

Exchange will commence proceedings to suspend and/or delist the issue.

The issuer must present any Plan within 45 days after its receipt of the Exchange's letter. The Plan must describe definitive action that the issuer has taken, or is taking, that would bring it into conformity with the Exchange's maintenance listing requirements within 18 months of receipt of the letter, or within any shorter time period required by the Exchange. (The Exchange will not approve any Plan, under which an issuer is curing a deficiency under SEC Rule 10A-3, which extends beyond the earlier of 12 months or the first annual shareholders' meeting (for circumstances beyond the reasonable control of an issuer) and 6 months (for other circumstances)). The Plan also must set quarterly milestones against which the Exchange will evaluate its progress. Exchange staff will evaluate the Plan and determine whether the issuer has made a reasonable demonstration in the Plan of an ability to come into compliance with the Exchange's maintenance listing requirements. The Exchange will notify the issuer of its determination within 45 days after receipt of the Plan. If the Exchange does not accept the Plan, it will commence proceedings to suspend and/or delist the issue.

If the Exchange accepts the Plan, the Exchange will review the issuer on a quarterly basis to determine the issuer's progress under the Plan. If the issuer fails to meet a material provision of the Plan or one or more of its quarterly milestones, the Exchange will review the facts and circumstances and determine whether to initiate proceedings to suspend and/or delist the issue; provided however, that if an issuer fails to meet a material provision of the Plan that relates to compliance with its obligations under SEC Rule 10A-3, the Exchange will immediately commence proceedings to suspend and/or delist the issue. If, for circumstances that do not involve compliance with SEC Rule 10A-3, the Exchange determines that continued listing is warranted, the Exchange will continue to review the issuer's progress under the Plan on at least a quarterly basis. If the issuer achieves compliance with the Exchange's maintenance listing requirements before the Plan expires under its terms, the Exchange may choose to consider the Plan ended as of that earlier date.

If an issuer, within one year after the termination of a Plan, is again determined to have failed to meet the Exchange's maintenance listing requirements, the Exchange will review the facts and circumstances (including

whether the issuer has fallen into non-compliance with the same standards at issue in its earlier Plan) and will take appropriate action, which could include, but is not limited to, shortening the time periods associated with the submission of any new Plan or immediately commencing proceedings to suspend and/or delist the issue.

These procedures do not prevent the Exchange from suspending trading in an issue immediately, whenever it finds that it is necessary to do so for the protection of investors.

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#### Tier I Corporate Governance and Disclosure Standards

##### Corporate Governance

RULE 19. The following Rule 19 applies [only] to Tier I issuers:

##### (a) Board of Directors.

(1) General Rule. Each issuer shall maintain a board of directors consisting of a majority of independent directors; however, each small business issuer shall be required only to maintain a board of directors consisting of at least 50% independent directors.

Independent directors must have regularly scheduled meetings at which only independent directors are present.

(2) Exceptions. A controlled company is exempt from the requirements of this paragraph (a).

(b) Audit Committee. Each issuer shall establish and maintain an audit committee, of at least three persons, that meets the following standards.

##### (1) Audit Committee Composition

(A) Each member of the audit committee: (i) Must be an independent director as defined in subparagraph (o) below; (ii) must meet the criteria for independence set forth in SEC Rule 10A-3; and (iii) must be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.

##### (B) Exceptions.

(i) One director who is not independent, but who meets the criteria set forth in SEC Rule 10A-3 and who is not a current officer or employee (or an immediate family member of a current officer or employee) may be appointed to the audit committee, if the issuer's board under exceptional and limited circumstances, determines that membership on the committee by the individual is required by the best interests of the corporation and its shareholders, and the board discloses, in the next annual proxy statement subsequent to such determination, the nature of the relationship and the reasons for that determination. A

member appointed under this exception may not serve on the audit committee for more than two years under this exception (unless he or she ultimately satisfies the definition of an independent director) and may not chair the audit committee.

(ii) If a member of an audit committee ceases to meet the independence criteria set forth in SEC Rule 10A-3 for reasons outside the person's reasonable control, that person may remain a member of the committee until the earlier of the next annual shareholders' meeting or one year from the occurrence of the event that caused the member to no longer meet the independence criteria. The issuer must promptly notify the Exchange if this circumstance occurs.

(iii) A small business issuer is only required to maintain an audit committee of at least two (not three) independent directors, but is otherwise required to comply with the provisions of this paragraph (b)(1).

(2) Audit Committee Responsibilities and Authority. The audit committee must have, at a minimum, (A) the responsibilities and authority set forth in SEC Rule 10A-3; and (B) the obligation to conduct an appropriate review of all related party transactions on an ongoing basis and to review potential conflict of interest situations where appropriate.

(3) Audit Committee Charter. Each issuer must certify that it has adopted a formal written audit committee charter and that the audit committee has reviewed and reassessed the adequacy of the formal written charter on an annual basis. The charter must specify:

(A) the committee's purpose—which, at a minimum, must be to:

(i) assist board oversight of (a) the integrity of the company's financial statements, (b) the company's compliance with legal and regulatory requirements, (c) the independent auditor's qualifications and independence, and (d) the performance of the company's internal auditors and independent auditors; and

(ii) prepare the required report to be included in the company's annual proxy statement or, if the company does not file a proxy statement, in the company's annual report; and

(B) the duties and responsibilities of the audit committee, which must, at a minimum, include (i) all duties and responsibilities that are set out in SEC Rule 10A-3 and section 303A(7)(c) and (d) of the Sarbanes-Oxley Act; and (ii) the obligation to conduct an appropriate review of all related party transactions on an ongoing basis and to review