



Consolidated Tape Association

Employee Status Qualification Policy

CTA's form of "Agreement for Receipt and Use of Consolidated Network A Market Data" (the "Consolidated Vendor Form") and its form of "Agreement for Receipt and Use of Consolidated Network A Data and NYSE Market Data" (the "Professional Subscriber Agreement") both govern a data recipient's provision of market data services.

Subject to certain terms and conditions, both forms provide that, among other things, the data recipient may distribute market data services "to its own officers, partners and employees" ("internal distribution"). The Consolidated Vendor Form (but not the Professional Subscriber Form) also governs the data recipient's provision of market data services to parties other than its own officers, partners and employees ("external distribution").

Because CTA uses a tiered rate structure, whether a person is deemed to receive market data services through internal distribution or through external distribution has consequences for billing purposes.

To that end, CTA has adhered to the following policy for determining whether or not a person located in the United States is an "employee" of the data recipient: CTA deems a person to be an "employee" of a data recipient if the data recipient deems the person to be an employee in its dealings with the Internal Revenue Service; that is, if the data recipient issues a Form W-2 in respect of the person (a "W-2 employee"), rather than a Form 1099 or another Internal Revenue Service form. In addition, if a firm holds an active Form U-4 for an individual, and that individual is engaged in the securities business of the firm, the individual shall be deemed to be an "employee" of the firm for Network A and Network B professional subscriber device fee purposes. Persons that are not W-2 employees maintain independent contractor status or some other status (other than "employee").

The Internal Revenue Service describes who qualifies as an employee and who qualifies as an independent contractor in a publication that can be found at <http://www.irs.gov/pub/irs-pdf/p15a.pdf>. In particular, Section 2 of the publication addresses the employee-vs.-independent contractor issue most directly.

Under the Consolidated Vendor Form, the data recipient should include W-2 employees for purposes of calculating fees applicable to internal distribution, but should treat independent contractors and other non-employees as recipients of external distribution.

Under the Professional Subscriber Agreement, the data recipient should include W-2 employees for purposes of calculating fees applicable to internal distribution and should not provide data to independent contractors and other non-employees. If the data recipient wishes to provide data to independent contractors and other non-employees:

- (1) the data recipient should enter into the Consolidated Vendor Form and provide data to independent contractors or other non-employees under that form rather than the Professional Subscriber Agreement (which does not govern external distribution); and
- (2) the independent contractors and other non-employees to which the data recipient provides data should enter into the Professional Subscriber Agreement.

For any person located in a country other than the United States, the person would qualify as an “employee” for market data purposes if the company characterizes the person as an “employee” for tax purposes under that country’s income tax laws and rules. If a country does not have tax laws and rules that differentiate an employee from an independent contractor, the company should apply the standard that the United States Internal Revenue Service uses to determine whether a person qualifies as an employee.

This fact sheet is a summary document intended to set forth the highlights of CTA/CQ policy, rates, and procedures. Questions and/or circumstances not covered in this document should be referred to NYSE for the determination of applicable fees and procedures.