



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

DIVISION OF  
CORPORATION FINANCE

July 26, 2018

Patrick J. Leddy  
Jones Day  
pjleddy@jonesday.com

Re: Parker-Hannifin Corporation

Dear Mr. Leddy:

This letter is in regard to your correspondence dated July 20, 2018 concerning the shareholder proposal (the "Proposal") submitted to Parker-Hannifin Corporation (the "Company") by the New York City Employees' Retirement System et al. (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponents have withdrawn the Proposal and that the Company therefore withdraws its July 2, 2018 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Evan S. Jacobson  
Special Counsel

cc: Michael Garland  
The City of New York  
Office of the Comptroller  
mgarlan@comptroller.nyc.gov

# JONES DAY

NORTH POINT • 901 LAKESIDE AVENUE • CLEVELAND, OHIO 44114.1190  
TELEPHONE: +1.216.586.3939 • FACSIMILE: +1.216.579.0212

DIRECT NUMBER: (216) 586-7290  
PJLEDDY@JONESDAY.COM

July 20, 2018

VIA EMAIL

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549  
Email: [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

Re: Parker-Hannifin Corporation – Withdrawal of No-Action Request Dated July 2, 2018 Relating to Shareholder Proposal Submitted by the Office of the Comptroller of the City of New York (the “Proposal”)

Ladies and Gentlemen:

This letter is submitted on behalf of Parker-Hannifin Corporation, an Ohio corporation (the “Company”), to withdraw the no-action request dated July 2, 2018 (the “No-Action Request”) seeking confirmation from the Staff of the Division of Corporation Finance of the Securities and Exchange Commission that the Company may exclude the Proposal from the Company’s proxy statement and form of proxy for its 2018 Annual Meeting of Shareholders pursuant to Rule 14a-8(i)(10).

The Company and the Comptroller of the City of New York, as custodian and a trustee of the New York City Employees’ Retirement System, the New York City Fire Pension Fund, the New York City Teachers’ Retirement Systems, and the New York City Police Pension Fund, and as custodian of the New York City Board of Education Retirement System (the “Proponent”) have had discussions regarding the form of proxy access bylaw that the Company intends to submit for approval by the Company’s shareholders at the 2018 Annual Meeting. Following the Company’s agreement to incorporate certain changes to the Company’s proposed proxy access bylaw, the Proponent has advised the Company that, in light of the Company’s engagement with the Proponent, the Proponent is withdrawing the Proposal. Accordingly, in reliance on the Proponent’s withdrawal of its Proposal, the Company is withdrawing the No-Action Request.

If you have any questions with respect to the foregoing, or if you require additional information, please do not hesitate to contact the undersigned at (216) 586-7290 or via email [pjleddy@jonesday.com](mailto:pjleddy@jonesday.com) or Erin de la Mare at (216) 586-7119 or via email at [esdelamare@jonesday.com](mailto:esdelamare@jonesday.com).

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DETROIT • DUBAI • DÜSSELDORF • FRANKFURT • HONG KONG • HOUSTON • IRVINE • LONDON • LOS ANGELES • MADRID • MELBOURNE  
MEXICO CITY • MIAMI • MILAN • MINNEAPOLIS • MOSCOW • MUNICH • NEW YORK • PARIS • PERTH • PITTSBURGH • RIYADH  
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Office of Chief Counsel  
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Very truly yours,

Patrick J. Leddy

cc:

Michael Garland, Rhonda Brauer and Emily Law, Corporate Governance and  
Responsible Investment, City of New York, Office of the Comptroller

Joseph Leonti, Parker-Hannifin Corporation

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DIRECT NUMBER: (216) 586-7290  
PJLEDDY@JONESDAY.COM

July 2, 2018

VIA EMAIL

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549  
Email: [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

Re: Parker-Hannifin Corporation – Shareholder Proposal Submitted by the Office of the Comptroller of the City of New York (the “Proposal”)

Ladies and Gentlemen:

This letter is submitted on behalf of Parker-Hannifin Corporation, an Ohio corporation (the “Company”), to inform the Staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) that the Company intends to exclude from its proxy statement and form of proxy for its 2018 Annual Meeting of Shareholders (collectively, the “2018 Proxy Materials”) the Proposal and statements in support thereof received from the Comptroller of the City of New York as custodian and a trustee of the New York City Employees’ Retirement System, the New York City Fire Pension Fund, the New York City Teachers’ Retirement Systems, and the New York City Police Pension Fund, and as custodian of the New York City Board of Education Retirement System (the “Proponent”), which are further described below and attached as Exhibit A hereto.

For the reasons outlined below, we hereby respectfully request that the Staff concur in our and the Company’s view that the Proposal may be properly excluded from the 2018 Proxy Materials.

In accordance with Staff Legal Bulletin 14D (Nov. 7, 2008), we are submitting this request for no-action relief via the Commission’s email address, [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov). In accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), this letter is being submitted to the Commission no later than 80 calendar days before the Company intends to file its definitive 2018 Proxy Materials with the Commission, and we are contemporaneously sending a copy of this letter and its attachments to the Proponent to inform it of our intention to exclude the Proposal from the 2018 Proxy Materials.

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## BACKGROUND

On or about April 24, 2018, the Company received the Proposal from the Proponent. The Proposal states, in relevant part:

*RESOLVED: Shareholders of the Parker-Hannifin Corporation (the "Company") ask the board of directors (the "Board") to take the steps necessary to adopt a "proxy access" bylaw. Such a bylaw shall require the Company to include in proxy materials prepared for a shareholder meeting at which directors are to be elected the name, Disclosure and Statement (as defined herein) of any person nominated for election to the board by a shareholder or group (the "Nominator") that meets the criteria established below. The Company shall allow shareholders to vote on such nominee on the Company's proxy card.*

*The number of shareholder-nominated candidates appearing in proxy materials shall not exceed the larger of two or one quarter of the directors then serving. This bylaw, which shall supplement existing rights under Company bylaws, should provide that a Nominator must:*

- (a) have beneficially owned 3% or more of the Company's outstanding common stock continuously for at least three years before submitting the nomination;*
- (b) give the Company, within the time period identified in its bylaws, written notice of the information required by the bylaws and any Securities and Exchange Commission rules about (i) the nominee, including consent to being named in the proxy materials and to serving as director if elected; and (ii) the Nominator, including proof it owns the required shares (the "Disclosure"); and*
- (c) certify that (i) it will assume liability stemming from any legal or regulatory violation arising out of the Nominator's communications with the Company shareholders, including the Disclosure and Statement; (ii) it will comply with all applicable laws and regulations if it uses soliciting material other than the Company's proxy materials; and (iii) to the best of its knowledge, the required shares were acquired in the ordinary course of business and not to change or influence control at the Company.*

*The Nominator may submit with the Disclosure a statement not exceeding 500 words in support of each nominee (the "Statement"). The Board shall adopt procedures for*

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*promptly resolving disputes over whether notice of a nomination was timely, whether the Disclosure and Statement satisfy the bylaw and applicable federal regulations, and the priority to be given to multiple nominations exceeding the one-quarter limit.*

The full text of the Proposal is attached as Exhibit A hereto. In addition, pursuant to Staff Legal Bulletin 14C (June 28, 2005), relevant correspondence exchanged with the Proponent and his designated agents is attached as Exhibit B hereto.

### **BASIS FOR EXCLUSION**

The Proposal has been substantially implemented and may be properly excluded pursuant to Rule 14a-8(i)(10) under the Exchange Act. On May 14, 2018, after evaluating the Proposal and current market practices of similarly situated companies and shareholder views, the Corporate Governance and Nominating Committee of the Company's Board of Directors (the "Board") authorized the development of an amendment to the Company's Code of Regulations (the "Regulations") to permit proxy access. Later in the day on May 14, 2018, the Company contacted the Proponent by telephone, the Company and the Proponent discussed the Proposal and the authority provided by the Corporate Governance and Nominating Committee, and the Company confirmed that it would draft and circulate a copy of the amendment to the Proponent.

On June 25, 2018, the Company sent an email to the Proponent circulating the amendment to the Regulations to permit proxy access, in the form attached to the email (which is attached as Exhibit C hereto) (the "Proposed Proxy Access Bylaw"), and notifying the Proponent that the Company intends to submit the amendment to be voted upon by shareholders at the 2018 Annual Meeting. The Proposed Proxy Access Bylaw will permit a shareholder, or a group of up to 20 shareholders, owning 3% or more of the Company's outstanding common stock continuously for at least three years to nominate and include in the Company's proxy materials director nominees constituting up to the greater of two nominees or 20% of the Board, provided that the shareholders and the nominees satisfy the requirements that will be specified in the Proposed Proxy Access Bylaw.

By action proposed to be taken on August 16, 2018, we expect that the Board will adopt a resolution approving and submitting for shareholder approval amendments to the Regulations that will reflect the Proposed Proxy Access Bylaw. Following Board approval, the Proposed Proxy Access Bylaw will become effective upon approval by shareholders at the 2018 Annual Meeting. Because the foregoing actions and Proposed Proxy Access Bylaw compare favorably to, and implement the essential objectives of, the Proposal, the Proposal is excludable as being substantially implemented under Rule 14a-8(i)(10).

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We respectfully request that the Staff concur in our view that the Proposal may be properly excluded from the 2018 Proxy Materials for the reasons set forth above and described in more detail below.

## ANALYSIS

### **The Proposal May Be Excluded Under Rule 14a-8(i)(10) Because the Company Has Substantially Implemented the Proposal**

#### *A. Rule 14a-8(i)(10) Background*

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has already substantially implemented the proposal. The Staff has stated that the predecessor provision to Rule 14a-8(i)(10) was “designed to avoid the possibility of shareholders having to consider matters which have already been favorably acted upon by management.” Exchange Act Release No. 12598 (July 7, 1976). Rule 14a-8(i)(10) does not require companies to implement every detail of a proposal in order for the proposal to be excluded. The Staff has stated that its “previous formalistic application” of the predecessor rule requiring full implementation “defeated [the rule’s] purpose,” which the Commission confirmed as the appropriate interpretation of Rule 14a-8(i)(10) in 1983 (Exchange Act Release No. 20091 (Aug. 16, 1983)). The “substantial implementation” standard was officially codified in amendments to the proxy rules in 1998 (Exchange Act Release No. 40018 at n.30 (May 21, 1998)). Thus, when a company can demonstrate that it has taken actions to address the underlying concerns and implements the “essential objectives” of a shareholder proposal, the Staff has concurred that the proposal has been “substantially implemented” and may be excluded from the company’s proxy materials. *See, e.g., NETGEAR, Inc.* (avail. March 31, 2015); *Pfizer, Inc.* (avail. January 25, 2012, recon. avail. March 1, 2013); *Hewlett-Packard Co.* (avail. December 18, 2013); *Exelon Corp.* (avail. February 26, 2010); *Exxon Mobil Corp.* (Burt) (avail. March 23, 2009).

Applying this standard, the Staff has permitted the exclusion of proposals under Rule 14a-8(i)(10) where the company has satisfied the essential objectives of the proposal even though the company’s actions in implementing the proposal add certain procedural limitations or restrictions not contemplated by the proposal. *See e.g., Delta Air Lines, Inc.* (avail. March 12, 2018); *JetBlue Airways Corporation* (avail. January 23, 2018); *OGE Energy Corp.* (avail. February 24, 2017); *Huntsman Corporation* (avail. January 13, 2017); *AutoNation, Inc.* (avail. December 30, 2016); *Danaher Corporation, Lockheed Martin Corporation, and Valley National Bancorp* (avail. December 19, 2016); *Berry Plastics Group, Inc.* (avail. December 14, 2016); *CISCO, Inc.* (avail. September 27, 2016); *Amazon.com, Inc.* (avail. March 3, 2016); *The Wendy’s*

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*Company* (avail. March 2, 2016); *NETGEAR, Inc.* (avail. March 31, 2015); *Pfizer, Inc.* (avail. January 25, 2012, recon. avail. March 1, 2013); *Exelon, Inc.* (avail. February 26, 2010); *Exxon Mobil Corp.* (Burt) (avail. March 23, 2009). In addition, the Staff has concurred that companies can address aspects of implementation differently from the manner in which the shareholder proponent would implement the proposal. *See, e.g., General Electric Company* (avail. March 3, 2015) (concurring in the exclusion of a proxy access proposal that would permit an unrestricted number of shareholders to group together to meet ownership requirements, where the company had already adopted proxy access bylaw provisions permitting up to 20 shareholders to group together to meet ownership requirements); *Dun & Bradstreet Corp.* (avail. February 12, 2016) (concurring under Rule 14a-8(i)(10) in the exclusion of a proxy access proposal that would permit nominations for the greater of 25% of the number of directors serving and two, where the company had already adopted proxy access bylaw provisions permitting nominations not to exceed the greater of 20% of the number of directors serving and two); *Amazon.com* (concurring under Rule 14a-8(i)(10) in the exclusion of a proxy access proposal that would permit nominations for the greater of 25% of the number of directors serving and two, would permit an unrestricted number of shareholders to group together to meet ownership requirements and would prohibit restrictions on nominations, where the company had already adopted proxy access bylaw provisions permitting nominations not to exceed the greater of 20% of the number of directors serving and two, provisions limiting grouping to 20 shareholders and prohibiting the renomination of any nominee who failed to receive at least 25% of the vote at an annual general meeting); *Leidos Holdings, Inc.* (avail. May 4, 2016) (concurring under Rule 14a-8(i)(10) in the exclusion of a proxy access proposal that would permit nominations for the greater of 25% of the number of directors serving and two and would permit an unrestricted number of shareholders to group together to meet ownership requirements, where the company had already adopted proxy access bylaw provisions permitting nominations not to exceed the greater of 20% of the number of directors serving and two and provisions limiting grouping to 20 shareholders); *Cardinal Health* (avail. July 20, 2016) (concurring under Rule 14a-8(i)(10) in the exclusion of a proxy access proposal that would permit nominations for the greater of 25% of the number of directors serving and two and would permit an unrestricted number of shareholders to group together to meet ownership requirements, where the company had already adopted proxy access bylaw provisions permitting nominations not to exceed the greater of 20% of the number of directors serving and two and provisions limiting grouping to 20 shareholders); *Comcast Corporation* (avail. February 15, 2017) (concurring under Rule 14a-8(i)(10) in the exclusion of a proxy access proposal that would permit nominations for the greater of 25% of the number of directors serving and two and would permit an unrestricted number of shareholders to group together to meet ownership requirements, where the company had already adopted proxy access bylaw provisions permitting nominations not to exceed the greater of 20% of the number of directors serving and two, provisions limiting grouping to 20 shareholders and prohibiting the renomination of any

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nominee who failed to receive at least 25% of the vote at the two preceding annual general meetings); *JetBlue Airways Corporation* (avail. January 23, 2018) (concurring under Rule 14a-8(i)(10) in the exclusion of a proposal that set forth a detailed listing of proposed requirements (including that nominations be permitted for the greater of 25% of the then serving directors or two directors, no limitation on renomination of candidates based on votes received in any election, no requirement for nominating shareholders to hold stock after the annual meeting where the nominees are not elected and treatment of loaned securities) and did not specify any aggregation threshold for the number of shareholders that could be included in a group, where the company had already adopted proxy access bylaw provisions that included the standard ownership requirements, included an aggregation limit of 20 shareholders for purposes of meeting the ownership requirements, permitted nominations of a number of candidates of the greater of up to 20% of then-serving directors or two and provided for restrictions on renominations for shareholder nominees that either withdrew or did not receive a reasonable specified percentage of votes in the prior election); and *Delta Air Lines, Inc.* (avail. March 12, 2018) (same).

*B. Anticipated Action By The Board To Approve The Proposed Proxy Access Bylaw Substantially Implements The Proposal*

The Proposal's essential objective is that the Board adopt and submit for shareholder approval a proxy access right, which the Company's current Amended Articles of Incorporation and the Regulations do not permit. As discussed above, in connection with the Company's receipt of the Proposal from the Proponent, the Company has determined to submit a management-sponsored proxy access amendment for shareholder approval at the 2018 Annual Meeting. We expect that the Board will adopt a resolution approving the Proposed Proxy Access Bylaw at the Board's next scheduled meeting on August 16, 2018, which amendments will amend the Company's current Regulations to provide shareholders with a proxy access right. Once approved, the Board will then submit the Proposed Proxy Access Bylaw to a shareholder vote at the 2018 Annual Meeting, as required by Section 1701.11 of the Ohio Revised Code. If the amendments to the Regulations implementing the Proposed Proxy Access Bylaw receive the requisite shareholder approval, the proxy access procedures previously presented to the Proponent will be added to the Company's Regulations, thus, substantially implementing the Proposal by providing a proxy access procedure under which individual or groups of shareholders who have owned 3% or more of the Company's common stock continuously for at least three years may include in the Company's proxy materials shareholder nominated director candidates.

In particular, the Proposed Proxy Access Bylaw addresses key elements of the Proposal as follows:

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- (1) Ownership Threshold. The Proposal states that the nominating shareholder or shareholder group must “have beneficially owned 3% or more of the Company’s outstanding common stock continuously for at least three years” before submitting a nomination. Likewise, Section 8(e) of the Proposed Proxy Access Bylaw requires the nominating shareholder or shareholder group to own “for at least three years as of the date the Notice of Proxy Access Nomination is received by the Corporation, shares representing at least 3% of the voting power entitled to vote generally in the election of Directors.”
- (2) Group Nominations. The Proposal would permit shareholders to nominate director candidates for inclusion in the Company’s proxy materials, either individually or as a member of a nominating group. Similarly, Section 8(e) of the Proposed Proxy Access Bylaw provides that an individual or a group of shareholders may nominate director candidates pursuant to the proxy access procedures. While, the Proposal is silent as to whether or not such grouping would be “unrestricted” in number or subject to reasonable limits to ensure that the 3% ownership threshold remained meaningful, the Proposed Proxy Access Bylaw will permit shareholders to form groups of up to 20 shareholders in order to nominate directors. In addition, the Proxy Access Bylaw would treat funds that are under common management or control or funded primarily by a single employer as a single shareholder for purposes of the aggregation limit. The aggregation limit included in Proposed Proxy Access Bylaw conforms with the reasonable standards that have become common market practice among companies that have adopted proxy access bylaws. As of January 2018, 92% of the 475 companies that have adopted proxy access included an aggregation limit of 20 shareholders.

In addition, the Staff has granted no-action relief in a similar situation where the company provided an express right of shareholders to “group” their shares and also added a reasonable limit to the number of shareholders that may form a group. *See e.g., General Electric Company* (avail. March 3, 2015) (concurring in the exclusion of a proxy access shareholder proposal under Rule 14a-8(i)(10), where the company’s amended bylaws permitted grouping and indicated that up to 20 shareholders may form a group to satisfy the requisite ownership threshold despite the shareholder proposal being silent on the issue); *The Wendy’s Company* (avail. March 2, 2016) (concurring with the exclusion of a proxy access shareholder proposal under Rule 14a-8(i)(10), where the company’s represented that it was submitting a management proposal to amend the company’s bylaws to

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provide for proxy access with a provision that included an aggregation limit although the shareholder proposal was silent on the issue). *See also JetBlue Airways Corporation* (avail. January 23, 2018) (same) and *Delta Air Lines, Inc.* (avail. March 12, 2018) (same).

- (3) Disclosure, Representations and Warranties. The Proposal would require the nominating shareholder to give the Company, within the time period specified in the Company's bylaws, information about the nominating shareholder (including proof of ownership of the requisite amount of shares) and its nominee(s) (including the consent of such nominee(s) to be named in the Company's proxy materials and to serving as director if elected). Additionally, the Proposal would require the nominating shareholder to make certain representations regarding compliance with law, assumption of liability in connection with its disclosure and control intent. Sections 8(f), 8(g) and (8)(i) of the Proposed Proxy Access Bylaw include similar provisions directly and by reference to Section 6(b) of the Company's Regulations, which set forth the information requirements for shareholders making proposals or nominations and for the proposed nominees.
- (4) Number of Nominees. The Proposal states that the number of shareholder-nominated candidates should not exceed the larger of two or one-quarter of the directors then serving. The Proposed Proxy Access Bylaw provides that shareholder-nominated candidates shall not exceed the greater of two or 20% of the Board. Although the limit on shareholder-nominated candidates differs between the Proposal and the Proposed Proxy Access Bylaw, this provision is consistent with the essential objective of implementing a proxy access mechanism that would ensure meaningful proxy access rights for the Company's shareholders. This provision has been specifically addressed in a number of proxy access proposal no-action requests that have already been considered and favorably decided by the Staff. In particular, in *Newell Rubbermaid Inc.*, the Staff concurred with the exclusion of a shareholder proposal as substantially implemented, where the company had adopted a proxy access bylaw with a 20% board limitation, while the shareholder proposal specifically requested that the "number of shareholder-nominated candidates appearing in proxy materials should not exceed one quarter of directors then serving or two, whichever is greater." *Newell Rubbermaid Inc.* (avail. March 9, 2016). In that case the Staff concurred that the company had substantially implemented the proposal and noted that the proxy access bylaw addressed the proposal's "essential objective," notwithstanding the fact that the company's proxy access bylaw contained a limitation that proxy access candidates may not exceed 20% of board seats. *See*

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*also, Delta Air Lines, Inc.* (avail. March 12, 2018); *JetBlue Airways Corporation* (avail. January 23, 2018); *Northern Trust Corporation* (December 28, 2017); *OGE Energy Corp.* (avail. February 24, 2017); *Comcast Corporation* (avail. February 15, 2017); *Cardinal Health* (avail. July 20, 2016); *Leidos Holdings, Inc.* (avail. May 4, 2016); *Dun & Bradstreet Corp.* (avail. February 12, 2016).

- (5) Supporting Statement. The Proposal provides that a nominating shareholder may submit a statement not exceeding 500 words in support of each nominee. Likewise, Section (h) of the Proposed Proxy Access Bylaw provides that the nominating shareholder(s) may provide “a written statement for inclusion in the Company’s Proxy Materials for the applicable annual meeting of shareholders, not to exceed 500 words, in support of” the proposed nominees.
- (6) Dispute Resolution; Nominator Priority. The Proposal indicates that the Board should adopt procedures for promptly resolving disputes over whether notice of a nomination was timely, the disclosure and supporting statement satisfy the Amended Bylaws and applicable federal regulations, and the priority to be given to multiple nominations exceeding the number permitted nominees. The Proposed Proxy Access Bylaw includes specific information regarding when a notice is timely in Section 8(b) and a mechanism for addressing priority given to nominations exceeding the permitted number in Sections 8(d).

The Proposal is silent as to other terms for proxy access beyond those addressed above. The Proposed Proxy Access Bylaw also includes other standard terms, such as how “ownership” is determined, treatment of loaned shares, qualification of nominees and other terms. None of these additional terms adversely impact the essential elements of proxy access.

### *C. Supplemental Notification Following Board Action*

We are submitting this no-action request on behalf of the Company prior to the Board’s August 16, 2018 meeting in order to address the timing requirements of Rule 14a-8(j). We or the Company will supplementally notify the Staff after the Board has adopted the Proposed Proxy Access Bylaw. The Staff consistently has granted no-action relief under Rule 14a-8(i)(10) where a company has notified the Staff that it intends to recommend that its board of directors take certain action that will substantially implement the proposal and then supplements its request for no-action relief by notifying the Staff after that action has been taken by the board of directors. *See, e.g., The Wendy’s Company* (avail. March 2, 2016); *NETGEAR, Inc.* (avail. March 31, 2015); *Visa Inc.* (avail. November 14, 2014); *Hewlett-Packard Co.* (avail. December 19, 2013); *Starbucks Corp.* (avail. November 27, 2012); *NiSource Inc.* (avail. March 10, 2008); *Johnson &*

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*Johnson* (avail. February 19, 2008); *Hewlett-Packard Co.* (Steiner) (avail. December 11, 2007) (each granting no-action relief where the company notified the Staff of its intention to omit a shareholder proposal under Rule 14a-8(i)(10) because the board of directors was expected to take action that would substantially implement the proposal, and the company supplementally notified the Staff of such board action).

## CONCLUSION

For the foregoing reasons, we are of the view that, once the Board adopts the Proposed Proxy Access Bylaw and includes it in the 2018 Proxy Materials, the Proposal will be substantially implemented by the Proposed Proxy Access Bylaw and, therefore, is properly excludable under Rule 14a-8(i)(10). As such, on behalf of the Company, we respectfully request that the Staff confirm that it will not recommend enforcement action if the Company excludes the Proposal from its 2018 Proxy Materials in reliance on Rule 14a-8(i)(10).

\* \* \* \*

If you have any questions, or if the Staff is unable to concur with our view without additional information or discussions, we respectfully request the opportunity to confer with members of the Staff prior to the issuance of any written response to this letter. Please do not hesitate to contact the undersigned at (216) 586-7290 or via email [pjleddy@jonesday.com](mailto:pjleddy@jonesday.com) or Erin de la Mare at (216) 586-7119 or via email at [esdelamare@jonesday.com](mailto:esdelamare@jonesday.com).

Very truly yours,

Patrick J. Leddy

cc:

Michael Garland, Rhonda Brauer, Emily Law, Adriana Aldgate, Brian Cook, Millicent Budhai, Kathryn Diaz and Nicole Jacoby, Corporate Governance and Responsible Investment, City of New York, Office of the Comptroller

Joseph Leonti, Parker-Hannifin Corporation

Enclosures

EXHIBIT A  
The Proposal



CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
SCOTT M. STRINGER

---

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Michael Garland  
ASSISTANT COMPTROLLER  
CORPORATE GOVERNANCE AND  
RESPONSIBLE INVESTMENT

April 24, 2018

Joseph R. Leonti  
Corporate Secretary  
Parker-Hannifin Corporation  
6035 Parkland Blvd.  
Cleveland, OH 44124

Dear Mr. Leonti:

I write to you on behalf of the Comptroller of the City of New York, Scott M. Stringer. The Comptroller is the custodian and a trustee of the New York City Employees' Retirement System, the New York City Fire Pension Fund, The New York City Teachers' Retirement System, and the New York City Police Pension Fund, and custodian of the New York City Board of Education Retirement System (the "Systems"). The Systems' boards of trustees have authorized the Comptroller to inform you of their intention to present the enclosed proposal for the consideration and vote of stockholders at the Company's next annual meeting.

Therefore, we offer the enclosed proposal for the consideration and vote of shareholders at the Company's next annual meeting. It is submitted to you in accordance with Rule 14a-8 of the Securities Exchange Act of 1934, and I ask that it be included in the Company's proxy statement.

Letters from State Street Bank and Trust Company certifying the Systems' ownership, for over a year, of shares of Parker-Hannifin Corporation common stock are enclosed. Each System intends to continue to hold at least \$2,000 worth of these securities through the date of the Company's next annual meeting.

We would welcome the opportunity to discuss the proposal with you. Should the Board of Directors approve a proxy access bylaw that we consider responsive to the proposal, we will withdraw the proposal from consideration at the annual meeting.

Please feel free to contact me at (212) 669-2517 if you would like to discuss this matter.

Sincerely,

*A.P.A.*  
*Michael Garland*

Michael Garland  
Enclosures

RESOLVED: Shareholders of the Parker-Hannifin Corporation (the “Company”) ask the board of directors (the “Board”) to take the steps necessary to adopt a “proxy access” bylaw. Such a bylaw shall require the Company to include in proxy materials prepared for a shareholder meeting at which directors are to be elected the name, Disclosure and Statement (as defined herein) of any person nominated for election to the board by a shareholder or group (the “Nominator”) that meets the criteria established below. The Company shall allow shareholders to vote on such nominee on the Company’s proxy card.

The number of shareholder-nominated candidates appearing in proxy materials shall not exceed the larger of two or one quarter of the directors then serving. This bylaw, which shall supplement existing rights under Company bylaws, should provide that a Nominator must:

- a) have beneficially owned 3% or more of the Company’s outstanding common stock continuously for at least three years before submitting the nomination;
- b) give the Company, within the time period identified in its bylaws, written notice of the information required by the bylaws and any Securities and Exchange Commission rules about (i) the nominee, including consent to being named in the proxy materials and to serving as director if elected; and (ii) the Nominator, including proof it owns the required shares (the “Disclosure”); and
- c) certify that (i) it will assume liability stemming from any legal or regulatory violation arising out of the Nominator's communications with the Company shareholders, including the Disclosure and Statement; (ii) it will comply with all applicable laws and regulations if it uses soliciting material other than the Company’s proxy materials; and (iii) to the best of its knowledge, the required shares were acquired in the ordinary course of business and not to change or influence control at the Company.

The Nominator may submit with the Disclosure a statement not exceeding 500 words in support of each nominee (the "Statement"). The Board shall adopt procedures for promptly resolving disputes over whether notice of a nomination was timely, whether the Disclosure and Statement satisfy the bylaw and applicable federal regulations, and the priority to be given to multiple nominations exceeding the one-quarter limit.

## SUPPORTING STATEMENT

We believe proxy access will make directors more accountable and enhance shareholder value. A 2014 study by the CFA Institute concluded that proxy access could raise overall US market capitalization by up to \$140.3 billion if adopted market-wide, “with little cost or disruption.” (<http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2014.n9.1>)

The proposed terms are similar to those in vacated SEC Rule 14a-11 (<https://www.sec.gov/rules/final/2010/33-9136.pdf>). The SEC, following extensive analysis and input from market participants, determined that those terms struck the proper balance of providing shareholders with viable proxy access while containing appropriate safeguards.

The proposed terms enjoy strong investor support and company acceptance. Between January 2015 and October 2017, 112 similar shareholder proposals received majority votes and more than 500 companies of various sizes across industries enacted bylaws with similar terms.

We urge shareholders to vote FOR this proposal.

**EXHIBIT B**

Correspondence with the Proponent

**de la Mare, Erin S.**

**Subject:** FW: \*Confidential: Fw: Draft Proxy Access Bylaw  
**Attachments:** PH Proxy Access Bylaw (062518).pdf

From: Joseph Leonti/COR/PARKER  
To: [mgarlan@comptroller.nyc.gov](mailto:mgarlan@comptroller.nyc.gov)  
Date: 06/25/2018 02:32 PM  
Subject: \*Confidential: Draft Proxy Access Bylaw

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Michael - -

As we discussed a few weeks back, attached for your review is a draft proxy access bylaw that we believe is well aligned with current market practice and, therefore, are prepared to propose for a vote at our 2018 annual meeting of shareholders. Please take a look and let me know if you have any questions or would like to discuss. Thank you.

Joe.

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Joseph R. Leonti  
Vice President, General Counsel and Secretary  
Parker-Hannifin Corporation  
6035 Parkland Boulevard  
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"PLEASE NOTE: The preceding information may be confidential or privileged. It only should be used or disseminated for the purpose of conducting business with Parker. If you are not an intended recipient, please notify the sender by replying to this message and then delete the information from your system. Thank you for your cooperation."

**Parker-Hannifin Corporation**  
**Proxy Access Amendments to Code of Regulations**

**Article I. Meetings of Shareholders. [ . . . ]**

**Section 8. Inclusion of Director Nominations by Shareholders in the Corporation's Proxy Materials.**

(a) Subject to the terms and conditions set forth in these Regulations (including the provisions of Article I, Section 6 concerning the general nomination of Directors by shareholders), the Corporation shall include in its proxy statement and form of proxy (hereinafter, the "**Proxy Materials**") for an annual meeting of shareholders for the election of Directors, in addition to the persons selected and recommended for election by the Board of Directors or any committee thereof, the name, together with the Required Information (as defined Article I, Section 8(c) below), of any person nominated for election (the "**Proxy Access Shareholder Nominee**") to the Board of Directors by one or more shareholders that satisfies the notice, ownership and other requirements of this Article I, Section 8 (such shareholder or group of shareholders, the "**Eligible Shareholder**").

(b) To nominate a Proxy Access Shareholder Nominee, the Eligible Shareholder must provide a written notice that expressly elects to have its Proxy Access Shareholder Nominee included in the Proxy Materials pursuant to this Article I, Section 8 (the "**Notice of Proxy Access Nomination**"). To be timely, the Notice of Proxy Access Nomination must be delivered to the Secretary of the Corporation at the principal executive office of the Corporation not less than 120, nor more than 150, calendar days prior to the anniversary of the date that the Corporation mailed its proxy statement for the prior year's annual meeting of shareholders (the last day on which a Notice of Proxy Access Nomination may be delivered, the "**Final Proxy Access Nomination Date**"); provided, however, that if (and only if) there was no annual meeting in the preceding year or the date of the annual meeting is advanced more than 30 calendar days prior to, or delayed by more than 30 calendar days after the anniversary of the preceding year's annual meeting, to be timely, notice by the Eligible Shareholder must be so delivered not less than 120, nor more than 150, calendar days prior to the date of such annual meeting or, if the first public announcement of the date is less than 130 calendar days prior to the date of such annual meeting, by the 10th calendar day following the day on which such public announcement is made. In addition to the other requirements set forth in this Article I, Section 8, the Notice of Proxy Access Nomination must include the name and address of the Eligible Shareholder (including each shareholder and beneficial owner whose share ownership is counted for the purposes of qualifying as an Eligible Shareholder).

(c) For purposes of this Article I, Section 8, the "**Required Information**" that the Corporation will include in the Proxy Materials is (i) the information concerning the Proxy Access Shareholder Nominee and the Eligible Shareholder that the Corporation determines is required to be disclosed in the Proxy Materials under the Exchange Act; and (ii) if the Eligible Shareholder so elects, a Statement (as defined in Article I, Section 8(h) below). Nothing in this Article I, Section 8 shall limit the Corporation's ability to solicit against and include in the Proxy Materials its own statements relating to any Proxy Access Shareholder Nominee.

(d) The maximum number of Proxy Access Shareholder Nominees (including Proxy Access Shareholder Nominees that were submitted by Eligible Shareholders for inclusion in the Proxy Materials pursuant to this Article I, Section 8 but either are subsequently withdrawn or that the Board of Directors decides to select and recommend as Director nominees under Article I, Section 6 of these Regulations) that may appear in the Proxy Materials with respect to an annual meeting of shareholders shall not exceed the greater of (i) two or (ii) 20% of the number of Directors in office as of the Final Proxy Access Nomination Date (or if such number is not a whole number, the closest whole number below 20%) (the “**Permitted Number**”); provided, however, that the Permitted Number shall be reduced by the number of incumbent Directors who had been a Proxy Access Shareholder Nominee with respect to any of the preceding two annual meetings of shareholders and whose reelection at the upcoming annual meeting is being recommended by the Board of Directors; provided, further, that in the event that one or more vacancies for any reason occurs on the Board of Directors at any time after the Final Proxy Access Nomination Date and before the date of the applicable annual meeting of shareholders and the Board of Directors reduces the size of the Board of Directors in connection therewith, the Permitted Number shall be calculated based on the number of Directors in office as so reduced. In the event that the number of Proxy Access Shareholder Nominees submitted by Eligible Shareholders pursuant to this Article I, Section 8 exceeds the Permitted Number, each Eligible Shareholder will select one Proxy Access Shareholder Nominee for inclusion in the Proxy Materials until the Permitted Number is reached, with preference provided based on the number (largest to smallest) of shares owned by each Eligible Shareholder as disclosed in each Notice of Proxy Access Nomination. If the Permitted Number is not reached after each Eligible Shareholder has selected one Proxy Access Shareholder Nominee, this selection process will continue as many times as necessary, following the same order each time, until the Permitted Number is reached.

(e) An Eligible Shareholder is one or more shareholders who owns and has owned, or is or are acting on behalf of one or more beneficial owners who own and have owned (as defined in Article I, Section 8(f) below), for at least three years as of the date the Notice of Proxy Access Nomination is received by the Corporation, shares representing at least 3% of the voting power entitled to vote generally in the election of Directors (the “**Required Shares**”), and who continue to own the Required Shares at all times between the date the Notice of Proxy Access Nomination is received by the Corporation and the date of the applicable annual meeting of shareholders, provided that the aggregate number of such shareholders and beneficial owners shall not exceed 20. Two or more funds that are (i) under common management and investment control or (ii) under common management and funded primarily by a single employer (such funds together under each of (i) or (ii) comprising a “**Qualifying Fund**”) shall be treated as one shareholder for the purpose of determining the aggregate number of shareholders in this Article I, Section 8(e), and treated as one person for the purpose of determining ownership in Article I, Section 8(f), provided that each fund comprising a Qualifying Fund otherwise meets the requirements set forth in this Article I, Section 8. No shareholder or beneficial owner may be a member of more than one group constituting an Eligible Shareholder under this Article I, Section 8. Should any shareholder or beneficial owner withdraw from a group of Eligible Shareholders at any time prior to the annual meeting of shareholders, the group of Eligible Shareholders shall only be deemed to own the shares held by the remaining members of the group.

(f) For purposes of calculating the Required Shares, “ownership” shall be deemed to consist of and include only the outstanding shares as to which a person possesses both (i) the full voting and investment rights pertaining to the shares and (ii) the full economic interest in (including the opportunity for profit and risk of loss on) such shares; provided that the ownership of shares calculated in accordance with clauses (i) and (ii) shall not include any shares (A) that a person has sold in any transaction that has not been settled or closed, (B) that a person has borrowed or purchased pursuant to an agreement to resell or (C) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by a person, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of shares, in any such case which instrument or agreement has, or is intended to have, the purpose or effect of (1) reducing in any manner, to any extent or at any time in the future, the person’s full right to vote or direct the voting of any such shares, or (2) hedging, offsetting or altering to any degree gain or loss arising from the full economic ownership of such person’s shares. Ownership shall include shares held in the name of a nominee or other intermediary so long as the person claiming ownership of such shares retains the right to instruct how the shares are voted with respect to the election of Directors and possesses the full economic interest in the shares, provided that this provision shall not alter the obligations of any shareholder to provide the Notice of Proxy Access Nomination. Ownership of shares shall be deemed to continue during any period in which shares have been loaned if the person claiming ownership has the power to recall such loaned shares on three business days’ notice and the person recalls the loaned shares within three business days of being notified that its Proxy Access Shareholder Nominee will be included in the Proxy Materials for the applicable annual meeting, and the person holds the recalled shares through such annual meeting. Ownership of shares shall be deemed to continue during any period in which any voting power has been delegated by means of a proxy, power of attorney or other instrument or arrangement which is revocable at any time without condition. For purposes of this Article I, Section 8, the determination of the extent of ownership of shares shall be made in good faith by the Board of Directors, which determination shall be conclusive and binding on the Corporation and the shareholders. An Eligible Shareholder shall include in its Notice of Proxy Access Nomination the number of shares it is deemed to own for the purposes of this Article I, Section 8.

(g) No later than the Final Proxy Access Nomination Date, an Eligible Shareholder (including each shareholder, Qualifying Fund and beneficial owner whose share ownership is counted for the purposes of qualifying as an Eligible Shareholder) must provide the following information in writing to the Secretary of the Corporation:

(i) all of the information required pursuant to Article I, Section 6(b) as if the Notice of Proxy Access Nomination were a shareholder’s notice with respect to nominations of persons for election of Directors pursuant to Article I, Section 6(b);

(ii) one or more written statements from the record holder of the shares (and from each intermediary through which the shares are or have been held during the requisite three-year holding period) verifying that, as of the date the Notice of Proxy Access Nomination is sent to the Corporation, the Eligible Shareholder owns, and has owned continuously for the preceding three years, the Required Shares, and the Eligible Shareholder’s agreement to provide (A) within five business days after the record date for the applicable annual meeting, written statements from the record holder and

intermediaries verifying the Eligible Shareholder's continuous ownership of the Required Shares through the record date, and (B) immediate notice if the Eligible Shareholder ceases to own any of the Required Shares prior to the date of the applicable annual meeting of shareholders (for purposes of this clause (ii), "record holder" shall mean the applicable Depository Trust Company ("DTC") participant for shares that are deposited at DTC);

(iii) the written consent of each Proxy Access Shareholder Nominee to being named in the Proxy Materials as a nominee and to serving as a Director if elected; and

(iv) a copy of the Schedule 14N that has been filed with the Securities and Exchange Commission as required by Rule 14a-18 under the Exchange Act.

In addition, no later than the Final Proxy Access Nomination Date, an Eligible Shareholder (including each shareholder, Qualifying Fund and beneficial owner whose share ownership is counted for purposes of qualifying as an Eligible Shareholder) must provide to the Secretary of the Corporation a signed and written:

(i) representation of the Eligible Shareholder that such Eligible Shareholder (A) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control of the Corporation, and does not presently have such intent, (B) intends to maintain qualifying ownership of the Required Shares through the date of the applicable annual meeting of shareholders, (C) has not nominated and will not nominate for election to the Board of Directors at the applicable annual meeting of shareholders any person other than its Proxy Access Shareholder Nominee, (D) has not engaged and will not engage in, and has not and will not be a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a Director at the applicable annual meeting of shareholders other than its Proxy Access Shareholder Nominee(s) or a nominee of the Board of Directors, (E) will not distribute to any shareholder any form of proxy for the applicable annual meeting of shareholders other than the form distributed by the Corporation, and (F) will provide facts, statements and other information in all communications with the Corporation and its shareholders that are or will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading and otherwise will comply with all applicable laws, rules and regulations in connection with any actions taken pursuant to this Article I, Section 8;

(ii) in the case of a nomination by a group of shareholders that together constitutes an Eligible Shareholder, designation by all such group members of one group member that is authorized to act on behalf of all members of the nominating shareholder group with respect to the nomination and matters related thereto, including withdrawal of the nomination; and

(iii) undertaking that the Eligible Shareholder agrees to (A) assume all liability stemming from any legal or regulatory violation arising out of the Eligible Shareholder's

communications with the shareholders of the Corporation or out of the information that the Eligible Shareholder provided to the Corporation, (B) indemnify and hold harmless the Corporation and each of its Directors, officers and employees individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its Directors, officers or employees arising out of any nomination, solicitation or other activity by the Eligible Shareholder in connection with its efforts to elect the Proxy Access Shareholder Nominee pursuant to this Article I, Section 8, and (C) file with the Securities and Exchange Commission any solicitation or other communication with the Corporation's shareholders relating to the meeting at which the Proxy Access Shareholder Nominee will be nominated, regardless of whether any such filing is required under Regulation 14A of the Exchange Act or whether any exemption from filing is available for such solicitation or other communication under Regulation 14A of the Exchange Act.

In addition, no later than the Final Proxy Access Nomination Date, a Qualifying Fund whose share ownership is counted for purposes of qualifying as an Eligible Shareholder must provide to the Secretary of the Corporation documentation reasonably satisfactory to the Board of Directors that demonstrates that the funds comprising the Qualifying Fund are either (i) under common management and investment control or (ii) under common management and funded primarily by a single employer.

(h) The Eligible Shareholder may provide to the Secretary of the Corporation, at the time the information required by this Article I, Section 8 is provided, a written statement for inclusion in the Proxy Materials for the applicable annual meeting of shareholders, not to exceed 500 words, in support of the Eligible Shareholder's Proxy Access Shareholder Nominee (the "**Statement**"). Notwithstanding anything to the contrary contained in this Article I, Section 8, the Corporation may omit from the Proxy Materials any information or Statement (or portion thereof) that it, in good faith, believes would violate any applicable law or regulation.

(i) No later than the Final Proxy Access Nomination Date, each Proxy Access Shareholder Nominee must:

(i) provide to the Secretary of the Corporation all of the consents, representations, and agreements required pursuant to Article I, Section 6 as if the Proxy Access Shareholder Nominee was a nominee;

(ii) submit to the Secretary of the Corporation all completed and signed documents required of the Corporation's Directors and nominees for election to the Board of Directors within five business days of receipt of each such questionnaire from the Corporation; and

(iii) provide to the Secretary of the Corporation within five business days of the Corporation's request such additional information as the Corporation determines may be necessary to permit the Board of Directors to determine (A) such Proxy Access Shareholder Nominee's status as to "independence", including references to the criteria established by the New York Stock Exchange (or any other exchange or quotation system

on which the Corporation's equity securities are listed), any applicable rules of the Securities and Exchange Commission and the Corporation's Corporate Governance Guidelines and Independence Standards for Directors, (B) if such Proxy Access Shareholder Nominee has any direct or indirect relationship with the Corporation, and (C) if such Proxy Access Shareholder Nominee is not and has not been subject to any event specified in Item 401(f) of Regulation S-K of the Exchange Act or any successor provision.

In the event that any information or communications provided by the Eligible Shareholder or the Proxy Access Shareholder Nominee to the Corporation or its shareholders ceases to be true and correct in any respect or omits a fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, each Eligible Shareholder or Proxy Access Shareholder Nominee, as the case may be, shall promptly notify the Secretary of the Corporation of any such inaccuracy or omission in such previously provided information and of the information that is required to make such information or communication true and correct.

(j) Any Proxy Access Shareholder Nominee who is included in the Proxy Materials for a particular annual meeting of shareholders but either (i) withdraws from or becomes ineligible or unavailable for election at that annual meeting, or (ii) does not receive at least 25% of the votes cast in favor of the Proxy Access Shareholder Nominee's election, will be ineligible to be a Proxy Access Shareholder Nominee pursuant to this Article I, Section 8 for the next two annual meetings of shareholders. Any Proxy Access Shareholder Nominee who is included in the Proxy Materials for a particular annual meeting of shareholders, but subsequently is determined not to satisfy the eligibility requirements of this Article I, Section 8 or any other provision of these Regulations, or the Corporation's Articles of Incorporation, Corporate Governance Guidelines, Independence Standards for Directors or other applicable document or regulation at any time before the applicable annual meeting of shareholders, will not be eligible for election at the relevant annual meeting of shareholders and may not be substituted by the Eligible Shareholder that nominated such Proxy Access Shareholder Nominee. Any Eligible Shareholder (including each shareholder, Qualifying Fund or beneficial owner whose share ownership is counted for the purposes of qualifying as an Eligible Shareholder) whose Proxy Access Shareholder Nominee is elected as a Director at the annual meeting of shareholders will not be eligible to nominate or participate in the nomination of a Proxy Access Shareholder Nominee for the following two annual meetings of shareholders other than the nomination of such previously elected Proxy Access Shareholder Nominee.

(k) The Corporation shall not be required to include, pursuant to this Article I, Section 8, a Proxy Access Shareholder Nominee in the Proxy Materials for any meeting of shareholders, or, if the proxy statement already has been filed, to allow the nomination of a Proxy Access Shareholder Nominee, notwithstanding that proxies in respect of such vote may have been received by the Corporation:

(i) if any person is engaging in a "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a Director at the applicable annual meeting of shareholders other than a nominee of the Board of Directors;

(ii) if the Proxy Access Shareholder Nominee or the Eligible Shareholder (or any member of any group of shareholders that together is such Eligible Shareholder) who has nominated such Proxy Access Shareholder Nominee has engaged in or is currently engaged in, or has been or is a “participant” in another person’s, “solicitation” within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a Director at the applicable annual meeting of shareholders other than its Proxy Access Shareholder Nominee(s) or a nominee of the Board of Directors;

(iii) who is not independent under the listing standards of each principal U.S. securities exchange upon which the common shares of the Corporation are listed, any applicable rules of the Securities and Exchange Commission, and any publicly disclosed standards used by the Board of Directors in determining and disclosing independence of the Corporation’s Directors, in each case as determined by the Board of Directors;

(iv) who does not meet the audit committee independence requirements under the rules of any U.S. securities exchange upon which the common shares of the Corporation are traded, is not a “non-employee director” for the purposes of Rule 16b-3 under the Exchange Act (or any successor rule), is not an “outside director” for the purposes of Section 162(m) of the Internal Revenue Code (or any successor provision);

(v) whose election as a member of the Board of Directors would cause the Corporation to be in violation of these Regulations, the Articles of Incorporation, the rules and listing standards of the principal U.S. securities exchanges upon which the common shares of the Corporation are listed, or any applicable state or federal law, rule or regulation;

(vi) who is or has been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914;

(vii) whose then-current or within the preceding ten years’ business or personal interests place such Proxy Access Shareholder Nominee in a conflict of interest with the Corporation or any of its subsidiaries that would cause such Proxy Access Shareholder Nominee to violate any fiduciary duties of directors established pursuant to the Ohio General Corporation Law, including but not limited to, the duty of loyalty and duty of care, as determined by the Board of Directors;

(viii) who is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past ten years;

(ix) if such Proxy Access Shareholder Nominee or the applicable Eligible Shareholder (or any member of any group of shareholders that together is such Eligible Shareholder) shall have provided information to the Corporation in connection with such nomination, including information provided pursuant to this Article I, Section 8, that was untrue in any material respect or omitted to state a material fact necessary in order to make any statement made, in light of the circumstances under which it was made, not misleading, as determined by the Board of Directors or any committee thereof;

(x) the Eligible Shareholder (or any member of any group of shareholders that together is such Eligible Shareholder) and the Proxy Access Shareholder Nominee do not appear at the applicable annual meeting of shareholders to present the Proxy Access Shareholder Nominee for election;

(xi) the Eligible Shareholder (or any member of any group of shareholders that together is such Eligible Shareholder) or applicable Proxy Access Shareholder Nominee otherwise breaches or fails to comply with or the Board of Directors or any committee thereof determines it has breached its representations or obligations pursuant to these Regulations, including, without limitation, this Article I, Section 8; or

(xii) the Eligible Shareholder ceases to be an Eligible Shareholder for any reason, including but not limited to not owning the Required Shares through the date of the applicable annual meeting.

For the purpose of this Section 8(k): (A) clauses (ii) through (xii) will result in the exclusion from the Proxy Materials pursuant to this Article I, Section 8 of the specific Proxy Access Shareholder Nominee to whom the ineligibility applies, or, if the proxy statement already has been filed, the ineligibility of the Proxy Access Shareholder Nominee; and (B) clause (i) may, at the sole discretion of the Board of Directors, result in the exclusion from the Proxy Materials pursuant to this Article I, Section 8 of all or any number of Proxy Access Shareholder Nominees from the applicable annual meeting of Shareholders, or, if the proxy statement already has been filed, the ineligibility of all Proxy Access Shareholder Nominees.

**de la Mare, Erin S.**

**From:** Joseph Leonti <jleonti@parker.com>  
**Sent:** Sunday, July 1, 2018 8:07 AM  
**To:** Brauer, Rhonda  
**Cc:** Aldgate, Adriana; Cook, Brian; Law, Emily; de la Mare, Erin S.; Diaz, Kathryn (Kay); Budhai, Millicent; Jacoby, Nicole; Leddy, Patrick J.  
**Subject:** \*Confidential: Re: Re: Re: Re: FW: Draft Proxy Access Bylaw (Parker-Hannifin)

Thanks Rhonda. We will work with Adriana to set up the call, and will certainly CC your team on the request. Talk soon, and travel safe.

Joe.

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Joseph R. Leonti  
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**From:** "Brauer, Rhonda" <rbrauer@comptroller.nyc.gov>  
**To:** Joseph Leonti <jleonti@parker.com>  
**Cc:** "Aldgate, Adriana" <aaldgat@comptroller.nyc.gov>, "Cook, Brian" <bcook@comptroller.nyc.gov>, "Law, Emily" <elaw@comptroller.nyc.gov>, "de la Mare, Erin S." <esdelamare@JonesDay.com>, "Diaz, Kathryn (Kay)" <kdiaz@comptroller.nyc.gov>, "Budhai, Millicent" <mbudha@comptroller.nyc.gov>, "Jacoby, Nicole" <njacoby@comptroller.nyc.gov>, "pjleddy@jonesday.com" <pjleddy@jonesday.com>  
**Date:** 07/01/2018 02:37 AM  
**Subject:** Re: \*Confidential: Re: Re: Re: FW: Draft Proxy Access Bylaw (Parker-Hannifin)

Joe,

Thanks for your note. Unfortunately I am now out of the country on vacation until July 9th.

Adriana can work with you to set us a call with Emily and me after I return to work any time from the 10th on.

If you must file a no-action request, I would appreciate it if you could copy everyone on this email chain. It includes members from our Office of the General Counsel.

I hope very much that once we speak, you would be able to withdraw your no-action request and we can withdraw our proposal.

Thank you and with best regards,

Rhonda

Sent from my iPhone

On Jun 30, 2018, at 2:16 PM, Joseph Leonti <[jleonti@parker.com](mailto:jleonti@parker.com)> wrote:

Rhonda -- I hope you can appreciate that we need to preserve our rights under the SEC rules for the 14a-8 process, which requires us to submit the no action request next week (prior to the 80 day deadline). It is certainly not our intention to create any additional cost. As I communicated previously, we are interested in getting your input, and if it works for your team, we can make ourselves available Monday or Tuesday to discuss your thoughts on the bylaw. Just let me know. Thanks.

Joe.

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E: [jleonti@parker.com](mailto:jleonti@parker.com)  
<mime-attachment.jpg>

From: "Brauer, Rhonda" <[rbrauer@comptroller.nyc.gov](mailto:rbrauer@comptroller.nyc.gov)>  
To: Joseph Leonti <[jleonti@parker.com](mailto:jleonti@parker.com)>  
Cc: "Aldgate, Adriana" <[aaldgat@comptroller.nyc.gov](mailto:aaldgat@comptroller.nyc.gov)>, "Cook, Brian" <[bcook@comptroller.nyc.gov](mailto:bcook@comptroller.nyc.gov)>, "Law, Emily" <[elaw@comptroller.nyc.gov](mailto:elaw@comptroller.nyc.gov)>, "de la Mare, Erin S." <[esdelamare@JonesDay.com](mailto:esdelamare@JonesDay.com)>, "Budhai, Millicent" <[mbudha@comptroller.nyc.gov](mailto:mbudha@comptroller.nyc.gov)>, "pjleddy@jonesday.com" <[pjleddy@jonesday.com](mailto:pjleddy@jonesday.com)>, "Diaz, Kathryn (Kay)" <[kdiaz@comptroller.nyc.gov](mailto:kdiaz@comptroller.nyc.gov)>, "Jacoby, Nicole" <[njacoby@comptroller.nyc.gov](mailto:njacoby@comptroller.nyc.gov)>  
Date: 06/29/2018 09:17 PM  
Subject: Re: \*Confidential: Re: Re: FW: Draft Proxy Access Bylaw (Parker-Hannifin)

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Joe,

Thanks for your note. We are disappointed to hear that you will be filing a no-action request with the SEC, which will cause costs on both of our sides. As you may be aware, we have a very good record of negotiating reasonable withdrawals of our shareholder proposals.

Rhonda

Sent from my iPhone

On Jun 29, 2018, at 8:42 PM, Joseph Leonti <[jleonti@parker.com](mailto:jleonti@parker.com)> wrote:

Thanks Rhonda, and thank you again for taking the time to review our proposed bylaw. We are coordinating schedules on our side and will be in touch with proposed times for a discussion in the middle of July, per your request.

Separately, I wanted to give you a heads up that, due to notification requirements under the SEC rules, we are planning on sending our no action request letter to the SEC next week in the ordinary course to meet the required deadline. I want to reassure you that we are still open to discussions with you on our proposed bylaw and we look forward to speaking with you in mid-July.

Thanks again.

Joe.

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Joseph R. Leonti  
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From: "Brauer, Rhonda" <[rbrauer@comptroller.nyc.gov](mailto:rbrauer@comptroller.nyc.gov)>  
To: Joseph Leonti <[jleonti@parker.com](mailto:jleonti@parker.com)>  
Cc: "Law, Emily" <[elaw@comptroller.nyc.gov](mailto:elaw@comptroller.nyc.gov)>, "Aldgate, Adriana" <[aalldgat@comptroller.nyc.gov](mailto:aalldgat@comptroller.nyc.gov)>, "Cook, Brian" <[bcook@comptroller.nyc.gov](mailto:bcook@comptroller.nyc.gov)>, "Budhai, Millicent" <[mbudha@comptroller.nyc.gov](mailto:mbudha@comptroller.nyc.gov)>, "Pileddy@jonesday.com" <[piledy@jonesday.com](mailto:piledy@jonesday.com)>, "de la Mare, Erin S." <[esdelamare@JonesDay.com](mailto:esdelamare@JonesDay.com)>  
Date: 06/29/2018 05:19 PM  
Subject: Re: \*Confidential: Re: FW: Draft Proxy Access Bylaw (Parker-Hannifin)

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Thank you, Joe. Have a great weekend, too, and we look forward to talking with you in mid-July. Best, Rhonda

Sent from my iPhone

On Jun 29, 2018, at 9:21 AM, Joseph Leonti <[jleonti@parker.com](mailto:jleonti@parker.com)> wrote:

Thank you for your review and response. I do hope that Mr. Garland is OK and it isn't anything serious.

We would, of course, be happy to discuss the bylaw with you and consider your input and perspectives. I've asked our outside counsel from Jones Day (copied on this response) to reach out to you to set up a mutually convenient time to talk.

Thanks again. Have a nice weekend and holiday week.

Joe.

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To: [jleonti@parker.com](mailto:jleonti@parker.com) <[jleonti@parker.com](mailto:jleonti@parker.com)>

Cc: "Brauer, Rhonda" <[brauer@comptroller.nyc.gov](mailto:brauer@comptroller.nyc.gov)>, "Cook, Brian" <[bcook@comptroller.nyc.gov](mailto:bcook@comptroller.nyc.gov)>, "Budhai, Millicent" <[mbudha@comptroller.nyc.gov](mailto:mbudha@comptroller.nyc.gov)>, "Aldgate, Adriana" <[aaldgat@comptroller.nyc.gov](mailto:aaldgat@comptroller.nyc.gov)>  
Date: 06/28/2018 02:36 PM  
Subject: FW: \*Confidential: Draft Proxy Access Bylaw (Parker-Hannifin)

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Dear Mr. Leonti,

Thank you for sending us your draft proxy access bylaw. We are writing to you because Mike Garland is currently on medical leave.

We are part of his team that reviews draft proxy access bylaws for purpose of negotiating withdrawals of our proposals.

We have reviewed your draft bylaw and have some questions and comments for you. These primarily concern provisions that are not consistent with current market norms or need further clarification.

Would it be possible to set up a time to discuss our questions and comments with you in the middle of July?

Please let us know if there are any good days and times for you.

Thank you very much.

Sincerely,

Emily

**EMILY LAW**

Senior Investment Analyst - Corporate Governance and Responsible Investment

Office of New York City Comptroller Scott M. Stringer, Bureau of Asset Management

1 Centre Street, 8<sup>th</sup> Floor North, New York, NY 10007

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**From:** Joseph Leonti [<mailto:jleonti@parker.com>]

**Sent:** Monday, June 25, 2018 2:33 PM

**To:** Garland, Michael <[mgarlan@comptroller.nyc.gov](mailto:mgarlan@comptroller.nyc.gov)>

**Subject:** \*Confidential: Draft Proxy Access Bylaw

Michael - -

As we discussed a few weeks back, attached for your review is a draft proxy access bylaw that we believe is well aligned with current market practice and, therefore, are prepared to propose for a vote at our 2018 annual meeting of shareholders. Please take a look and let me know if you have any questions or would like to discuss. Thank you.

Joe.

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<mime-attachment.jpg>

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<PH Proxy Access Bylaw (062518).pdf>[attachment "ATT00001.jpg" deleted by Joseph Leonti/COR/PARKER] [attachment "ATT00002.png" deleted by Joseph Leonti/COR/PARKER] [attachment "ATT00003.jpg" deleted by Joseph Leonti/COR/PARKER]

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EXHIBIT C  
Proposed Proxy Access Bylaw

**Parker-Hannifin Corporation**  
**Proxy Access Amendments to Code of Regulations**

**Article I. Meetings of Shareholders. [ . . . ]**

**Section 8. Inclusion of Director Nominations by Shareholders in the Corporation's Proxy Materials.**

(a) Subject to the terms and conditions set forth in these Regulations (including the provisions of Article I, Section 6 concerning the general nomination of Directors by shareholders), the Corporation shall include in its proxy statement and form of proxy (hereinafter, the "**Proxy Materials**") for an annual meeting of shareholders for the election of Directors, in addition to the persons selected and recommended for election by the Board of Directors or any committee thereof, the name, together with the Required Information (as defined Article I, Section 8(c) below), of any person nominated for election (the "**Proxy Access Shareholder Nominee**") to the Board of Directors by one or more shareholders that satisfies the notice, ownership and other requirements of this Article I, Section 8 (such shareholder or group of shareholders, the "**Eligible Shareholder**").

(b) To nominate a Proxy Access Shareholder Nominee, the Eligible Shareholder must provide a written notice that expressly elects to have its Proxy Access Shareholder Nominee included in the Proxy Materials pursuant to this Article I, Section 8 (the "**Notice of Proxy Access Nomination**"). To be timely, the Notice of Proxy Access Nomination must be delivered to the Secretary of the Corporation at the principal executive office of the Corporation not less than 120, nor more than 150, calendar days prior to the anniversary of the date that the Corporation mailed its proxy statement for the prior year's annual meeting of shareholders (the last day on which a Notice of Proxy Access Nomination may be delivered, the "**Final Proxy Access Nomination Date**"); provided, however, that if (and only if) there was no annual meeting in the preceding year or the date of the annual meeting is advanced more than 30 calendar days prior to, or delayed by more than 30 calendar days after the anniversary of the preceding year's annual meeting, to be timely, notice by the Eligible Shareholder must be so delivered not less than 120, nor more than 150, calendar days prior to the date of such annual meeting or, if the first public announcement of the date is less than 130 calendar days prior to the date of such annual meeting, by the 10th calendar day following the day on which such public announcement is made. In addition to the other requirements set forth in this Article I, Section 8, the Notice of Proxy Access Nomination must include the name and address of the Eligible Shareholder (including each shareholder and beneficial owner whose share ownership is counted for the purposes of qualifying as an Eligible Shareholder).

(c) For purposes of this Article I, Section 8, the "**Required Information**" that the Corporation will include in the Proxy Materials is (i) the information concerning the Proxy Access Shareholder Nominee and the Eligible Shareholder that the Corporation determines is required to be disclosed in the Proxy Materials under the Exchange Act; and (ii) if the Eligible Shareholder so elects, a Statement (as defined in Article I, Section 8(h) below). Nothing in this Article I, Section 8 shall limit the Corporation's ability to solicit against and include in the Proxy Materials its own statements relating to any Proxy Access Shareholder Nominee.

(d) The maximum number of Proxy Access Shareholder Nominees (including Proxy Access Shareholder Nominees that were submitted by Eligible Shareholders for inclusion in the Proxy Materials pursuant to this Article I, Section 8 but either are subsequently withdrawn or that the Board of Directors decides to select and recommend as Director nominees under Article I, Section 6 of these Regulations) that may appear in the Proxy Materials with respect to an annual meeting of shareholders shall not exceed the greater of (i) two or (ii) 20% of the number of Directors in office as of the Final Proxy Access Nomination Date (or if such number is not a whole number, the closest whole number below 20%) (the “**Permitted Number**”); provided, however, that the Permitted Number shall be reduced by the number of incumbent Directors who had been a Proxy Access Shareholder Nominee with respect to any of the preceding two annual meetings of shareholders and whose reelection at the upcoming annual meeting is being recommended by the Board of Directors; provided, further, that in the event that one or more vacancies for any reason occurs on the Board of Directors at any time after the Final Proxy Access Nomination Date and before the date of the applicable annual meeting of shareholders and the Board of Directors reduces the size of the Board of Directors in connection therewith, the Permitted Number shall be calculated based on the number of Directors in office as so reduced. In the event that the number of Proxy Access Shareholder Nominees submitted by Eligible Shareholders pursuant to this Article I, Section 8 exceeds the Permitted Number, each Eligible Shareholder will select one Proxy Access Shareholder Nominee for inclusion in the Proxy Materials until the Permitted Number is reached, with preference provided based on the number (largest to smallest) of shares owned by each Eligible Shareholder as disclosed in each Notice of Proxy Access Nomination. If the Permitted Number is not reached after each Eligible Shareholder has selected one Proxy Access Shareholder Nominee, this selection process will continue as many times as necessary, following the same order each time, until the Permitted Number is reached.

(e) An Eligible Shareholder is one or more shareholders who owns and has owned, or is or are acting on behalf of one or more beneficial owners who own and have owned (as defined in Article I, Section 8(f) below), for at least three years as of the date the Notice of Proxy Access Nomination is received by the Corporation, shares representing at least 3% of the voting power entitled to vote generally in the election of Directors (the “**Required Shares**”), and who continue to own the Required Shares at all times between the date the Notice of Proxy Access Nomination is received by the Corporation and the date of the applicable annual meeting of shareholders, provided that the aggregate number of such shareholders and beneficial owners shall not exceed 20. Two or more funds that are (i) under common management and investment control or (ii) under common management and funded primarily by a single employer (such funds together under each of (i) or (ii) comprising a “**Qualifying Fund**”) shall be treated as one shareholder for the purpose of determining the aggregate number of shareholders in this Article I, Section 8(e), and treated as one person for the purpose of determining ownership in Article I, Section 8(f), provided that each fund comprising a Qualifying Fund otherwise meets the requirements set forth in this Article I, Section 8. No shareholder or beneficial owner may be a member of more than one group constituting an Eligible Shareholder under this Article I, Section 8. Should any shareholder or beneficial owner withdraw from a group of Eligible Shareholders at any time prior to the annual meeting of shareholders, the group of Eligible Shareholders shall only be deemed to own the shares held by the remaining members of the group.

(f) For purposes of calculating the Required Shares, “ownership” shall be deemed to consist of and include only the outstanding shares as to which a person possesses both (i) the full voting and investment rights pertaining to the shares and (ii) the full economic interest in (including the opportunity for profit and risk of loss on) such shares; provided that the ownership of shares calculated in accordance with clauses (i) and (ii) shall not include any shares (A) that a person has sold in any transaction that has not been settled or closed, (B) that a person has borrowed or purchased pursuant to an agreement to resell or (C) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by a person, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of shares, in any such case which instrument or agreement has, or is intended to have, the purpose or effect of (1) reducing in any manner, to any extent or at any time in the future, the person’s full right to vote or direct the voting of any such shares, or (2) hedging, offsetting or altering to any degree gain or loss arising from the full economic ownership of such person’s shares. Ownership shall include shares held in the name of a nominee or other intermediary so long as the person claiming ownership of such shares retains the right to instruct how the shares are voted with respect to the election of Directors and possesses the full economic interest in the shares, provided that this provision shall not alter the obligations of any shareholder to provide the Notice of Proxy Access Nomination. Ownership of shares shall be deemed to continue during any period in which shares have been loaned if the person claiming ownership has the power to recall such loaned shares on three business days’ notice and the person recalls the loaned shares within three business days of being notified that its Proxy Access Shareholder Nominee will be included in the Proxy Materials for the applicable annual meeting, and the person holds the recalled shares through such annual meeting. Ownership of shares shall be deemed to continue during any period in which any voting power has been delegated by means of a proxy, power of attorney or other instrument or arrangement which is revocable at any time without condition. For purposes of this Article I, Section 8, the determination of the extent of ownership of shares shall be made in good faith by the Board of Directors, which determination shall be conclusive and binding on the Corporation and the shareholders. An Eligible Shareholder shall include in its Notice of Proxy Access Nomination the number of shares it is deemed to own for the purposes of this Article I, Section 8.

(g) No later than the Final Proxy Access Nomination Date, an Eligible Shareholder (including each shareholder, Qualifying Fund and beneficial owner whose share ownership is counted for the purposes of qualifying as an Eligible Shareholder) must provide the following information in writing to the Secretary of the Corporation:

(i) all of the information required pursuant to Article I, Section 6(b) as if the Notice of Proxy Access Nomination were a shareholder’s notice with respect to nominations of persons for election of Directors pursuant to Article I, Section 6(b);

(ii) one or more written statements from the record holder of the shares (and from each intermediary through which the shares are or have been held during the requisite three-year holding period) verifying that, as of the date the Notice of Proxy Access Nomination is sent to the Corporation, the Eligible Shareholder owns, and has owned continuously for the preceding three years, the Required Shares, and the Eligible Shareholder’s agreement to provide (A) within five business days after the record date for the applicable annual meeting, written statements from the record holder and

intermediaries verifying the Eligible Shareholder's continuous ownership of the Required Shares through the record date, and (B) immediate notice if the Eligible Shareholder ceases to own any of the Required Shares prior to the date of the applicable annual meeting of shareholders (for purposes of this clause (ii), "record holder" shall mean the applicable Depository Trust Company ("DTC") participant for shares that are deposited at DTC);

(iii) the written consent of each Proxy Access Shareholder Nominee to being named in the Proxy Materials as a nominee and to serving as a Director if elected; and

(iv) a copy of the Schedule 14N that has been filed with the Securities and Exchange Commission as required by Rule 14a-18 under the Exchange Act.

In addition, no later than the Final Proxy Access Nomination Date, an Eligible Shareholder (including each shareholder, Qualifying Fund and beneficial owner whose share ownership is counted for purposes of qualifying as an Eligible Shareholder) must provide to the Secretary of the Corporation a signed and written:

(i) representation of the Eligible Shareholder that such Eligible Shareholder (A) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control of the Corporation, and does not presently have such intent, (B) intends to maintain qualifying ownership of the Required Shares through the date of the applicable annual meeting of shareholders, (C) has not nominated and will not nominate for election to the Board of Directors at the applicable annual meeting of shareholders any person other than its Proxy Access Shareholder Nominee, (D) has not engaged and will not engage in, and has not and will not be a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a Director at the applicable annual meeting of shareholders other than its Proxy Access Shareholder Nominee(s) or a nominee of the Board of Directors, (E) will not distribute to any shareholder any form of proxy for the applicable annual meeting of shareholders other than the form distributed by the Corporation, and (F) will provide facts, statements and other information in all communications with the Corporation and its shareholders that are or will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading and otherwise will comply with all applicable laws, rules and regulations in connection with any actions taken pursuant to this Article I, Section 8;

(ii) in the case of a nomination by a group of shareholders that together constitutes an Eligible Shareholder, designation by all such group members of one group member that is authorized to act on behalf of all members of the nominating shareholder group with respect to the nomination and matters related thereto, including withdrawal of the nomination; and

(iii) undertaking that the Eligible Shareholder agrees to (A) assume all liability stemming from any legal or regulatory violation arising out of the Eligible Shareholder's

communications with the shareholders of the Corporation or out of the information that the Eligible Shareholder provided to the Corporation, (B) indemnify and hold harmless the Corporation and each of its Directors, officers and employees individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its Directors, officers or employees arising out of any nomination, solicitation or other activity by the Eligible Shareholder in connection with its efforts to elect the Proxy Access Shareholder Nominee pursuant to this Article I, Section 8, and (C) file with the Securities and Exchange Commission any solicitation or other communication with the Corporation's shareholders relating to the meeting at which the Proxy Access Shareholder Nominee will be nominated, regardless of whether any such filing is required under Regulation 14A of the Exchange Act or whether any exemption from filing is available for such solicitation or other communication under Regulation 14A of the Exchange Act.

In addition, no later than the Final Proxy Access Nomination Date, a Qualifying Fund whose share ownership is counted for purposes of qualifying as an Eligible Shareholder must provide to the Secretary of the Corporation documentation reasonably satisfactory to the Board of Directors that demonstrates that the funds comprising the Qualifying Fund are either (i) under common management and investment control or (ii) under common management and funded primarily by a single employer.

(h) The Eligible Shareholder may provide to the Secretary of the Corporation, at the time the information required by this Article I, Section 8 is provided, a written statement for inclusion in the Proxy Materials for the applicable annual meeting of shareholders, not to exceed 500 words, in support of the Eligible Shareholder's Proxy Access Shareholder Nominee (the "**Statement**"). Notwithstanding anything to the contrary contained in this Article I, Section 8, the Corporation may omit from the Proxy Materials any information or Statement (or portion thereof) that it, in good faith, believes would violate any applicable law or regulation.

(i) No later than the Final Proxy Access Nomination Date, each Proxy Access Shareholder Nominee must:

(i) provide to the Secretary of the Corporation all of the consents, representations, and agreements required pursuant to Article I, Section 6 as if the Proxy Access Shareholder Nominee was a nominee;

(ii) submit to the Secretary of the Corporation all completed and signed documents required of the Corporation's Directors and nominees for election to the Board of Directors within five business days of receipt of each such questionnaire from the Corporation; and

(iii) provide to the Secretary of the Corporation within five business days of the Corporation's request such additional information as the Corporation determines may be necessary to permit the Board of Directors to determine (A) such Proxy Access Shareholder Nominee's status as to "independence", including references to the criteria established by the New York Stock Exchange (or any other exchange or quotation system

on which the Corporation's equity securities are listed), any applicable rules of the Securities and Exchange Commission and the Corporation's Corporate Governance Guidelines and Independence Standards for Directors, (B) if such Proxy Access Shareholder Nominee has any direct or indirect relationship with the Corporation, and (C) if such Proxy Access Shareholder Nominee is not and has not been subject to any event specified in Item 401(f) of Regulation S-K of the Exchange Act or any successor provision.

In the event that any information or communications provided by the Eligible Shareholder or the Proxy Access Shareholder Nominee to the Corporation or its shareholders ceases to be true and correct in any respect or omits a fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, each Eligible Shareholder or Proxy Access Shareholder Nominee, as the case may be, shall promptly notify the Secretary of the Corporation of any such inaccuracy or omission in such previously provided information and of the information that is required to make such information or communication true and correct.

(j) Any Proxy Access Shareholder Nominee who is included in the Proxy Materials for a particular annual meeting of shareholders but either (i) withdraws from or becomes ineligible or unavailable for election at that annual meeting, or (ii) does not receive at least 25% of the votes cast in favor of the Proxy Access Shareholder Nominee's election, will be ineligible to be a Proxy Access Shareholder Nominee pursuant to this Article I, Section 8 for the next two annual meetings of shareholders. Any Proxy Access Shareholder Nominee who is included in the Proxy Materials for a particular annual meeting of shareholders, but subsequently is determined not to satisfy the eligibility requirements of this Article I, Section 8 or any other provision of these Regulations, or the Corporation's Articles of Incorporation, Corporate Governance Guidelines, Independence Standards for Directors or other applicable document or regulation at any time before the applicable annual meeting of shareholders, will not be eligible for election at the relevant annual meeting of shareholders and may not be substituted by the Eligible Shareholder that nominated such Proxy Access Shareholder Nominee. Any Eligible Shareholder (including each shareholder, Qualifying Fund or beneficial owner whose share ownership is counted for the purposes of qualifying as an Eligible Shareholder) whose Proxy Access Shareholder Nominee is elected as a Director at the annual meeting of shareholders will not be eligible to nominate or participate in the nomination of a Proxy Access Shareholder Nominee for the following two annual meetings of shareholders other than the nomination of such previously elected Proxy Access Shareholder Nominee.

(k) The Corporation shall not be required to include, pursuant to this Article I, Section 8, a Proxy Access Shareholder Nominee in the Proxy Materials for any meeting of shareholders, or, if the proxy statement already has been filed, to allow the nomination of a Proxy Access Shareholder Nominee, notwithstanding that proxies in respect of such vote may have been received by the Corporation:

(i) if any person is engaging in a "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a Director at the applicable annual meeting of shareholders other than a nominee of the Board of Directors;

(ii) if the Proxy Access Shareholder Nominee or the Eligible Shareholder (or any member of any group of shareholders that together is such Eligible Shareholder) who has nominated such Proxy Access Shareholder Nominee has engaged in or is currently engaged in, or has been or is a “participant” in another person’s, “solicitation” within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a Director at the applicable annual meeting of shareholders other than its Proxy Access Shareholder Nominee(s) or a nominee of the Board of Directors;

(iii) who is not independent under the listing standards of each principal U.S. securities exchange upon which the common shares of the Corporation are listed, any applicable rules of the Securities and Exchange Commission, and any publicly disclosed standards used by the Board of Directors in determining and disclosing independence of the Corporation’s Directors, in each case as determined by the Board of Directors;

(iv) who does not meet the audit committee independence requirements under the rules of any U.S. securities exchange upon which the common shares of the Corporation are traded, is not a “non-employee director” for the purposes of Rule 16b-3 under the Exchange Act (or any successor rule), is not an “outside director” for the purposes of Section 162(m) of the Internal Revenue Code (or any successor provision);

(v) whose election as a member of the Board of Directors would cause the Corporation to be in violation of these Regulations, the Articles of Incorporation, the rules and listing standards of the principal U.S. securities exchanges upon which the common shares of the Corporation are listed, or any applicable state or federal law, rule or regulation;

(vi) who is or has been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914;

(vii) whose then-current or within the preceding ten years’ business or personal interests place such Proxy Access Shareholder Nominee in a conflict of interest with the Corporation or any of its subsidiaries that would cause such Proxy Access Shareholder Nominee to violate any fiduciary duties of directors established pursuant to the Ohio General Corporation Law, including but not limited to, the duty of loyalty and duty of care, as determined by the Board of Directors;

(viii) who is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past ten years;

(ix) if such Proxy Access Shareholder Nominee or the applicable Eligible Shareholder (or any member of any group of shareholders that together is such Eligible Shareholder) shall have provided information to the Corporation in connection with such nomination, including information provided pursuant to this Article I, Section 8, that was untrue in any material respect or omitted to state a material fact necessary in order to make any statement made, in light of the circumstances under which it was made, not misleading, as determined by the Board of Directors or any committee thereof;

(x) the Eligible Shareholder (or any member of any group of shareholders that together is such Eligible Shareholder) and the Proxy Access Shareholder Nominee do not appear at the applicable annual meeting of shareholders to present the Proxy Access Shareholder Nominee for election;

(xi) the Eligible Shareholder (or any member of any group of shareholders that together is such Eligible Shareholder) or applicable Proxy Access Shareholder Nominee otherwise breaches or fails to comply with or the Board of Directors or any committee thereof determines it has breached its representations or obligations pursuant to these Regulations, including, without limitation, this Article I, Section 8; or

(xii) the Eligible Shareholder ceases to be an Eligible Shareholder for any reason, including but not limited to not owning the Required Shares through the date of the applicable annual meeting.

For the purpose of this Section 8(k): (A) clauses (ii) through (xii) will result in the exclusion from the Proxy Materials pursuant to this Article I, Section 8 of the specific Proxy Access Shareholder Nominee to whom the ineligibility applies, or, if the proxy statement already has been filed, the ineligibility of the Proxy Access Shareholder Nominee; and (B) clause (i) may, at the sole discretion of the Board of Directors, result in the exclusion from the Proxy Materials pursuant to this Article I, Section 8 of all or any number of Proxy Access Shareholder Nominees from the applicable annual meeting of Shareholders, or, if the proxy statement already has been filed, the ineligibility of all Proxy Access Shareholder Nominees.