

Ferrari



ANNUAL GENERAL MEETING
April 16, 2020

AGENDA AND EXPLANATORY NOTES



AGENDA

ANNUAL GENERAL MEETING OF SHAREHOLDERS
OF FERRARI N.V. (THE “**COMPANY**”)
TO BE HELD ON THURSDAY, APRIL 16, 2020 AT 3:00 P.M.
CEST AT THE OFFICES OF FRESHFIELDS BRUCKHAUS
DERINGER LLP AT STRAWINSKYLAAN 10, 1077 XZ
AMSTERDAM, THE NETHERLANDS

1. OPENING

2. ANNUAL REPORT 2019

- a. Report of the Board of Directors for the financial year 2019 (*discussion*)
- b. Policy on additions to reserves and on dividends (*discussion*)
- c. Remuneration Report 2019 (*discussion and advisory vote*)
- d. Adoption of the 2019 Annual Accounts (*voting*)
- e. Determination and distribution of dividend (*voting*)
- f. Granting of discharge to the directors in respect of the performance of their duties during the financial year 2019 (*voting*)

3. APPOINTMENT OF THE EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS

- a. Re-appointment of John Elkann (executive director) (*voting*)
- b. Re-appointment of Louis C. Camilleri (executive director) (*voting*)
- c. Re-appointment of Piero Ferrari (non-executive director) (*voting*)
- d. Re-appointment of Delphine Arnault (non-executive director) (*voting*)
- e. Re-appointment of Eduardo H. Cue (non-executive director) (*voting*)
- f. Re-appointment of Sergio Duca (non-executive director) (*voting*)
- g. Re-appointment of Maria Patrizia Grieco (non-executive director) (*voting*)
- h. Re-appointment of Adam Keswick (non-executive director) (*voting*)
- i. Appointment of Francesca Bellettini (non-executive director) (*voting*)
- j. Appointment of Roberto Cingolani (non-executive director) (*voting*)
- k. Appointment of John Galantic (non-executive director) (*voting*)

4. APPOINTMENT OF THE INDEPENDENT AUDITOR (*voting*)

Proposal to appoint Ernst & Young Accountants LLP as the independent auditor of the Company

5. AMENDMENT OF THE REMUNERATION POLICY OF THE BOARD OF DIRECTORS (*voting*)

Proposal to amend the remuneration policy of the Board of Directors to align it with new legislation



6. DELEGATION TO THE BOARD OF DIRECTORS OF THE AUTHORITY TO ISSUE SHARES IN THE CAPITAL OF THE COMPANY AND TO LIMIT OR TO EXCLUDE PRE-EMPTION RIGHTS

6.1 Proposal to designate the Board of Directors as the corporate body authorized to issue common shares and to grant rights to subscribe for common shares as provided for in article 6 of the Company's articles of association (*voting*)

6.2 Proposal to designate the Board of Directors as the corporate body authorized to limit or to exclude pre-emption rights for common shares as provided for in article 7 of the Company's articles of association (*voting*)

6.3 Proposal to designate the Board of Directors as the corporate body authorized to issue special voting shares and to grant rights to subscribe for special voting shares up to the maximum aggregate amount of special voting shares as provided for in the Company's authorized share capital as set out in the Company's articles of association, as amended from time to time, as provided for in article 6 of the Company's articles of association (*voting*)

7. DELEGATION TO THE BOARD OF DIRECTORS OF THE AUTHORITY TO ACQUIRE COMMON SHARES IN THE CAPITAL OF THE COMPANY (*voting*)

Proposal to authorize the Board of Directors to acquire fully paid-up common shares in the Company's own share capital as specified in article 8 of the Company's articles of association

8. APPROVAL OF AWARDS TO THE CHAIRMAN (*voting*)

Proposal to approve the plan to award (rights to subscribe for) common shares in the capital of the Company to the Chairman in accordance with article 14.6 of the Company's articles of association

9. CLOSE OF MEETING



EXPLANATORY NOTES TO THE AGENDA

Item 1: Opening

The chairperson of the meeting will open the Annual General Meeting of Shareholders.

Item 2: Annual Report 2019

2.a. Report of the Board of Directors for the financial year 2019 (discussion)

The Report on Operations of Ferrari N.V. is contained in the Company's Annual Report 2019. For further details please refer to the "Report on Operations" section of the Annual Report.

2.b. Policy on additions to reserves and on dividends (discussion)

Dividend Policy

The share capital of Company consists of common shares and special voting shares.

Common shares

The Company has adopted a new dividend policy in 2018 for the coming years contemplating an annual ordinary dividend to be distributed by the Company to the holders of common shares equal to 30 percent of the annual net profit of the relevant previous financial year. The actual level of dividend to be distributed by the Company will be subject to earnings, cash balances, commitments, strategic plans and other factors that the Board of Directors may deem relevant at the time of a dividend distribution, including adjustments for income or costs that are significant in nature but expected to occur infrequently. The Company refers to the Annual Report 2019 for a further description of the dividend policy.

In compliance with the abovementioned dividend policy, the Company intends to make a dividend distribution on the common shares, as further mentioned under item 2.e.

Special voting shares

The holders of special voting shares are not entitled to any distributions, but pursuant to the Company's articles of association, from any amount of profits not reserved by the Board of Directors, first an amount shall be allocated and added to a separate special voting shares dividend reserve for the benefit of the holders of special voting shares, in accordance with article 23.4 of the articles of association of the Company (the "**Special Voting Shares Dividend Reserve**").

The Company has no intention to propose any distribution from the Special Voting Shares Dividend Reserve.

2.c. Remuneration Report 2019 (discussion and advisory vote)

The directors' remuneration report for 2019 is available on the Company's website. For further details please refer to the following link:



<https://corporate.ferrari.com/en/investors/stock-and-shareholder-corner/shareholders-meetings>. The remuneration report for 2019 will be discussed. Pursuant to new legislation shareholders may render an advisory vote regarding the remuneration report. Shareholders can either vote in favour of, or against, a positive advice with respect to the remuneration report. Any votes "against" will qualify as a negative advice. The results of the voting will be regarded as an advisory – non-binding – vote with respect to the remuneration report for 2019 and in the remuneration report for 2020 the Company will explain how the voting by the shareholders in this Annual General Meeting of Shareholders has been taken into account.

2.d. Adoption of the 2019 Annual Accounts (voting)

The 2019 Annual Accounts have been audited by Ernst & Young Accountants LLP, the Netherlands, who have issued an unqualified opinion in respect thereof. It is proposed that the 2019 Annual Accounts will be adopted by the General Meeting of Shareholders.

2.e. Determination and distribution of dividend (voting)

Subject to the adoption of the 2019 Annual Accounts (including the consolidated and statutory financial statements) by the General Meeting of Shareholders (in accordance with article 22, paragraph 8 of the articles of association of the Company), the Board of Directors proposes to distribute a dividend in cash of EUR 1.13 per outstanding common share, totalling approximately EUR 210 million.

Assuming the shareholders approve such dividend distribution, the outstanding common shares will be quoted ex-dividend from April 20, 2020; the record date for the dividend shall be April 21, 2020 on both *Mercato Telematico Azionario* and New York Stock Exchange. It is expected that the dividend on the outstanding common shares will be paid on May 5, 2020.

The balance between the total amount of the dividend distribution for the financial year 2019 and the full amount of profits shown in the Company's 2019 Annual Accounts shall be reserved in order to further fund capital requirements of the Company's Group.

2.f. Granting of discharge to the directors in respect of the performance of their duties during the financial year 2019 (voting)

The General Meeting of Shareholders is requested to grant discharge to the executive directors in office in 2019 in respect of the performance of their management duties as such management is apparent from the financial statements or otherwise disclosed to the General Meeting of Shareholders prior to the adoption of the 2019 Annual Accounts and to grant discharge to the non-executive directors in office in 2019 in respect of the performance of their non-executive duties as such performance is apparent from the financial statements or otherwise disclosed to the General Meeting of Shareholders prior to the adoption of the 2019 Annual Accounts.

Item 3: Appointment of the executive directors and non-executive directors

3.a. Re-appointment of John Elkann (executive director) (voting)



3.b. Re-appointment of Louis C. Camilleri (executive director) (voting)

Article 14, paragraph 3 of the articles of association of the Company determines that the term of office of the executive directors will expire on the day the first Annual General Meeting of Shareholders is held in the following calendar year, while also allowing the annual re-appointment of its executive directors. John Elkann and Louis C. Camilleri are eligible and have stated their willingness to accept, a re-appointment as executive directors.

The Board of Directors believes that the directors seeking re-appointment at the Annual General Meeting of Shareholders contribute significantly to the Company and to perform their duties effectively, and that they demonstrate commitment to their role in the Company. Accordingly, upon recommendation of the Governance and Sustainability Committee, the Board of Directors recommends to the shareholders the re-appointment of John Elkann and Louis C. Camilleri as executive directors.

The relevant biographical details and curriculum vitae of each nominee is available for inspection at the offices of the Company as well as on the Company's corporate website (<http://corporate.ferrari.com>).

3.c Re-appointment of Piero Ferrari (non-executive director) (voting)

3.d. Re-appointment of Delphine Arnault (non-executive director) (voting)

3.e. Re-appointment of Eduardo H. Cue (non-executive director) (voting)

3.f. Re-appointment of Sergio Duca (non-executive director) (voting)

3.g. Re-appointment of Maria Patrizia Grieco (non-executive director) (voting)

3.h. Re-appointment of Adam Keswick (non-executive director) (voting)

3.i. Appointment of Francesca Bellettini (non-executive director) (voting)

3.j. Appointment of Roberto Cingolani (non-executive director) (voting)

3.k. Appointment of John Galantic (non-executive director) (voting)

Article 14, paragraph 3 of the articles of association of the Company determines that the term of office of the non-executive directors will expire on the day the first Annual General Meeting of Shareholders is held in the following calendar year, while also allowing the annual re-appointment of its non-executive directors. Although all non-executive directors were eligible for re-appointment, Giuseppina Capaldo and Elena Zambon decided not to stand for another election. The Board of Directors thanks them for many years of dedicated contribution. The other six non-executive directors have stated their willingness to accept a re-appointment as non-executive directors.

The Board of Directors believes that the contribution and performance of each of the non-executive directors seeking re-appointment at the Annual General Meeting of Shareholders continues to be effective, and that they each demonstrate commitment to their respective roles in the Company. Accordingly, upon recommendation of the Governance and



Sustainability Committee, the Board of Directors recommends to the shareholders the re-appointment of Piero Ferrari, Delphine Arnault, Eduardo H. Cue, Sergio Duca, Maria Patrizia Grieco and Adam Keswick as non-executive directors. In addition, the Board of Directors believes that the appointment of Francesca Bellettini, Roberto Cingolani and John Galantic as new non-executive directors would further enhance its own skills and experience. Accordingly, upon recommendation of the Governance and Sustainability Committee, the Board of Directors recommends the shareholders the election of Francesca Bellettini, Roberto Cingolani and John Galantic for an annual term as new non-executive directors.

The Board of Directors assessed the following candidates as independent pursuant to the Dutch Corporate Governance Code and the New York Stock Exchange Listing Standards: Delphine Arnault, Eduardo H. Cue, Sergio Duca, Maria Patrizia Grieco, Adam Keswick, Francesca Bellettini, Roberto Cingolani and John Galantic. For further details as to independence of Delphine Arnault, Eduardo H. Cue, Sergio Duca, Maria Patrizia Grieco and Adam Keswick, please refer to the paragraph "Independence of the non-executive Directors" in the Company's 2019 Annual Report.

The relevant biographical details and curriculum vitae of each nominee is available for inspection at the offices of the Company as well as on the Company's corporate website (<http://corporate.ferrari.com>).

Item 4: Appointment of the independent auditor (voting)

Proposal to appoint Ernst & Young Accountants LLP as the independent auditor of the Company

Pursuant to article 21, paragraph 1 of the articles of association of the Company, the General Meeting of Shareholders has the authority to appoint the independent auditor that will conduct the audit of the financial statements. The Audit Committee has reviewed the performance of the independent auditor and the effectiveness of the audit. Based on such review the Audit Committee has recommended the re-appointment of Ernst & Young Accountants LLP as independent auditor of the Company until the 2021 Annual General Meeting of Shareholders. The Board of Directors concurs with the Audit Committee's recommendation and submits to the shareholders the proposal to reappoint Ernst & Young Accountants LLP as independent auditor of the Company until the 2021 Annual General Meeting of Shareholders.

Item 5: Amendment of the remuneration policy of the board of directors (voting)

The Company's previous remuneration policy was adopted by the General Meeting of Shareholders on April 14, 2017 and it is proposed to amend this policy to implement changes necessary pursuant to the implementation of the EU Directive 2017/828 into Dutch law. The proposed amended remuneration policy builds upon the previous remuneration policy and no material changes with regards to the substance of the Company's policy in relation to remuneration are contemplated therein. In defining the proposed amended remuneration policy, the Company has taken the following topics into account:



1. The identity, mission and values of the Company;
2. The provisions of statutory requirements, with a specific attention given to the EU Directive 2017/828 and the implementation thereof into Dutch law;
3. International competitive remuneration market trends, centered around the idea that it is becoming increasingly challenging to attract and retain employees in today's tight market;
4. Corporate Governance and Executive Remuneration best practices as expressed by institutional investors guidelines, developing a remuneration policy compliant with the Dutch Corporate Governance Code ("**DCGC**") and the interest of the Company's shareholders;
5. The societal context around and social support in respect of the Company, developing in the remuneration strategy a specific focus on trends in sustainability. The Company is committing to provide a healthy and safe workplace for all employees and stakeholders by implementing a high level of safety standards to avoid any potential risks to people, assets or the environment;
6. The views of the Board of Directors, Senior Management Team Members (the "**SMT Members**"), other senior leaders and all employees, in order to make the health and the safety of our employees essential to the successful conduct and future growth of our Company. In this respect, and in line with the DCGC, the internal pay ratio is an important input for determining the remuneration policy for the Board of Directors; and
7. The interest of our shareholders, represented by the importance of value creation expressed by the use of Total Shareholder Return ("**TSR**") in our long term incentive plans. The Company's Compensation Committee considers that the use of relative TSR remains one of the most appropriate measure of long-term performance for the Company.

The objective of the remuneration policy is to develop a system which consistently supports the business strategy and long-term value creation for all shareholders and the sustainability of the Company, establishing a compensation structure that allows the Company to attract and retain the most highly qualified executives and non-executives and to motivate them to achieve business and financial goals that create long-term value for shareholders in a manner consistent with the core business and leadership values of the Company and taking into account the social context around the Company.

Item 6: Delegation to the Board of Directors of the authority to issue shares in the share capital of the Company and to limit or to exclude pre-emption rights

Pursuant to the articles 6 and 7 of the Company's articles of association, the Board of Directors is irrevocably authorized to issue shares (common shares and special voting shares) and to grant rights to subscribe for shares in the capital of the Company, up to a maximum aggregate amount of shares as provided for in the Company's authorized share capital as set out in the articles of association, as amended from time to time, and to limit or



exclude the right of pre-emption with respect to common shares, for a period of five years from January 2, 2016, which authorizations will therefore expire on January 2, 2021.

In order to maintain the necessary flexibility and be able to quickly respond to circumstances that require the issuance of shares and the limitation or exclusion of pre-emption rights, if any, over an adequate period of time and considering the fact that the current authorization of the Board of Directors expires on January 2, 2021, the Board of Directors presents the following proposals to the General Meeting of Shareholders.

6.1 Proposal to designate the Board of Directors as the corporate body authorized to issue common shares and to grant rights to subscribe for common shares as provided for in article 6 of the Company's articles of association (voting)

In accordance with article 6 of the Company's articles of association, it is proposed to authorize the Board of Directors to issue common shares in the capital of the Company and to grant rights to subscribe for common shares in the capital of the Company.

The authorization is limited to (i) 10% of the issued common shares for general corporate purposes as per the date of the 2020 Annual General Meeting of Shareholders (April 16, 2020), which can be used for any and all purposes, plus (ii) an additional 10% of the issued common shares as per such date if the issuance occurs on the occasion of the acquisition of an enterprise or a corporation, or, if such issuance and/or the granting of rights to subscribe for common shares is otherwise necessary in the opinion of the Board of Directors.

The proposed authorization will allow the Board of Directors to be flexible and to respond quickly to circumstances that require the issuance of common shares. It will furthermore enable the Board of Directors to meet any obligations resulting from equity incentive plans of the Company.

The authorization is requested for the period starting from the date on which the current authorization expires and therefore from January 2, 2021 up to and including 15 October 2021. Consequently, the authorization shall end 18 months from the date of the 2020 Annual General Meeting of Shareholders.

6.2 Proposal to designate the Board of Directors as the corporate body authorized to limit or to exclude pre-emption rights for common shares as provided for in article 7 of the Company's articles of association (voting)

In accordance with article 7 of the Company's articles of association it is proposed to designate the Board of Directors as the corporate body authorized to limit or to exclude pre-emption rights in connection with the issue of and/or the granting of rights to subscribe for common shares in the capital of the Company, for the period starting from the date on which current authorization expires and therefore from January 2, 2021 up to and including 15 October, 2021. Consequently, the authorization shall end 18 months from the date of the 2020 Annual General Meeting of Shareholders.



The proposed authorization, in combination with the authorization under agenda item 6.1, will enable the Board of Directors to be flexible and to respond quickly to circumstances that require an issue of common shares with or without limited pre-emption rights. The authorization is limited to the percentages of the capital as described under agenda item 6.1.

In accordance with article 7 of the Company's articles of association, this proposal must be adopted with a majority of at least two thirds of the votes cast if less than one half of the issued share capital is represented at the Annual General Meeting of Shareholders. If one half or more of the issued share capital is represented at the Annual General Meeting of Shareholders, the resolution can be adopted with a simple majority of the votes cast.

6.3 Proposal to designate the Board of Directors as the corporate body authorized to issue special voting shares and to grant rights to subscribe for special voting shares up to the maximum aggregate amount of special voting shares as provided for in the Company's authorized share capital as set out in the Company's articles of association, as amended from time to time, as provided for in article 6 of the Company's articles of association (voting)

Shareholders may hold special voting shares and common shares or may hold common shares electing to receive special voting shares upon completion of the required holding period registered in the loyalty register of the Company. In accordance with article 5 of the articles of association, subject to a prior resolution of the Board of Directors, which may set certain terms and conditions, the holder of one or more qualifying common shares will be eligible to hold one special voting share for each such qualifying common share.

To enable the Board of Directors to implement article 5 of the articles of association of the Company and to meet possible future requests of shareholders who comply with the terms and conditions qualifying for the issuance of such special voting shares, it is proposed to, in accordance with article 6 of the Company's articles of association, authorize the Board of Directors to issue special voting shares in the capital of the Company and to grant rights to subscribe for special voting shares up to a maximum aggregate amount of special voting shares as provided for in the Company's authorized share capital as set out in the Company's articles of association, as amended from time to time, starting from the date on which the current authorization expires and therefore from January 2, 2021 up to and including October 15, 2021. Consequently, the authorization shall end 18 months from the date of the 2020 Annual General Meeting of Shareholders.

Item 7: Delegation to the Board of Directors of the authority to acquire common shares in the capital of the Company (voting)

The Board of Directors believes that it is advantageous for the Company to have the flexibility to acquire own common shares, *inter alia*, to ensure coverage of equity-based incentive plans by the Company and to enable the Board of Directors to carry out share buy-back programs if the Board of Directors considers such buy-back would increase earnings per share or otherwise be in the best interests of the Company and its shareholders.



Therefore, it is proposed that the General Meeting of Shareholders, in accordance with article 8 of the articles of association of the Company, delegates to the Board of Directors the authority to acquire common shares in the capital of the Company, either through purchase on a stock exchange, through a public tender offer, offer for exchange or otherwise, up to a maximum number of common shares equal to 10% of the Company's issued common shares on April 16, 2020 – with the actual number to be determined by the Chief Executive Officer – at a purchase price per share between, on the one hand, an amount equal to the par value of the shares and, on the other hand, an amount equal to 110% of the market price of the shares on the New York Stock Exchange and/or the *Mercato Telematico Azionario* (as the case may be), the market price being the average of the highest price on each of the five days of trading prior to the date on which the acquisition is made, as shown in the Official Price List of the New York Stock Exchange and/or the *Mercato Telematico Azionario* (as the case may be), for a period of 18 months from the date of the 2020 Annual General Meeting of Shareholders (April 16, 2020) and, therefore, up to and including October 15, 2021.

Item 8: Approval of awards to the Chairman

In February 2020 the Board of Directors approved a new equity incentive plan. This new plan is consistent with the Company's business plan presented at the Capital Markets Day in September 2018 (the "**Business Plan**"). Under the new equity incentive plan 2020-2022, a combination of a performance-based component represented by performance share units ("**PSUs**"), equal to two-thirds of the total share units granted, and a service-based component represented by restricted share units ("**RSUs**"), covering the remaining one-third of share units granted, each representing the right to receive one common share in the capital of the Company, will be awarded to the Chairman of the Company (subject to the shareholders' approval at the 2020 Annual General Meeting of Shareholders), as well as to SMT Members and other key members of the Company's Group ("**Group**").

In particular, under the new equity incentive plan 2020-2022, a combination of PSUs and RSUs will be awarded to the Chairman subject to the shareholders' approval and the Chairman's re-appointment as executive director at the 2020 Annual General Meeting of Shareholders. The Board of Directors approved an award to the Chairman under the new equity incentive plan 2020-2022 of up to 4,410 PSUs and 1,610 RSUs. The PSU awards are based on the achievement of defined key performance indicators relating to: (i) a TSR target, (ii) an EBITDA target and (iii) an innovation target in line with previous year's long term incentive plan. Of the total PSU award, 50 percent is based on the TSR target, 30 percent on the EBITDA target and 20 percent on the innovation target. Any PSUs awarded to the Chairman, SMT Members and other key members of the Group, will vest in 2022, based on the achievement of each target determined independently. The total number of common shares that will be issued upon vesting of the PSUs will depend on the level of achievement of each target. Upon vesting the payout ranges from 50 percent of the target amount of PSUs if the Company's TSR is ranked fifth among the industry specific peer group of eight, including the Company (the "**Peer Group**"), up to a maximum of 150 percent of the target amount of PSUs if the Company's TSR is ranked first among the Peer Group (120 percent if second, 100 percent if third and 75 percent if fourth). If the Company's TSR is ranked lower than fifth among the Peer Group, none of the PSUs will vest. The Peer



Group would consist of the Company, Aston Martin, Kering, LVMH, Hermes, Richemont, Burberry and Moncler. The EBITDA target is based on the Company's five year Business Plan. The payout ranges from 0 percent if the EBITDA is lower than minus 5 percent of the projected EBITDA as set out in the Company's Business Plan up to a maximum of 140 percent if the EBITDA is 10 percent higher than the projected EBITDA as set out in the Company's Business Plan (the payout is 80 percent if the EBITDA is 5 percent lower than the projected EBITDA as contemplated by the Company's Business Plan, 100 percent if the EBITDA is in line with the projected EBITDA as set out in the Company's Business Plan and 120 percent the EBITDA is 5 percent higher than the projected EBITDA as set out in the Company's Business Plan). The Innovation Target focuses on the new product launches in line with Ferrari's plan and on technological innovation. Of the Innovation Target, 70 percent is based on product launches (milestones, volumes and contribution margin) and 30 percent is based on key technological projects, to be achieved during the performance period up to a maximum of 100 percent.

Any RSUs awarded to the Chairman, SMT Members and other key members of the Group, are service-based and will vest in 2022 conditional on the continued employment of the Chairman, SMT Members and other key members of the Group with the Company or the Group at the time of vesting.

It is proposed that the maximum number of common shares in the capital of the Company that may be awarded to the Chairman pursuant to PSUs and RSUs under the new equity incentive plan 2020-2022 is 6,020 common shares, based on the continued service and performance conditions summarized above.

The Company believes that the equity incentive plan 2020-2022 described above increases the alignment between the Company's performance and shareholder interests, by linking the variable compensation of the Chairman of the Company to increasing shareholder value.

The Board of Directors submits to the General Meeting of Shareholders for its approval the proposed award (and the metrics and targets applicable thereto) of up to 6,020 common shares in the capital of the Company to the Chairman, as part of the new equity incentive plan 2020-2022, in accordance with article 14.6 of the Articles of Association and Dutch law.

Item 9: Close of meeting

The chairperson of the meeting will close the Annual General Meeting of Shareholders. Final greetings.

FERRARI N.V., March 4, 2020

WE ARE NOT ASKING FOR YOUR PROXY. THIS IS NOT A PROXY STATEMENT NOR A SOLICITATION OF PROXIES. THE COMMON SHARES AND SPECIAL VOTING SHARES OF FERRARI N.V. ARE EXEMPT FROM THE PROXY RULES OF THE UNITED STATES SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.