language is underlined; proposed deletions are in brackets.

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Rule 14.207. Obligations of Companies Listed on the Exchange

(a) No Change.

(b) Obligation to Make Public Disclosure

(1) – (2) No Change.

(3) Disclosure of Third Party Director and Nominee Compensation

Companies must disclose all agreements and arrangements in accordance with this rule by no later than the date on which the Company files or furnishes a proxy or information statement subject to Regulation 14A or 14C under the Act in connection with the Company's next shareholders' meeting at which directors are elected (or, if they do not file proxy or information statements, no later than when the Company files its next Form 10-K or Form 20-F).

(A) A Company shall disclose either on or through the Company's website or in the proxy or information statement for the next shareholders' meeting at which directors are elected (or, if the Company does not file proxy or information statements, in its Form 10-K or 20-F), the material terms of all agreements and arrangements between any director or nominee for director, and any person or entity other than the Company (the "Third Party"), relating to compensation or other payment in connection with such person's candidacy or service as a director of the Company. A Company need not disclose pursuant to this rule agreements and arrangements that: (i) relate only to reimbursement of expenses in connection with candidacy as a director; (ii) existed prior to the nominee's candidacy (including as an employee of the other person or entity) and the nominee's relationship with the Third Party has been publicly disclosed in a proxy or information statement or annual report (such as in the director or nominee's biography); or (iii) have been disclosed under Item 5(b) of Schedule 14A of the Act or Item 5.02(d)(2) of Form 8-K in the current fiscal year. Disclosure pursuant to Commission rule shall not relieve a Company of its annual obligation to make disclosure under subparagraph (B).

(B) A Company must make the disclosure required in subparagraph (A) at least annually until the earlier of the resignation of the director or one year following the termination of the agreement or arrangement.

(C) If a Company discovers an agreement or arrangement that should have been disclosed pursuant to subparagraph (A) but was not, the Company must promptly make the required disclosure by filing a Form 8-K or 6-K, where required by SEC rules, or by issuing a press release. Remedial disclosure under this subparagraph, regardless of its timing, does not satisfy the annual disclosure requirements under subparagraph (B).

(D) A Company shall not be considered deficient with respect to this paragraph for purposes of IEX Rule 14.501 if the Company has undertaken reasonable efforts to identify all such agreements or arrangements, including asking each director or nominee in a manner designed to allow timely disclosure, and makes the disclosure required by subparagraph (C) promptly upon discovery of the agreement or arrangement. In all other cases, the Company must submit a plan sufficient to satisfy Exchange staff that the Company has adopted processes and procedures designed to identify and disclose relevant agreements or arrangements.

(E) A Foreign Private Issuer may follow its home country practice in lieu of the requirements of IEX Rule 14.207(b)(3) by utilizing the process described in IEX Rule 14.407(a)(3).

(c) – (f) No change.

Supplementary Material

.01 - .02 No change.

.03 Disclosure of Third Party Director and Nominee Compensation

IEX Rule 14.207(b)(3) requires listed companies to publicly disclose the material terms of all agreements and arrangements between any director or nominee and any person or entity (other than the Company) relating to compensation or other payment in connection with that person’s candidacy or service as a director. The terms “compensation” and “other payment” as used in this rule are not limited to cash payments and are intended to be construed broadly.

Subject to exceptions provided in the rule, the disclosure must be made on or through the Company's website or in the proxy or information statement for the next shareholders’ meeting at which directors are elected in order to provide shareholders with information and sufficient time to help them make meaningful voting decisions. A Company posting the requisite disclosure on or through its website must make it publicly available no later

than the date on which the Company files a proxy or information statement in connection with such shareholders' meeting (or, if they do not file proxy or information statements, no later than when the Company files its next Form 10-K or Form 20-F). Disclosure made available on the Company's website or through it by hyperlinking to another website, must be continuously accessible. If the website hosting the disclosure subsequently becomes inaccessible or that hyperlink inoperable, the company must promptly restore it or make other disclosure in accordance with this rule.

IEX Rule 14.207(b)(3) does not separately require the initial disclosure of newly entered into agreements or arrangements, provided that disclosure is made pursuant to this rule for the next shareholders' meeting at which directors are elected. In addition, for publicly disclosed agreements and arrangements that existed prior to the nominee's candidacy and thus not required to be disclosed in accordance with IEX Rule 14.207(b)(3)(A)(ii) but where the director or nominee's remuneration is thereafter materially increased specifically in connection with such person's candidacy or service as a director of the Company, only the difference between the new and previous level of compensation or other payment obligation needs be disclosed.

All references in this rule to proxy or information statements are to the definitive versions thereof.

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Rule 14.407. Exemptions from Certain Corporate Governance Requirements

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(a) Exemptions to the Corporate Governance Requirements

(1) – (2) No change.

(3) Foreign Private Issuers

(A) A Foreign Private Issuer may follow its home country practice in lieu of the requirements of the IEX Rule 14.400 Series, the requirement to disclose third party director and nominee compensation set forth in IEX Rule 14.207(b)(3), and the requirement to distribute annual and interim reports set forth in IEX Rule 14.207(d), provided, however, that such a Company shall: comply with the Notification of Noncompliance requirement (IEX Rule 14.410), the Voting Rights requirement (IEX Rule 14.413), have an audit committee that satisfies IEX Rule 14.405(c)(3), and ensure that such audit committee's members meet the independence requirement in IEX Rule 14.405(c)(2)(A)(ii). Except as provided in this paragraph, a Foreign Private Issuer must comply with the requirements of Chapter 14.

(B) No change.

Supplementary Material

.03 Foreign Private Issuer Supplemental

A Foreign Private Issuer (as defined in IEX Rule 14.002) listed on IEX may follow the practice in such Company's home country (as defined in General Instruction F of Form 20-F) in lieu of the provisions of the IEX Rule Series 14.400, 14.207(b)(3), and IEX Rule 14.207(d), subject to several important exceptions. First, such an issuer shall comply with IEX Rule 14.410 (Notification of Noncompliance). Second, such a Company shall have an audit committee that satisfies IEX Rule 14.405(c)(3). Third, members of such audit committee shall meet the criteria for independence referenced in IEX Rule 14.405(c)(2)(A)(ii) (the criteria set forth in Rule 10A-3(b)(1) under the Act, subject to the exemptions provided in Rule 10A-3(c) under the Act). Finally, a Foreign Private Issuer that elects to follow home country practice in lieu of a requirement of IEX Rules 14.400, 14.207(b)(3) or 14.207(d) shall submit to IEX a written statement from an independent counsel in such Company's home country certifying that the Company's practices are not prohibited by the home country's laws. In the case of new listings, this certification is required at the time of listing. For existing Companies, the certification is required at the time the Company seeks to adopt its first noncompliant practice. In the interest of transparency, the rule requires a Foreign Private Issuer to make appropriate disclosures in the Company's annual filings with the Commission (typically Form 20-F or 40-F), and at the time of the Company's original listing in the United States, if that listing is on IEX, in its registration statement (typically Form F-1, 20-F, or 40-F); alternatively, a Company that is not required to file an annual report on Form 20-F may provide these disclosures in English on its website in addition to, or instead of, providing these disclosures on its registration statement or annual report. The Company shall disclose each requirement that it does not follow and include a brief statement of the home country practice the Company follows in lieu of these corporate governance requirement(s). If the disclosure is only available on the website, the annual report and registration statement should so state and provide the web address at which the information may be obtained. Companies that must file annual reports on Form 20-F are encouraged to provide these disclosures on their websites, in addition to the required Form 20-F disclosures, to provide maximum transparency about their practices.

(4) – (5) No change.

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Rule 14.501. Notification of Deficiency by IEX Regulation

(a) – (c) No change.

(d) Types of Deficiencies and Notifications

The type of deficiency at issue determines whether the Company will be immediately suspended and delisted, or whether it may submit a compliance plan for review or is entitled to an automatic cure or compliance period before a Staff Delisting Determination is issued. In the case of a deficiency not specified below, Staff will issue the Company a Staff Delisting Determination or a Public Reprimand Letter.

- (1) No change.
- (2) Deficiencies for which a Company may Submit a Plan of Compliance for Staff Review.

(A) Submission of Plan of Compliance. Unless the Company is currently under review by the Listings Review Committee for a Staff Delisting Determination, IEX Regulation may accept and review a plan to regain compliance when a Company is deficient with respect to one of the standards listed in subsections (i) through [(iv)](v) below. In accordance with Rule 14.501(d)(2)(C), plans provided pursuant to subsections (i) through [(iii)](iv) below must be provided generally within 45 calendar days, and in accordance with Rule 14.501(d)(2)(F), plans provided pursuant to subsection [(iv)](v) must be provided generally within 60 calendar days.

(i) – (iii) No change.

(iv) failure to make the disclosure required by IEX Rule 14.207(b)(3).

(v) failure to file periodic reports as required by IEX Rule 14.207(c)(1) or (2).

(B) – (F) No change.

(3) – (4) No change.

(e) No change.

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