EXHIBIT 5

(additions are underlined; deletions are [[bracketed]])

* * * * *

Rule 14.3. General Procedures and Prerequisites for Initial and Continued Listing on the Exchange.

(a) No change.

(b) Prerequisites for Applying to List on the Exchange

All Companies applying to list on the Exchange must meet the following prerequisites:

(1)-(2) No change.

(3) Direct Registration Program. All securities initially listing on the Exchange, except securities which are book-entry only, must be eligible for a Direct Registration Program operated by a clearing agency registered under Section 17A of the Act. [[This provision does not extend to: (i) additional classes of securities of Companies which already have securities listed on the Exchange; (ii) Companies which immediately prior to such listing had securities listed on another registered securities exchange in the U.S.; or, (iii) non-equity securities that are book-entry only.]] A foreign issuer, as defined under Rule 3b-4 under the Act, including a Foreign Private Issuer, [[may follow its home country practice in lieu of this requirement by utilizing the process described in Rule 14.10(e)(1)(C)]]shall not be subject to this requirement if it submits to the Exchange a written statement from an independent counsel in such Company's home country certifying that a law or regulation in the home country prohibits compliance.

(4)-(9) No change.

(d)-(e) No change.

* * * * *

Rule 14.6. Obligations for Companies Listed on the Exchange

(a) No change.

(b) Obligation to Make Public Disclosure

(1)-(2) No change.

(3) Disclosure of Third Party Director and Nominee Compensation

Companies must disclose all agreements and arrangements in accordance with this rule by no later than the date on which the Company files or furnishes a proxy or

information statement subject to Regulation 14A or 14C under the Act in connection with the Company's next shareholders' meeting at which directors are elected (or, if they do not file proxy or information statements, no later than when the Company files its next Form 10-K or Form 20-F).

(A) A Company shall disclose either on or through the Company's website or in the proxy or information statement for the next shareholders' meeting at which directors are elected (or, if the Company does not file proxy or information statements, in its Form 10-K or 20-F), the material terms of all agreements and arrangements between any director or nominee for director, and any person or entity other than the Company (the "Third Party"), relating to compensation or other payment in connection with such person's candidacy or service as a director of the Company. A Company need not disclose pursuant to this rule agreements and arrangements that:

(i) relate only to reimbursement of expenses in connection with candidacy as a director;

(ii) existed prior to the nominee's candidacy (including as an employee of the other person or entity) and the nominee's relationship with the Third Party has been publicly disclosed in a proxy or information statement or annual report (such as in the director or nominee's biography); or

(iii) have been disclosed under Item 5(b) of Schedule 14A of the Act or Item 5.02(d)(2) of Form 8-K in the current fiscal year.

Disclosure pursuant to Commission rule shall not relieve a Company of its annual obligation to make disclosure under subparagraph (B).

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

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

(D) A Company shall not be considered deficient with respect to this paragraph for purposes of Rule 14.12 if the Company has undertaken reasonable efforts to identify all such agreements or arrangements, including asking each director or nominee in a manner designed to allow timely disclosure, and makes the disclosure required by subparagraph (C) promptly upon discovery of the agreement or arrangement. In all other cases, the Company must submit a plan sufficient to

satisfy Exchange staff that the Company has adopted processes and procedures designed to identify and disclose relevant agreements or arrangements.

(E) A Foreign Private Issuer may follow its home country practice in lieu of the requirements of Rule 14.6(b)(3) by utilizing the process described in Rule 14.10(e)(1)(C) and Interpretation and Policy .12 to Rule 14.10.

(c)-(e) No change.

Interpretations and Policies

.01-.02 No change.

.03 Disclosure of Third Party Director and Nominee Compensation

Rule 14.6(b)(3) requires listed companies to publicly disclose the material terms of all agreements and arrangements between any director or nominee and any person or entity (other than the Company) relating to compensation or other payment in connection with that person's candidacy or service as a director. The terms "compensation" and "other payment" as used in this rule are not limited to cash payments and are intended to be construed broadly.

Subject to exceptions provided in the rule, the disclosure must be made on or through the Company's website or in the proxy or information statement for the next shareholders' meeting at which directors are elected in order to provide shareholders with information and sufficient time to help them make meaningful voting decisions. A Company posting the requisite disclosure on or through its website must make it publicly available no later than the date on which the Company files a proxy or information statement in connection with such shareholders' meeting (or, if they do not file proxy or information statements, no later than when the Company files its next Form 10-K or Form 20-F). Disclosure made available on the Company's website or through it by hyperlinking to another website, must be continuously accessible. If the website hosting the disclosure subsequently becomes inaccessible or that hyperlink inoperable, the company must promptly restore it or make other disclosure in accordance with this rule.

Rule 14.6(b)(3) does not separately require the initial disclosure of newly entered into agreements or arrangements, provided that disclosure is made pursuant to this rule for the next shareholders' meeting at which directors are elected. In addition, for publicly disclosed agreements and arrangements that existed prior to the nominee's candidacy and thus not required to be disclosed in accordance with Rule 14.6(b)(3)(A)(ii) but where the director or nominee's remuneration is thereafter materially increased specifically in connection with such person's candidacy or service as a director of the Company, only the difference between the new and previous level of compensation or other payment obligation needs be disclosed.

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

Rule 14.7. Direct Registration Program

(a)-(b) No change.

(c) Exemption

A foreign issuer, as defined under Rule 3b-4 under the Act, including a Foreign Private Issuer, shall not be subject to this requirement if it submits to the Exchange a written statement from an independent counsel in such Company's home country certifying that a law or regulation in the home country prohibits compliance.[[A Foreign Private Issuer must be eligible to participate in a Direct Registration Program, as required by Rule 14.7, unless prohibited from complying by a law or regulation in its home country. In such case, a Foreign Private Issuer may follow its home country practice in lieu of this requirement by using the process described in Rule 14.10(e)(1)(C).]]

Rule 14.10. Corporate Governance Requirements

(a)-(b) No change.

(c) Board of Directors and Committees

(1) Definitions

(A) No change.

(B) "Independent Director" means a person other than an Executive Officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. For purposes of this rule, "Family Member" means a person's spouse, parents, children, [[and]]siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares[[whether by blood, marriage or adoption, or anyone residing in]] such person's home. The following persons shall not be considered independent:

(i)-(ii) No change.

(iii) a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by the [[c]]Company as an Executive Officer;

(iv-vi) No change.

(vii) in the case of an investment company, in lieu of paragraphs (i)-(vi), a director who is an "interested person" of the Company as defined in Section 2(a)(19) of the Investment Company Act of 1940, other than in his or her capacity as a member of the board of directors or any board committee.

[[In addition to the requirements contained in this Rule 14.10(c)(1)(B), directors of a Company, in determining compensation of Executive Officers as described in Rule 14.10(c)(4)(B) (relating to compensation of Executive Officers),

are also subject to additional factors for determining independence under Rule 14.10(c)(4).]]

(2) No change.

(3) Audit Committee Requirements

(A) *Audit Committee Charter*. Each Company must certify that it has adopted a formal written audit committee charter and that the audit committee [[has reviewed and reassessed]]will review and reassess the adequacy of the formal written charter on an annual basis. The charter must specify:

(i) the scope of the audit committee's responsibilities, and how it carries out those responsibilities, including structure, processes[[,]] and membership requirements;

(ii) the audit committee's responsibility for ensuring its receipt from the outside auditors of a formal written statement delineating all relationships between the auditor and the Company, actively engaging in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and for taking, or recommending that the full board take, appropriate action to oversee the independence of the outside auditor; [[and]]

(iii) the committee's purpose of overseeing the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company; and

(iv) No change.

(B) *Audit Committee Composition*

(i) Each Company must have, and certify that it has and will continue to have, an audit committee of at least three members, each of whom must:

(a) be [[independent]]an Independent Director as defined under Rule 14.10(c)(1)(B);

(b)-(d) No change.

(ii) Non-Independent Director for Exceptional and Limited Circumstances. Notwithstanding sub-paragraph (i)(a) above, one director who:

(a) is not [[independent]]an Independent Director as defined in Rule 14.10(c)(1)(B);

(b)-(c) No change.

(C) *Audit Committee Responsibilities and Authority*. The audit committee must have the specific audit committee responsibilities and authority necessary to comply with Rule 10A-3(b)(2), (3), (4) and (5) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act), concerning responsibilities relating to: (i) registered public accounting firms, (ii) complaints relating to accounting, internal accounting controls or auditing matters, (iii) authority to engage advis[[o]]ers, and (iv) funding as determined by the audit committee. Audit committees for investment companies must also establish procedures for the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters by employees of the investment adviser, administrator, principal underwriter, or any other provider of accounting related services for the investment company, as well as employees of the investment company.

(D)-(E) No change.

(4) Compensation Committee Requirements

(A) *Compensation Committee Charter.* Each Company must certify that it has adopted a formal written compensation committee charter and that the compensation committee will review and reassess the adequacy of the formal written charter on an annual basis. The charter must specify:

(i) the scope of the compensation committee's responsibilities, and how it carries out those responsibilities, including structure, processes and membership requirements;

(ii) the compensation committee's responsibility for determining, or recommending to the board for determination, the compensation of the chief executive officer and all other Executive Officers of the Company;

(iii) that the chief executive officer may not be present during voting or deliberations on his or her compensation; and

(iv) the specific compensation committee responsibilities and authority set forth in Rule 14.10(c)(4)(D).

(B) *Compensation Committee Composition.* Each Company must have, and certify that it has and will continue to have, a compensation committee of at least two members. Each committee member must be an Independent Director as defined under Rule 14.10(c)(1)(B). In addition, in affirmatively determining the independence of any director who will serve on the compensation committee of a board of directors, the board of directors must consider all factors specifically relevant to determining whether a director has a relationship to the Company which

is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to:

(i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and

(ii) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

(C) *Non-Independent Committee Member under Exceptional and Limited Circumstances.* Notwithstanding paragraph 14.10(c)(4)(B) above, if the compensation committee is comprised of at least three members, one director who does not meet the requirements of paragraph 14.10(c)(4)(B) and is not currently an Executive Officer or employee or a Family Member of an Executive Officer, may be appointed to the compensation committee if the board, under exceptional and limited circumstances, determines that such individual's membership on the committee is required by the best interests of the Company and its Shareholders. A Company that relies on this exception must disclose either on or through the Company's website or in the proxy statement for the next annual meeting subsequent to such determination (or, if the Company does not file a proxy, in its Form 10-K or 20-F), the nature of the relationship and the reasons for the determination. In addition, the Company must provide any disclosure required by Instruction 1 to Item 407(a) of Regulation S-K regarding its reliance on this exception. A member appointed under this exception may not serve longer than two years.

(D) *Compensation Committee Responsibilities and Authority.* As required by Rule 10C-1(b)(2), (3) and (4)(i)-(vi) under the Act, the compensation committee must have the following specific responsibilities and authority.

(i) The compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser.

(ii) The compensation committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the compensation committee.

(iii) The Company must provide for appropriate funding, as determined by the compensation committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the compensation committee.

(iv) The compensation committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the compensation committee, other than in-house legal counsel, only after taking into consideration the following factors:

(a) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;

(b) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;

(c) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;

(d) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee;

(e) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and

(f) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an Executive Officer of the Company.

Nothing in this Rule shall be construed: (i) to require the compensation committee to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other adviser to the compensation committee; or (ii) to affect the ability or obligation of a compensation committee to exercise its own judgment in fulfillment of the duties of the compensation committee.

The compensation committee is required to conduct the independence assessment outlined in this Rule with respect to any compensation consultant, legal counsel or other adviser that provides advice to the compensation committee, other than in-house legal counsel. However, nothing in this Rule requires a compensation consultant, legal counsel or other compensation adviser to be independent, only that the compensation committee consider the enumerated independence factors before selecting, or receiving advice from, a compensation adviser. Compensation committees may select, or receive advice from, any compensation adviser they prefer, including ones that are not independent, after considering the six independence factors outlined above.

For purposes of this Rule, the compensation committee is not required to conduct an independence assessment for a compensation adviser that acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of Executive Officers or directors of the Company, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

(E) *Cure Period for Compensation Committee.* If a Company fails to comply with the compensation committee composition requirement under Rule 14.10(c)(4)(B) due to one vacancy, or one compensation committee member ceases to be independent due to circumstances beyond the member's reasonable control, the Company shall regain compliance with the requirement by the earlier of its next annual shareholders meeting or one year from the occurrence of the event that caused the failure to comply with this requirement; provided, however, that if the annual shareholders meeting occurs no later than 180 days following the event that caused the failure to comply with this requirement, the Company shall instead have 180 days from such event to regain compliance. A Company relying on this provision shall provide notice to the Exchange immediately upon learning of the event or circumstance that caused the noncompliance.

(F) *Smaller Reporting Companies.* A Smaller Reporting Company, as defined in Rule 12b-2 under the Act, is not subject to the requirements of Rule 14.10(c)(4), except that a Smaller Reporting Company must have, and certify that it has and will continue to have, a compensation committee of at least two members, each of whom must be an Independent Director as defined under Rule 14.10(c)(1)(B). A Smaller Reporting Company may rely on the exception in Rule 14.10(c)(4)(C) and the cure period in Rule 14.10(c)(4)(E). In addition, a Smaller Reporting Company must certify that it has adopted a formal written compensation committee charter or board resolution that specifies the content set forth in Rule 14.10(c)(4)(A)(i)-(iii). A Smaller Reporting Company does not need to include in its formal written compensation committee charter or board resolution the specific compensation committee responsibilities and authority set forth in Rule 14.10(c)(4)(D).

[[(4) Independent Director Oversight of Executive Officer Compensation

(A) *Composition*

(i) In addition to meeting the criteria listed under Rule 14.10(c)(1)(B), in evaluating the independence of a director to determine if such director is permitted to determine the compensation of Executive Officers as described in Rule 14.10(c)(4)(B), the board of directors of a Company shall consider the following factors:

(a) The source of compensation of the director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and

(b) Whether the director is affiliated with the Company, a subsidiary of the Company, or an affiliate of a subsidiary of the Company.

(B) *Determination of Compensation of Executive Officers*

(i) Compensation of the chief executive officer of the Company must be determined, or recommended to the Board for determination, either by:

(a) Independent Directors constituting a majority of the Board's Independent Directors in a vote in which only Independent Directors that are also deemed independent under Rule 14.10(c)(4)(A)(i) participate; or

(b) a compensation committee comprised solely of Independent Directors that are also deemed independent under Rule 14.10(c)(4)(A)(i).

The chief executive officer may not be present during voting or deliberations.

(ii) Compensation of all other Executive Officers must be determined, or recommended to the Board for determination, either by:

(a) Independent Directors constituting a majority of the Board's Independent Directors in a vote in which only Independent Directors that are also deemed independent under Rule 14.10(c)(4)(A)(i) participate; or

(b) a compensation committee comprised solely of Independent Directors that are also deemed independent under Rule 14.10(c)(4)(A)(i).

(C) *Compensation Committee Responsibilities and Authority*

As required by Rule 10C-1(b)(2), (3) and 4(i-vi) under the Act, the compensation committee of a Company (including Independent Directors determining the compensation of Executive Officers as described in Rule 14.10(c)(4)(B)) must have the following specific responsibilities and authority.

(i) The compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel, or other adviser.

(ii) The compensation committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the compensation committee.

(iii) The Company must provide for appropriate funding, as determined by the compensation committee, for payment of reasonable compensation to a compensation consultant, legal counsel, or any other adviser retained by the compensation committee.

(iv) The compensation committee may select, or receive advice from, a compensation consultant, legal counsel, or other adviser to the compensation committee, other than in-house legal counsel, only after taking into consideration the following factors:

(a) The provision of other services to the Company by the person that employs the compensation consultant, legal counsel, or other adviser;

(b) The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel, or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel, or other adviser;

(c) The policies and procedures of the person that employs the compensation consultant, legal counsel, or other adviser that are designed to prevent conflicts of interest;

(d) Any business or personal relationship of the compensation consultant, legal counsel, or other adviser with any of the Independent Directors determining compensation of Executive Officers as described in Rule 14.10(c)(4)(B);

(e) Any stock of the Company owned by the compensation consultant, legal counsel, or other adviser; and

(f) Any business or personal relationship of the compensation consultant, legal counsel, other adviser, or the person employing the adviser with an Executive Officer of the Company.

Nothing in this Rule shall be construed: (i) to require the compensation committee to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other adviser to the compensation committee, or (ii) to affect the ability or obligation of a compensation committee to exercise its own judgment in fulfillment of the duties of the compensation committee.

The compensation committee is required to conduct the independence assessment outlined in this Rule with respect to any compensation consultant, legal counsel or other adviser that provides advice to the compensation committee, other than (i) in-house legal counsel; and (ii) any compensation consultant, legal counsel or other adviser whose role is limited to the following activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K: consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of Executive Officers or directors of the Company and that is available generally to all salaried employees; or providing information that is either not customized for a particular company or that is customized based on parameters that are not developed by the compensation consultant, and about which the compensation consultant does not provide advice. However, nothing in this Rule requires a compensation consultant, legal counsel or other compensation adviser to be independent, only that the compensation committee consider the enumerated independence factors before selecting, or receiving advice from, a compensation adviser. Compensation committees may select, or receive advice from, any compensation adviser they prefer, including ones that are not independent, after considering the six independence factors outlined above.

(D) *Cure Periods*

(i) If a Company fails to comply with the compensation committee composition requirements under Rule 14.10(c)(4)(A) due to one compensation committee member ceasing to be independent due to circumstances beyond the member's reasonable control, the Company shall regain compliance with the requirement by the earlier of its next annual shareholders meeting or one year from the occurrence of the event that caused the failure to comply with this requirement; provided, however, that if the annual shareholders meeting occurs no later than 180 days following the event that caused the failure to comply with this requirement, the Company shall instead have 180 days from such event to regain compliance. A Company relying on this provision must provide notice to the Exchange immediately upon learning of the event or circumstances that caused the noncompliance. This cure period is not available when there is no formal compensation committee under Rules 14.10(c)(4)(B)(i)(b) or 14.10(c)(4)(B)(ii)(b).]]

(5) Independent Director Oversight of Director Nominations

(A)-(B) No change.

(C) Non-Independent Committee Member under Exceptional and Limited Circumstances. Notwithstanding paragraph (A)(ii) above, if the nominations committee is comprised of at least three members, one director, who is not [[independent]]<u>an Independent Director</u> as defined in Rule 14.10(c)(1)(B) and is not a current officer or employee or a Family Member of an officer or employee, may be appointed to the nominations committee if the board, under

exceptional and limited circumstances, determines that such individual's membership on the committee is required by the best interests of the Company and its Shareholders. A Company that relies on this exception must disclose either on or through the Company's website or in the proxy statement for next annual meeting subsequent to such determination (or, if the Company does not file a proxy, in its Form 10-K or 20-F), the nature of the relationship and the reasons for the determination. In addition, the Company must provide any disclosure required by Instruction 1 to Item 407(a) of Regulation S-K regarding its reliance on this exception. A member appointed under this exception may not serve longer than two years.

(D) No change.

(d) No change.

(e) Exemptions from Certain Corporate Governance Requirements

This Rule provides the exemptions from the corporate governance rules afforded to certain types of Companies, and sets forth the phase-in schedules for initial public offerings, Companies emerging from bankruptcy, Companies transferring from other markets, and Companies [[listed on the Exchange prior to July 1, 2013]]ceasing to be Smaller Reporting Companies. This Rule also describes the applicability of the corporate governance rules to Controlled Companies and sets forth the phase-in schedule afforded to Companies ceasing to be Controlled Companies.

(1) Exemptions to the Corporate Governance Requirements

(A) Asset-backed Issuers and Other Passive Issuers. The following are exempt from the requirements relating to:

(i) Majority Independent Board [[[]](Rule 14.10(c)(2)(A))[[]]], Audit Committee [[[]](Rule 14.10(c)(3))[[]]], [[Independent Director Oversight of Executive Officer Compensation and Director Nominations [Rule 14.10(c)(4) and (5)]]]Compensation Committee (Rule 14.10(c)(4)), Director Nominations (Rule 14.10(c)(5)), the Controlled Company Exemption [[[]](Rule 14.10(e)(3)(B))[[]]], and Code of Conduct [[[]](Rule 14.10(d))[[]]]:

(a)-(b) No change.

(ii) No change.

(B) No change.

(C) Foreign Private Issuers

(i) A Foreign Private Issuer may follow its home country practice in lieu of the requirements of Rule 14.10, the requirements to disclose third party director and nominee compensation set forth in Rule

14.6(b)(3), and the requirement to distribute annual and interim reports set forth in Rule 14.6(d),[[and the Direct Registration Program requirement set forth in Rules 14.3(b)(3) and 14.7,]] provided, however, that such a Company shall: comply with the Notification of [[Material]]Noncompliance requirement (Rule 14.10(g)), the Voting Rights requirement (Rule 14.10(j)), have an audit committee that satisfies Rule 14.10(c)(3)(C), and ensure that such audit committee's members meet the independence requirement in Rule 14.10(c)(3)(B)(i)(b)[[(c)(2)]]. Except as provided in this paragraph, a Foreign Private Issuer must comply with the requirements of Chapter XIV.

(ii) Disclosure Requirements. A Foreign Private Issuer that follows a home country practice in lieu of one or more of the Listing Rules shall disclose in its annual reports filed with the Commission each requirement that it does not follow and describe the home country practice followed by the Company in lieu of such requirements. Alternatively, a Foreign Private Issuer that is not required to file its annual report with the Commission on Form 20-F may make this disclosure only on its website. A Foreign Private Issuer that follows a home country practice in lieu of the requirements of Rule 14.10(c)(4)(B) to have an independent compensation committee must disclose in its annual reports filed with the Commission the reasons that it does not have such an independent committee[[comply with the Rule]].

(iii) A Foreign Private Issuer making its initial public offering or first U.S. listing on the Exchange shall disclose in its registration statement or on its website each requirement that it does not follow and describe the home country practice followed by the Company in lieu of such requirements.

(D) Limited Partnerships. A limited partnership is not subject to the requirements of Rule 14.10, except as provided in this paragraph (D). A limited partnership may request a written interpretation pursuant to Rule 14.10(b). No provision of this Rule shall be construed to require any foreign Company that is a partnership to do any act that is contrary to a law, rule or regulation of any public authority exercising jurisdiction over such Company or that is contrary to generally accepted business practices in the Company's country of domicile. The Exchange shall have the ability to provide exemptions from applicability of these provisions as may be necessary or appropriate to carry out this intent.

(i)-(iii) No change.

(iv) *Quorum.*

(a) In the event that a meeting of limited partners is required pursuant to paragraph (iii), the quorum for such meeting

shall be not less than 33-1/3 percent of the limited partnership interests outstanding.

(b) Notwithstanding the quorum requirements in paragraph (a) above, the Exchange will accept any quorum requirement for a non-U.S. Company, that is not a Foreign Private Issuer, if the Company's home country law mandates such quorum for the shareholders' meeting and prohibits the Company from establishing a higher quorum required by paragraph (a) above. A Company relying on this provision shall submit to the Exchange a written statement from an independent counsel in such Company's home country describing the home country law that conflicts with the Exchange's quorum requirement and certifying that, as the result, the Company is prohibited from complying with the quorum requirements in paragraph (a) above and cannot obtain an exemption or waiver from that law. Any Company relying on this exception from the quorum requirements must:

(1) make a public announcement as promptly as possible but not more than four business days following the submission of the independent counsel's statement to the Exchange, as described above, on or through the Company's website and either by filing a Form 8-K, where required by SEC rules, or by issuing a press release explaining the Company's reliance on the exception;

(2) maintain the website disclosure for the period of time the Company continues to rely on this exception from the quorum requirements; and

(3) update the website disclosure at least annually to indicate that the Company is prohibited under its home country law from complying with the Exchange's quorum requirements as of such date.

(v)-(ix) No change.

(E) Management Investment Companies. Management investment companies (including business development companies) are subject to all the requirements of Rule 14.10, except that management investment companies registered under the Investment Company Act of 1940 are exempt from the [[following]]requirements relating to:

(i) Independent Directors [[requirement]] (as set forth in Rule 14.10(c)(2)), [[the]]Compensation Committees (as set forth in Rule 14.10(c)(4)), Independent Director Oversight of [[Executive Officer Compensation and]]Director Nominations [[requirements]] (as set forth in

Rule 14.10(c)(5), and [[the]] Codes of Conduct [[requirement]] (as set forth in Rule 14.10(d)[[, set forth in Rules 14.10(c)(2), 14.10(c)(4), 14.10(c)(5) and 14.10(d), respectively]].

[[(ii) In addition, management investment companies that are Index Fund Shares, Managed Fund Shares, Managed Portfolio Shares, ETF Shares, and Tracking Fund Shares as defined in Rules 14.11(c), 14.11(i), 14.11(k), 14.11(l), and 14.11(m), respectively, are exempt from the Audit Committee requirements set forth in Rule 14.10(c)(3), except for the applicable requirements of SEC Rule 10A-3.]]

(ii[[i]])[[m]]Management investment companies that are Index Fund Shares (as set forth in Rule 14.11(c)), Managed Fund Shares (as set forth in Rule 14.11(i)), Managed Portfolio Shares (as set forth in Rule 14.11(k)), ETF Shares (as set forth in Rule 14.11(l)), and Tracking Fund Shares (as set forth in Rule 14.11(m))[[as defined in Rules 14.11(c), 14.11(i), 14.11(k), 14.11(l), and 14.11(m), respectively,]] shall not be required to comply with Rule 14.10(i)(1) in connection with the acquisition of the stock or assets of an affiliated registered investment company in a transaction that complies with Rule 17a-8 under the Investment Company Act of 1940 and does not otherwise require shareholder approval under the Investment Company Act of 1940 and the rules thereunder or any other Exchange rule. Management investment companies defined as Derivative Securities under Rule 14.10(e)(1)(F)(ii) are exempt from additional requirements of Exchange Rule 14.10 as outlined in Exchange Rule 14.10(e)(1)(F)(i) below.

(i[[v]]ii) No change.

(F) Issuers of Non-Voting Preferred Securities, Debt Securities and Derivative Securities.

(i) Issuers whose only securities listed on the Exchange are non-voting preferred securities, debt securities or Derivative Securities, are exempt from the requirements relating to Independent Directors (as set forth in Rule 14.10(c)(2)), Compensation Committees (as set forth in Rule 14.10(c)(4)), Director Nominations (as set forth in Rule 14.10(c)(5)), Code of Conduct (as set forth in Rule 14.10(d)), and Meetings of Shareholders (as set forth in Rule 14.10(f)). In addition, these issuers are exempt from the requirements relating to Audit Committees (as set forth in Rule 14.10(c)(3)), except for the applicable requirements of SEC Rule 10A-3. Notwithstanding, if the issuer also lists its common stock or voting preferred stock, or their equivalent on the Exchange it will be subject to all the requirements of Exchange Rule 14.10.

(ii) For the purposes of this Rule 14.10 only, the term "Derivative Securities" is defined as the following: Commodity Futures

Trust Shares (Rule 14.11(e)(7)), Commodity Index Trust Shares (Rule 14.11(e)(6)), Commodity-Based Trust Shares (Rule 14.11(e)(4)), Commodity-Linked Securities (Rule 14.11(d)(K)(ii)), Currency Trust Shares (Rule 14.11(e)(5)), Equity Gold Shares (Rule 14.11(e)(2), Equity Index-Linked Securities (Rule 14.11(d)(K)(i)), ETF Shares (Rule 14.11(l)), Fixed Income Index-Linked Securities (Rule 14.11(d)(K)(iii)), Futures-Linked Securities (Rule 14.11(d)(K)(iv)), Index Fund Shares (Rule 14.11(c)), Index-Linked Exchangeable Notes (Rule 14.11(e)(1), Managed Fund Shares (Rule 14.11(i)), Managed Portfolio Shares (Rule 14.11(k)), Managed Trust Securities (Rule 14.11(e)(10)), Multifactor Index-Linked Securities (Rule 14.11(d)(K)(v)), Partnership Units (Rule 14.11(e)(8)), Portfolio Depository Receipts (Rule 14.11(b)), SEEDS (Rule 14.11(e)(12)), Tracking Fund Shares (Rule 14.11(m)), Trust Certificates (Rule 14.11(e)(3), and Trust Issued Receipts (Rule 14.11(f)). Derivative Securities are subject to certain exemptions to the Rule 14.10 as described in Exchange Rule 14.10(e)(1)(F).

[[(F) Smaller Reporting Companies. Smaller reporting companies, as defined in Rule 12b-2 under the Act, are exempt from the Independent Director Oversight of Executive Officer Compensation requirements set forth in Rule 14.10(c)(4), except that compensation of the chief executive officer and all other Executive Officers of the Company must be determined, or recommended to the Board for determination, either by:

(i) Independent Directors constituting a majority of the Board's Independent Directors in a vote in which only Independent Directors meeting the definition of Independent Director in Rule 14.10(c)(1)(B) participate; or

(ii) a compensation committee comprised solely of Independent Directors meeting the definition of Independent Director in Rule 14.10(c)(1)(B).

The chief executive officer may not be present during voting or deliberations.]]

(2) Phase-In Schedules

(A) *Initial Public Offerings.* A Company listing in connection with its initial public offering shall be permitted to phase in its compliance with the independent committee requirements set forth in Rules 14.10(c)(4)[[(A) and]](B) and 14.10(c)(5)(A)(ii) on the same schedule as it is permitted to phase in its compliance with the independent audit committee requirement pursuant to Rule 10A-3(b)(1)(iv)(A) under the Act. Accordingly, a Company listing in connection with its initial public offering shall be permitted to phase in its compliance with the independent committee requirements set forth in Rule 14.10(c)(4)[[(A) and]](B)

and 14.10(c)(5)(A)(ii) as follows: (1) one [[independent]]member must satisfy the requirement at the time of listing; (2) a majority of [[independent]]members must satisfy the requirement within 90 days of listing; and (3) all [[independent]]members must satisfy the requirement within one year of listing. Furthermore, a Company listing in connection with its initial public offering shall have twelve months from the date of listing to comply with the majority independent board requirement in Rule 14.10(c)(2)(A). It should be noted, however, that pursuant to Rule 10A-3(b)(1)(iii) under the Act investment companies are not afforded the exemptions under Rule 10A-3(b)(1)(iv) under the Act. Companies may choose not to adopt a [[compensation or]]nomination committee and may instead rely upon a majority of the Independent Directors to discharge responsibilities under Rule 14.10(c)([[4]]2)(A)[[and (5)]]. For purposes of Rule 14.10 other than Rules 14.10(c)(3)(B)(i) and 14.10(g), a Company shall be considered to be listing in conjunction with an initial public offering if, immediately prior to listing, it does not have a class of common stock registered under the Act. For purposes of Rule 14.10(c)(3)(B) and Rule 14.10(g), a Company shall be considered to be listing in conjunction with an initial public offering only if it meets the conditions in Rule 10A-3(b)(1)(iv)(A) under the Act, namely, that the Company was not, immediately prior to the effective date of a registration statement, required to file reports with the Commission pursuant to Section 13(a) or 15(d) of the Act.

(B)-(C)No change.

(D) [[*Companies Listed Prior to July 1, 2013.* A Company listed on the Exchange prior to July 1, 2013 shall be permitted, commencing on July 1, 2013, to phase-in compliance with the Independent Director Oversight of Executive Officer Compensation requirements set forth in Rules 14.10(c)(4)(A) and (B) on the same schedule as Companies listing in conjunction with their initial public offering.]]*Phase-In Schedule for a Company Ceasing to be a Smaller Reporting Company.* Pursuant to Rule 12b-2 under the Act, a Company tests its status as a Smaller Reporting Company on an annual basis as of the last business day of its most recently completed second fiscal quarter (for purposes of this Rule, the "Determination Date"). A Company which ceases to meet the requirements for Smaller Reporting Company status as of the Determination Date will cease to be a Smaller Reporting Company as of the beginning of the fiscal year following the Determination Date (the "Start Date").

By six months from the Start Date, a Company must comply with Rule 14.10(c)(4)(D) and certify to the Exchange that: (i) it has complied with the requirement in Rule 14.10(c)(4)(A) to adopt a formal written compensation committee charter including the content specified in Rule 14.10(c)(4)(A)(i)-(iv); and (ii) it has complied, or within the applicable phase-in schedule will comply, with the additional requirements in Rule 14.10(c)(4)(B) regarding compensation committee composition.

A Company shall be permitted to phase in its compliance with the additional compensation committee eligibility requirements of Rule 14.10(c)(4)(B) relating to

compensatory fees and affiliation as follows: (i) one member must satisfy the requirements by six months from the Start Date; (ii) a majority of members must satisfy the requirements by nine months from the Start Date; and (iii) all members must satisfy the requirements by one year from the Start Date.

Since a Smaller Reporting Company is required to have a compensation committee comprised of at least two Independent Directors, a Company that has ceased to be a Smaller Reporting Company may not use the phase-in schedule for the requirements of Rule 14.10(c)(4)(B) relating to minimum committee size or that the committee consist only of Independent Directors as defined under Rule 14.10(c)(1)(B).

During this phase-in schedule, a Company that has ceased to be a Smaller Reporting Company must continue to comply with 14.10(c)(4)(F).

(3) How the Rules Apply to a Controlled Company

(A) No change.

(B) *Exemptions Afforded to a Controlled Company*. A Controlled Company is exempt from the requirements of Rules 14.10(c)(2), (c)([[4]]3) and (c)([[5]]4), except for the requirements of subsection (c)(2)(B) which pertain to executive sessions of Independent Directors. A Controlled Company relying upon this exemption must disclose in its annual meeting proxy statement (or, if the Company does not file a proxy, in its Form 10-K or 20-F) that it is a Controlled Company and the basis for that determination.

(C) No change.

(f) Meetings of Shareholders

(1)-(2) No change.

(3) Quorum

(i) Each Company that is not a limited partnership shall provide for a quorum as specified in its by-laws for any meeting of the holders of common stock; provided, however, that in no case shall such quorum be less than 33 1/3 % of the outstanding shares of the Company's common voting stock. Limited partnerships that are required to hold an annual meeting of partners are subject to the requirements of Rule 14.10(e)(1)(D)(iv).

(ii) Notwithstanding the quorum requirements in paragraph (i) above, the Exchange will accept any quorum requirement for a non-U.S. Company, that is not a Foreign Private Issuer, if the Company's home country law mandates such quorum for the shareholders' meeting and prohibits the Company from establishing a higher quorum required by paragraph (i) above, and the Company cannot obtain an exemption or waiver from that law. A Company relying on this provision shall

submit to the Exchange a written statement from an independent counsel in such Company's home country describing the home country law that conflicts with the Exchange's quorum requirement and certifying that, as the result, the Company is prohibited from complying with the quorum requirements in paragraph (i) above, and the Company cannot obtain an exemption or waiver from that law. Any Company relying on this exception from the quorum requirements must:

(a) make a public announcement as promptly as possible but not more than four business days following the submission of the independent counsel's statement to the Exchange, as described above, on or through the Company's website and either by filing a Form 8-K, where required by SEC rules, or by issuing a press release explaining the Company's reliance on the exception;

(b) maintain the website disclosure for the period of time the Company continues to rely on this exception from the quorum requirements; and

(c) update the website disclosure at least annually to indicate that the Company is prohibited under its home country law from complying with the Exchange's quorum requirements as of such date.

(g)-(h) No change.

(i) Shareholder Approval

This Rule sets forth the circumstances under which shareholder approval is required prior to an issuance of securities in connection with: (1) the acquisition of the stock or assets of another company; (2) a change of control; (3) equity-based compensation of officers, directors, employees or consultants; and (4) [[private placements]]transactions other than public offerings. General provisions relating to shareholder approval are set forth in Rule 14.10(i)(5), and the financial viability exception to the shareholder approval requirement is set forth in Rule 14.10(i)(6). Exchange-listed Companies and their representatives are encouraged to use the interpretative letter process described in Rule 14.10(b).

(1)-(3) No change.

(4) [[Private Placements]]Transactions other than Public Offerings

[[Shareholder approval is required prior to the issuance of securities in connection with a transaction other than a public offering involving:

(A) the sale, issuance or potential issuance by the Company of common stock (or securities convertible into or exercisable for common stock) at a price less than the greater of book or market value which together with sales by officers, directors or Substantial Shareholders of the Company equals 20% or more of

common stock or 20% or more of the voting power outstanding before the issuance; or

(B) the sale, issuance or potential issuance by the Company of common stock (or securities convertible into or exercisable common stock) equal to 20% or more of the common stock or 20% or more of the voting power outstanding before the issuance for less than the greater of book or market value of the stock.]]

(A) For purposes of this Rule 14.10(i)(4):

(i) "Minimum Price" means a price that is the lower of: (a) the BZX Official Closing Price (as reflected on Cboe.com); or (b) the average BZX Official Closing Price of the common stock (as reflected on Cboe.com) for the five trading days immediately preceding the signing of the binding agreement.

(ii) "20% Issuance" means a transaction, other than a public offering as defined in and Rule 14.10, Interpretation and Policy .18, involving the sale, issuance or potential issuance by the Company of common stock (or securities convertible into or exercisable for common stock), which alone or together with sales by officers, directors or Substantial Shareholders of the Company, equals 20% or more of the common stock or 20% or more of the voting power outstanding before the issuance.

(B) Shareholder approval is required prior to a 20% Issuance at a price that is less than the Minimum Price.

(5)-(6) No change.

(j)-(k) No change.

Interpretations and Policies

.01 Definition of Independence — Rule 14.10(c)(1)(B)

It is important for investors to have confidence that individuals serving as Independent Directors do not have a relationship with the listed Company that would impair their independence. The board has a responsibility to make an affirmative determination that no such relationships exist through the application of Rule 14.10(c)(1)(B). Rule 14.10(c)(1)(B) also provides a list of certain relationships that preclude a board finding of independence. These objective measures provide transparency to investors and Companies, facilitate uniform application of the rules, and ease administration. Because the Exchange does not believe that ownership of Company stock by itself would preclude a board finding of independence, it is not included in the aforementioned objective factors. It should be noted that there are additional, more stringent requirements that apply to directors serving on audit committees, as specified in Rule 14.10(c)(3).

The Rule's reference to the "Company" includes any parent or subsidiary of the Company. The term "parent or subsidiary" is intended to cover entities the Company controls and consolidates with the Company's financial statements as filed with the Commission (but not if the Company reflects such entity solely as an investment in its financial statements). The reference to Executive Officer means those officers covered in Rule 16a-1(f) under the Act. In the context of the definition of Family Member under Rule 14.10(c)(1)(B), the reference to marriage is intended to capture relationships specified in the Rule (parents, children and siblings) that arise as a result of marriage, such as "in-law" relationships.

The three year look-back periods referenced in paragraphs (i), (iii), (v) and (vi) of the Rule commence on the date the relationship ceases. For example, a director employed by the Company is not independent until three years after such employment terminates.

For purposes of paragraph (i) of the Rule, employment by a director as an Executive Officer on an interim basis shall not disqualify that director from being considered independent following such employment, provided the interim employment did not last longer than one year. A director would not be considered independent while serving as an interim officer. Similarly, for purposes of paragraph (ii) of the Rule, compensation received by a director for former service as an interim Executive Officer need not be considered as compensation in determining independence after such service, provided such interim employment did not last longer than one year. Nonetheless, the Company's board of directors still must consider whether such former employment and any compensation received would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. In addition, if the director participated in the preparation of the Company's financial statements while serving as an interim Executive Officer[.], Rule 14.10(c)(3)(B)(i) would preclude service on the audit committee for three years.

Paragraph (ii) of the Rule is generally intended to capture situations where a compensation is made directly to (or for the benefit of) the director or a Family Member of the director. For example, consulting or personal service contracts with a director or Family Member of the director would be analyzed under paragraph (ii) of the Rule. In addition, political contributions to the campaign of a director or a Family Member of the director would be considered indirect compensation under paragraph (ii). Non-preferential payments made in the ordinary course of providing business services (such as payments of interest or proceeds related to banking services or loans by a Company that is a financial institution or payment of claims on a policy by a Company that is an insurance company), payments arising solely from investments in the Company's securities and loans permitted under Section 13(k) of the Act will not preclude a finding of director independence as long as the payments are non-compensatory in nature. Depending on the circumstances, a loan or payment could be compensatory if, for example, it is not on terms generally available to the public.

Paragraph (iv) of the Rule is generally intended to capture payments to an entity with which the director or Family Member of the director is affiliated by serving as a partner, controlling Shareholder or Executive Officer of such entity. Under exceptional circumstances, such as where a director has direct, significant business holdings, it may be appropriate to apply the corporate measurements in paragraph (iv), rather than the individual measurements of paragraph (ii). Issuers should contact the Exchange if they wish to apply the Rule in this manner. The reference to a partner in paragraph (iv) is not intended to include limited partners. It should be noted that the

independence requirements of paragraph (iv) of the Rule are broader than Rule 10A-3(e)(8) under the Act.

Under paragraph (iv), a director who is, or who has a Family Member who is, an Executive Officer of a charitable organization may not be considered independent if the Company makes payments to the charity in excess of the greater of 5% of the charity's revenues or $200,000. However, the Exchange encourages Companies to consider other situations where a director or their Family Member and the Company each have a relationship with the same charity when assessing director independence.

For purposes of determining whether a lawyer is eligible to serve on an audit committee, Rule 10A-3 under the Act generally provides that any partner in a law firm that receives payments from the issuer is ineligible to serve on that issuer's audit committee. In determining whether a director may be considered independent for purposes other than the audit committee, payments to a law firm would generally be considered under Rule 14.10(c)(1)(B), which looks to whether the payment exceeds the greater of 5% of the recipient's gross revenues or $200,000; however, if the firm is a sole proprietorship, Rule 14.10(c)(1)(B), which looks to whether the payment exceeds $120,000, applies.

Paragraph (vii) of the Rule provides a different measurement for independence for investment companies in order to harmonize with the Investment Company Act of 1940. In particular, in lieu of paragraphs (i)-(vi), a director who is an "interested person" of the [[c]]Company as defined in Section 2(a)(19) of the Investment Company Act of 1940, other than in his or her capacity as a member of the board of directors or any board committee, shall not be considered independent.

.02-.04 No change.

.05 Audit Committee Composition

Audit committees are required to have a minimum of three members and be comprised only of Independent Directors. In addition to satisfying the Independent Director requirements under Rule 14.10(c)(1)(B), audit committee members must meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act): they must not accept any consulting, advisory, or other compensatory fee from the Company other than for board service, and they must not be an affiliated person of the Company. As described in Rule 10A-3(d)(1) and (2), a Company must disclose reliance on certain exceptions from Rule 10A-3 and disclose an assessment of whether, and if so, how, such reliance would materially adversely affect the ability of the audit committee to act independently and to satisfy the other requirements of Rule 10A-3. It is recommended also that a Company disclose in its annual proxy (or, if the Company does not file a proxy, in its Form 10-K or 20-F) if any director is deemed [[independent]]eligible to serve on the audit committee but falls outside the safe harbor provisions of Rule 10A-3(e)(1)(ii) under the Act. A director who qualifies as an audit committee financial expert under Item 407(d)(5)(ii) and (iii) of Regulation S-K is presumed to qualify as a financially sophisticated audit committee member under Rule 14.10(c)(3)(B)(i).

.06 The Audit Committee Responsibilities and Authority

Audit committees must have the specific audit committee responsibilities and authority necessary to comply with Rule 10A-3(b)(2), (3), (4) and (5) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act), concerning responsibilities relating to registered public accounting firms; complaints relating to accounting; internal accounting controls or auditing matters; authority to engage advis[[o]]ers; and funding. Audit committees for investment companies must also establish procedures for the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters by employees of the investment adviser, administrator, principal underwriter, or any other provider of accounting related services for the investment company, as well as employees of the investment company.

.07 Independent Director Oversight of Executive Compensation

Independent [[director]] oversight of executive officer compensation helps assure that appropriate incentives are in place, consistent with the board's responsibility to [[maximize shareholder value. The rule is intended to provide flexibility for a Company to choose an appropriate board structure and to reduce resource burdens, while ensuring Independent Director control of compensation decisions.]] act in the best interests of the corporation. Compensation committees are required to have a minimum of two members and be comprised only of Independent Directors as defined under Rule 14.10(c)(1)(B).

In addition, Rule 14.10(c)(4)(B) includes an additional independence test for compensation committee members. When considering the sources of a director's compensation for this purpose, the board should consider whether the director receives compensation from any person or entity that would impair the director's ability to make independent judgments about the Company's executive compensation. Similarly, when considering any affiliate relationship a director has with the Company, a subsidiary of the Company, or an affiliate of a subsidiary of the Company, in determining independence for purposes of compensation committee service, the board should consider whether the affiliate relationship places the director under the direct or indirect control of the Company or its senior management, or creates a direct relationship between the director and members of senior management, in each case of a nature that would impair the director's ability to make independent judgments about the Company's executive compensation. In that regard, while a board may conclude differently with respect to individual facts and circumstances, the Exchange does not believe that ownership of Company stock by itself, or possession of a controlling interest through ownership of Company stock by itself, precludes a board finding that it is appropriate for a director to serve on the compensation committee. In fact, it may be appropriate for certain affiliates, such as representatives of significant stockholders, to serve on compensation committees since their interests are likely aligned with those of other stockholders in seeking an appropriate executive compensation program.

For purposes of the additional independence test for compensation committee members described in Rule 14.10(c)(4)(B), any reference to the "Company" includes any parent or subsidiary of the Company. The term "parent or subsidiary" is intended to cover entities the Company controls and consolidates with the Company's financial statements as filed with the Commission (but not if the Company reflects such entity solely as an investment in its financial statements).

A Smaller Reporting Company must have a compensation committee with a minimum of two members. Each compensation committee member must be an Independent Director as defined

under Rule 14.10(c)(1)(B). In addition, each Smaller Reporting Company must have a formal written compensation committee charter or board resolution that specifies the committee's responsibilities and authority set forth in Rule 14.10(c)(4)(A)(i)-(iii). However, in recognition of the fact that Smaller Reporting Companies may have fewer resources than larger Companies, Smaller Reporting Companies are not required to adhere to the additional compensation committee eligibility requirements in Rule 14.10(c)(4)(B), or to incorporate into their formal written compensation committee charter or board resolution the specific compensation committee responsibilities and authority set forth in Rule 14.10(c)(4)(D).

.08-.11 No change.

.12 Foreign Private Issuers

A Foreign Private Issuer (as defined in Rule 14.1(a)) listed on the Exchange may follow the practice in such Company's home country (as defined in General Instruction F of Form 20-F) in lieu of the provisions of Rule 14.[[7]]10, Rule 14.6(b)(3), and Rule 14.6(d)[[Rule 14.3(e)(4), and Rules 14.3(b)(3) and 14.3(f)]], subject to several important exceptions. First, such an issuer shall comply with Rule 14.[[7(g)]]10(g) (Notification of Noncompliance). Second, such a Company shall have an audit committee that satisfies Rule 14.[[7]]10(c)(3)(C). Third, members of such audit committee shall meet the criteria for independence referenced in Rule 14.[[7]]10(c)(3)(B)(i)(b) (the criteria set forth in Rule 10A-3(b)(1) under the Act, subject to the exemptions provided in Rule 10A-3(c) under the Act). Fourth, a Foreign Private Issuer must comply with the Voting Rights requirement (Rule 14.10(j))[[Rules 14.3(b)(3) and 14.3(f) (Direct Registration Program) unless prohibited from complying by a law or regulation in its home country]]. Finally, a Foreign Private Issuer that elects to follow home country practice in lieu of a requirement of Rules 14.[[7]]10 subject to the exceptions noted above, Rule 14.6(b)(3) or 14.6(d)[[14.3(e)(4), 14.3(b)(3) or 14.3(f)]] shall submit to the Exchange a written statement from an independent counsel in such Company's home country certifying that the Company's practices are not prohibited by the home country's laws[[and, in the case of a Company prohibited from complying with Rules 14.3(b)(3) and 14.3(f), certifying that a law or regulation in the home country prohibits such compliance]]. In the case of new listings, this certification is required at the time of listing. For existing Companies, the certification is required at the time the Company seeks to adopt its first noncompliant practice. In the interest of transparency, the rule requires a Foreign Private Issuer to make appropriate disclosures in the Company's annual filings with the Commission (typically Form 20-F or 40-F), and at the time of the Company's original listing in the United States, if that listing is on the Exchange, in its registration statement (typically Form F-1, 20-F, or 40-F); alternatively, a Company that is not required to file an annual report on Form 20-F may provide these disclosures in English on its website in addition to, or instead of, providing these disclosures on its registration statement or annual report. The Company shall disclose each requirement that it does not follow and include a brief statement of the home country practice the Company follows in lieu of these corporate governance requirement(s). If the disclosure is only available on the website, the annual report and registration statement should so state and provide the web address at which the information may be obtained. Companies that must file annual reports on Form 20-F are encouraged to provide these disclosures on their websites, in addition to the required Form 20-F disclosures, to provide maximum transparency about their practices.

.13 Management Investment Companies

Management investment companies registered under the Investment Company Act of 1940 are already subject to a pervasive system of federal regulation in certain areas of corporate governance covered by 14.10. In light of this, the Exchange exempts from 14.10(c)(2), 14.10(c)(4), 14.10(c)(5) and 14.10(d) management investment companies registered under the Investment Company Act of 1940. Business development companies, which are a type of closed-end management investment company defined in Section 2(a)(48) of the Investment Company Act of 1940 that are not registered under that Act, are required to comply with all of the provisions of Rule 14.10. Management investment companies [[that are Index Fund Shares, Managed Fund Shares, and ETF Shares]] defined as Derivative Securities under Rule 14.10(e)(1)(F)(ii) are exempt from [[the Audit Committee requirements set forth in Rule 14.10(c)(3), except for the applicable requirements of SEC Rule 10A-3]]additional requirements of Rule 14.10 as outlined in Exchange Rule 14.10(e)(1)(F)(i) above.

.14 Controlled Company Exemption

This exemption recognizes that majority Shareholders, including parent companies, have the right to select directors and control certain key decisions, such as executive officer compensation, by virtue of their ownership rights. In order for a group to exist for purposes of this rule, the Shareholders must have publicly filed a notice that they are acting as a group (e.g., a Schedule 13D). A Controlled Company not relying upon this exemption need not provide any special disclosures about its controlled status. It should be emphasized that this controlled company exemption does not extend to the audit committee requirements under Rule 14.10(c)(3) or the requirement for executive sessions of Independent Directors under Rule 14.10(c)(2)(B).

.15 Meetings of Shareholders or Partners

Rule 14.10(f) requires that each Company listing common stock or voting preferred stock, and their equivalents, hold an annual meeting of Shareholders within one year of the end of each fiscal year. At each such meeting, Shareholders must be afforded the opportunity to discuss Company affairs with management and, if required by the Company's governing documents, to elect directors. A new listing that was not previously subject to a requirement to hold an annual meeting is required to hold its first meeting within one-year after its first fiscal year-end following listing. Of course, the Exchange's meeting requirement does not supplant any applicable state or federal securities laws concerning annual meetings.

This requirement is not applicable [[as a result of a Company listing the following types of securities: securities listed pursuant to Rule 14.11(h) (such as Trust Preferred Securities and Contingent Value Rights), unless the listed security is a common stock or voting preferred stock equivalent (e.g., a callable common stock); Portfolio Depository Receipts and Index Fund Shares listed pursuant to Rules 14.11(b) and (c); and Trust Issued Receipts listed pursuant to Rule 14.11(f).]] to issuers whose only securities listed on the Exchange are non-voting preferred securities, debt securities, Derivative Securities as defined in Rule 14.10(e)(1)(F)(ii) or securities listed pursuant to Rule 14.11(h) (such as Trust Preferred Securities), unless the listed security is a common stock or voting preferred stock equivalent (e.g., a callable common stock). Notwithstanding, if the Company also lists common stock or voting preferred stock, or their

equivalent, the Company must still hold an annual meeting for the holders of that common stock or voting preferred stock, or their equivalent.

.16-.17 No change.

.18 Definition of a Public Offering

Rule 14.10(i)(4) provides that shareholder approval is required for [[the issuance of common stock (or securities convertible into or exercisable for common stock) equal to 20 percent or more of the common stock or 20 percent or more of the voting power outstanding before the issuance for less than the greater of book or market value of the stock]]a 20% Issuance at a price that is less than the Minimum Price. Under this rule, however, shareholder approval is not required for a "public offering."

Companies are encouraged to consult with the Exchange staff in order to determine if a particular offering is a "public offering" for purposes of the shareholder approval rules. Generally, a firm commitment underwritten securities offering registered with the Securities and Exchange Commission will be considered a public offering for these purposes. Likewise, any other securities offering which is registered with the Securities and Exchange Commission and which is publicly disclosed and distributed in the same general manner and extent as a firm commitment underwritten securities offering will be considered a public offering for purposes of the shareholder approval rules. However, the Exchange staff will not treat an offering as a "public offering" for purposes of the shareholder approval rules merely because they are registered with the Commission prior to the closing of the transaction.

When determining whether an offering is a "public offering" for purposes of these rules, the Exchange staff will consider all relevant factors, including but not limited to:

- the type of offering (including whether the offering is conducted by an underwriter on a firm commitment basis, or an underwriter or placement agent on a best-efforts basis, or whether the offering is self-directed by the Company);
- the manner in which the offering is marketed (including the number of investors offered securities, how those investors were chosen, and the breadth of the marketing effort);
- the extent of the offering's distribution (including the number and identity of the investors who participate in the offering and whether any prior relationship existed between the Company and those investors);
- the offering price (including the extent of any discount to the market price of the securities offered); and
- the extent to which the Company controls the offering and its distribution.

.19 Interpretive Material Regarding Future Priced Securities and Other Securities with Variable Conversion Terms

Summary

Provisions of this Interpretation and Policy .19 would apply to any security with variable conversion terms. For example, Future Priced Securities are private financing instruments which

were created as an alternative means of quickly raising capital for Companies. The security is generally structured in the form of a convertible security and is often issued via a private placement. Companies will typically receive all capital proceeds at the closing. The conversion price of the Future Priced Security is generally linked to a percentage discount to the market price of the underlying common stock at the time of conversion and accordingly the conversion rate for Future Priced Securities floats with the market price of the common stock. As such, the lower the price of the Company's common stock at the time of conversion, the more shares into which the Future Priced Security is convertible. The delay in setting the conversion price is appealing to Companies who believe that their stock will achieve greater value after the financing is received. However, the issuance of Future Priced Securities may be followed by a decline in the common stock price, creating additional dilution to the existing holders of the common stock. Such a price decline allows holders to convert the Future Priced Security into large amounts of the Company's common stock. As these shares are issued upon conversion of the Future Priced Security, the common stock price may tend to decline further.

For example, a Company may issue $10 million of convertible preferred stock (the Future Priced Security), which is convertible by the holder or holders into $10 million of common stock based on a conversion price of 80% of the closing price of the common stock on the date of conversion. If the closing price is $5 on the date of conversion, the Future Priced Security holders would receive 2,500,000 shares of common stock. If, on the other hand, the closing price is $1 on the date of conversion, the Future Priced Security holders would receive 12,500,000 shares of common stock.

Unless the Company carefully considers the terms of the securities in connection with several Exchange Rules, the issuance of Future Priced Securities could result in a failure to comply with the Exchange listing standards and the concomitant delisting of the Company's securities from the Exchange. The Exchange's experience has been that Companies do not always appreciate this potential consequence. The Exchange Rules that bear upon the continued listing qualification of a Company and that must be considered when issuing Future Priced Securities include:

- the shareholder approval rules [[[]](see Rule 14.10(i)[[]]])
- the voting rights rules [[[]](see Rule 14.10(j)[[]]])
- the bid price requirement [[[]](see Rules 14.5(e)(1)(A) and 14.9(f)(2)[[]]])
- the listing of additional shares rules [[[]](see Rule 14.3(e)(2)[[]]])
- the change in control rules [[[]](see Rule 14.10(i)(2) and 14.2(c)[[]]])
- the Exchange's discretionary authority rules [[[]](see Rule 14.2[[]]])

It is important for Companies to clearly understand that failure to comply with any of these rules could result in the delisting of the Company's securities.

This notice is intended to be of assistance to Companies considering financings involving Future Priced Securities. By adhering to the above requirements, Companies can avoid unintended listing qualifications problems. Companies having any questions about this notice should contact the Listing Qualifications Department at (913) 815-7000. The Exchange will provide a Company with

a written interpretation of the application of the Exchange Rules to a specific transaction, upon request of the Company.

How the Rules Apply

Shareholder Approval

Rule 14.10(i)(4) requires shareholder approval prior to a 20% Issuance at a price that is less than the Minimum Price. [[Each Company shall require shareholder approval prior to the issuance of securities in connection with a transaction other than a public offering involving the sale, issuance or potential issuance by the issuer of common stock (or securities convertible into or exercisable for common stock) at a price less than the greater of book or market value which together with sales by officers, directors or Substantial Shareholders of the Company equals 20% or more of the common stock or 20% or more of the voting power outstanding before the issuance.]]

(The Exchange may make exceptions to this requirement when the delay in securing stockholder approval would seriously jeopardize the financial viability of the enterprise and reliance by the Company on this exception is expressly approved by the Audit Committee or a comparable body of the Board of Directors.)

When the Exchange staff is unable to determine the number of shares to be issued in a transaction, it looks to the maximum potential issuance of shares to determine whether there will be an issuance of 20 percent or more of the common stock outstanding. In the case of Future Priced Securities, the actual conversion price is dependent on the market price at the time of conversion and so the number of shares that will be issued is uncertain until the conversion occurs. Accordingly, staff will look to the maximum potential issuance of common shares at the time the Future Priced Security is issued. Typically, with a Future Priced Security, the maximum potential issuance will exceed 20 percent of the common stock outstanding because the Future Priced Security could, potentially, be converted into common stock based on a share price of one cent per share, or less. Further, for purposes of this calculation, the lowest possible conversion price is below the [[book or market value]]Minimum Price of the stock for purposes of Rule 14.10(i)(4) at the time of issuance of the Future Priced Security. Therefore, shareholder approval must be obtained *prior* to the issuance of the Future Priced Security. Companies should also be cautioned that obtaining shareholder ratification of the transaction after the issuance of a Future Priced Security does not satisfy the shareholder approval requirements.

Some Future Priced Securities may contain features to obviate the need for shareholder approval by: (1) placing a cap on the number of shares that can be issued upon conversion, such that the holders of the Future Priced Security cannot, without prior shareholder approval, convert the security into 20% or more of the common stock or voting power outstanding before the issuance of the Future Priced Security (See Interpretation and Policy .17 to Rule 14.10, Interpretative Material Regarding the Use of Share Caps to Comply with Rule 14.10(i)), or (2) placing a floor on the conversion price, such that the conversion price will always be at least as high as the [[greater of book or market value of the common stock]]Minimum Price prior to the issuance of the Future Priced Securities. Even when a Future Priced Security contains these features, however, shareholder approval is still required under Rule 14.10(i)(2) if the issuance will result in a change

of control. Additionally, discounted issuances *of* common stock to officers, directors, employees or consultants require shareholder approval pursuant to 14.10(i)(3).

Voting Rights

Rule 14.10(j) provides:

Voting rights of existing Shareholders of publicly traded common stock registered under Section 12 of the Act cannot be disparately reduced or restricted through any corporate action or issuance.

Interpretation and Policy .20 to Rule 14.10 also provides rules relating to voting rights of the Exchange Companies.

Under the voting rights rules, a Company cannot create a new class of security that votes at a higher rate than an existing class of securities or take any other action that has the effect of restricting or reducing the voting rights of an existing class of securities. The voting rights rules are typically implicated when the holders of the Future Priced Security are entitled to vote on an as-converted basis or when the holders of the Future Priced Security are entitled to representation on the Board of Directors. The percentage of the overall vote attributable to the Future Priced Security holders and the Future Priced Security holders' representation on the board of directors must not exceed their relative contribution to the Company based on the [[Company's overall book or market value]]Minimum Price at the time of the issuance of the Future Priced Security. Staff will consider whether a voting rights violation exists by comparing the Future Priced Security holders' voting rights to their relative contribution to the Company based on the [[Company's overall book or market value]]Minimum Price at the time of the issuance of the Future Priced Security. If the voting power or the board percentage exceeds that percentage interest, a violation exists because a new class of securities has been created that votes at a higher rate than an already existing class. Future Priced Securities that vote on an as-converted basis also raise voting rights concerns because of the possibility that, due to a decline in the price of the underlying common stock, the Future Priced Security holder will have voting rights disproportionate to its investment in the Company.

It is important to note that compliance with the shareholder approval rules prior to the issuance of a Future Priced Security does not affect whether the transaction is in violation of the voting rights rule. Furthermore, Shareholders can not otherwise agree to permit a voting rights violation by the Company. Because a violation of the voting rights requirement can result in delisting of the Company's securities from the Exchange, careful attention must be given to this issue to prevent a violation of the rule.

The Bid Price Requirement

The bid price requirement establishes a minimum bid price for issues listed on the Exchange. The Exchange Rules provide that, for an issue to be eligible for continued listing on the Exchange, the minimum bid price per share shall be $1. An issue is subject to delisting from the Exchange, as described in Rule 14.[[9]]12 if its bid price falls below $1.

The bid price rules must be thoroughly considered because the characteristics of Future Priced Securities often exert downward pressure on the bid price of the Company's common stock. Specifically, dilution from the discounted conversion of the Future Priced Security may result in a significant decline in the price of the common stock. Furthermore, there appear to be instances where short selling has contributed to a substantial price decline, which, in turn, could lead to a failure to comply with the bid price requirement. (If used to manipulate the price of the stock, short selling by the holders of the Future Priced Security is prohibited by the antifraud provisions of the securities laws and by the Exchange Rules and may be prohibited by the terms of the placement.)

Listing of Additional Shares

Rule 14.6(e)(2) provides:

The Company shall be required to notify the Exchange on the appropriate form no later than 15 calendar days prior to: establishing or materially amending a stock option plan, purchase plan or other equity compensation arrangement pursuant to which stock may be acquired by officers, directors, employees, or consultants without shareholder approval; issuing securities that may potentially result in a change of control of the Company; issuing any common stock or security convertible into common stock in connection with the acquisition of the stock or assets of another company, if any officer or director or Substantial Shareholder of the Company has a 5% or greater interest (or if such persons collectively have a 10% or greater interest) in the Company to be acquired or in the consideration to be paid; or entering into a transaction that may result in the potential issuance of common stock (or securities convertible into common stock) greater than 10% of either the total shares outstanding or the voting power outstanding on a pre-transaction basis.

Companies should be cognizant that under this rule notification is required at least 15 days *prior* to issuing any security (including a Future Priced Security) convertible into shares of a class of securities already listed on the Exchange. Failure to provide such notice can result in a Company's removal from the Exchange.

Public Interest Concerns

Rule 14.2 provides:

The Exchange is entrusted with the authority to preserve and strengthen the quality of and public confidence in its market. The Exchange stands for integrity and ethical business practices in order to enhance investor confidence, thereby contributing to the financial health of the economy and supporting the capital formation process. The Exchange Companies, from new public Companies to Companies of international stature, are publicly recognized as sharing these important objectives.

The Exchange, therefore, in addition to applying the enumerated criteria set forth in the Listing Rules, has broad discretionary authority over the initial and continued listing of securities in the Exchange in order to maintain the quality of and public confidence in its market, to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest. The Exchange may use such discretion to deny

initial listing, apply additional or more stringent criteria for the initial or continued listing of particular securities, or suspend or delist particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities on the Exchange inadvisable or unwarranted in the opinion of the Exchange, even though the securities meet all enumerated criteria for initial or continued listing on the Exchange.

The returns on Future Priced Securities may become excessive compared with those of public investors in the Company's common securities. In egregious situations, the use of a Future Priced Security may raise public interest concerns under Rule 14.2. In addition to the demonstrable business purpose of the transaction, other factors that the Exchange staff will consider in determining whether a transaction raises public interest concerns include: (1) the amount raised in the transaction relative to the Company's existing capital structure; (2) the dilutive effect of the transaction on the existing holders of common stock; (3) the risk undertaken by the Future Priced Security investor; (4) the relationship between the Future Priced Security investor and the Company; (5) whether the transaction was preceded by other similar transactions; and (6) whether the transaction is consistent with the just and equitable principles of trade.

Some Future Priced Securities may contain features that address the public interest concerns. These features tend to provide incentives to the investor to hold the security for a longer time period and limit the number of shares into which the Future Priced Security may be converted. Such features may limit the dilutive effect of the transaction and increase the risk undertaken by the Future Priced Security investor in relationship to the reward available.

Business Combinations with non-Exchange Entities Resulting in a Change of Control

Rule 14.2(c)(1) provides:

A Company must apply for initial listing in connection with a transaction whereby the Company combines with a non-Exchange entity, resulting in a change of control of the Company and potentially allowing the non-Exchange entity to obtain an Exchange Listing. In determining whether a change of control has occurred, the Exchange shall consider all relevant factors including, but not limited to, changes in the management, board of directors, voting power, ownership, and financial structure of the Company. The Exchange shall also consider the nature of the businesses and the relative size of the Exchange Company and non-Exchange entity. The Company must submit an application for the post-transaction entity with sufficient time to allow the Exchange to complete its review before the transaction is completed. If the Company's application for initial listing has not been approved prior to consummation of the transaction, the Exchange will issue a Staff Determination Letter as set forth in Rule 14.12(c) and begin delisting proceedings pursuant to Rule 14.12.

This provision, which applies regardless of whether the Company obtains shareholder approval for the transaction, requires Companies to qualify under the initial listing standards in connection with a combination that results in a change of control. It is important for Companies to realize that in certain instances, the conversion of a Future Priced Security may implicate this provision. For example, if there is no limit on the number of common shares issuable upon conversion, or if the limit is set high enough, the exercise of conversion rights under a Future Priced Security could result in the holders of the Future Priced Securities obtaining control of the listed Company. In

such event, a Company may be required to re-apply for initial listing and satisfy all initial listing requirements.

.20-.21 No change.

* * * * *

Rule 14.12. Failure to Meeting Listing Standards

(a)-(e) No change.

(f) Types of Deficiencies and Notifications

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

(1) No change.

(2) Deficiencies for which a Company may Submit a Plan of Compliance for Staff Review.

(A) *Submission of Plan of Compliance.* Unless the Company is currently under review by an Adjudicatory Body for a Staff Delisting Determination, the Listing Qualifications Department may accept and review a plan to regain compliance when a Company is deficient with respect to one of the standards listed in subsections (i) through (v<u>i</u>) below. In accordance with Rule 14.12(f)(2)(C), plans provided pursuant to subsections (i) through ([[iii]]<u>iv</u>) and (v<u>i</u>) below must be provided generally within 45 calendar days, and in accordance with Rule 14.12(f)(2)(F), plans provided pursuant to subsection ([[i]]v) must be provided generally within 60 calendar days.

(i)-(iii) No change.

<u>(iv) failure to make the disclosure required by Rule 14.6(b)(3) (Disclosure of Third Party Director and Nominee Compensation);</u>

([[iv]]<u>v</u>) failure to file periodic reports as required by Rules 14.6(c)(1) or (2); or

(v<u>i</u>) failure to meet a continued listing requirement contained in Rule 14.11.

(B)-(F) No change.

(3)-(4) No change.

(g)-(m) No change.

* * * * *