

potential conflict of interest situations where appropriate.

(c) Nominating Committee

(1) General Rule. The nomination of the issuer's directors shall be determined either by (A) a majority of the independent directors; or (B) a nominating committee comprised solely of independent directors.

(2) Exceptions.

(A) If the nominating committee is comprised of at least three persons, one director, who is not independent, but who is not a current officer or employee (or an immediate family member of a current officer or employee), may be appointed to the nominating committee if the issuer's 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, and the board discloses, in the next annual meeting proxy statement subsequent to such determination, the nature of the relationship and the reasons for the determination. A member appointed under this exception may not serve longer than two years (unless he or she ultimately satisfies the definition of an independent director).

(B) Alternatively, if the nominating committee is comprised of at least three persons, and if the exception described in paragraph (c)(2) above is not relied upon, one director who owns 20% of more of the company's common stock or voting power outstanding, and is not independent because that director is also an officer, may be appointed to the nominating committee if the issuer's board determines that such individual's membership on the committee is required by the best interests of the company and its shareholders, and the board discloses, in the next annual meeting proxy statement subsequent to such determination, the nature of the relationship, and the reasons for the determination.

(C) A controlled company is exempt from the requirements of this paragraph (c).

(D) If a company is legally required by contract or otherwise to provide third parties with the ability to nominate directors (for example, preferred stock rights to elect directors upon a dividend default, shareholder agreements and management agreements), the selection and nomination of those directors need not be subject to the nominating committee process.

(d) Compensation Committee.

(1) Compensation of the issuer's chief executive officer shall be determined either by (A) a majority of the independent directors meeting in

executive session or (B) a compensation committee comprised solely of independent directors meeting in executive session.

(2) Compensation of all other officers, as that term is defined in section 16 of the Act, shall be determined either by (A) a majority of the issuer's independent directors or (B) a compensation committee comprised solely of independent directors. The chief executive officer may be present during deliberations regarding compensation of other officers, but may not vote.

(3) Exceptions.

(A) If the compensation committee is comprised of at least three persons, one director who is not independent and is not a current officer or employee (or an immediate family member or a current officer or employee), may be appointed to the compensation committee if the issuer's 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, and the board discloses, in the next annual meeting proxy statement subsequent to such determination, the nature of the relationship and the reasons for the determination. A member appointed under this exception may not serve longer than two years (unless he or she ultimately satisfies the definition of an independent director).

(B) A controlled company is exempt from the requirements of this paragraph (d).

(e) Code of Business Conduct and Ethics. Each issuer shall adopt a code of conduct and ethics applicable to all directors, officers and employees that complies with the requirements of section 406(c) of the Sarbanes-Oxley Act and the rules thereunder. Waivers of the code's provisions for directors and executive officers must be approved by the issuer's board of directors. The issuer must make this code publicly available and must disclose, in its public filings, waivers of the code for directors or executive officers.

(f) Governance-Related Certifications.

(1) Annual Certification. Each issuer's chief executive officer annually must certify to the Exchange that he or she is not aware of any violation by the issuer of the standards set out in paragraphs (a) through (e) of this rule.

(2) Interim Certifications. Each issuer's chief executive officer must promptly notify the Exchange after any executive officer of the issuer becomes aware of any material non-compliance by the issuer with the standards set out

in paragraphs (a) through (e) of this rule.

[(a)] (g) Annual Reports. No change to text.

[(b)] (h) Quarterly Reports. No change to text.

[(c)] (i) Other Reports. No change to text.

[(d)] Each listed company shall establish and maintain an Audit Committee, a majority of the members of which shall be independent directors, as defined below.]

[(e)] Each listed company shall maintain a minimum of two independent directors on its board of directors. For purposes of this section, "independent director" shall mean a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship which, in the opinion of the board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.]

[(f)] (j) Annual Meeting. No change to text.

[(g)] (k) Proxy Solicitations. No change to text.

[(h)] Each issuer shall conduct an appropriate review of all related party transactions on an ongoing basis and shall use the company's audit committee or a comparable body for the review of potential conflict of interest situations where appropriate.]

[(i)] (l) Stock Certificates. No change to text.

[(j)] (m) Shareholder Approval of Employee Stock Option Plans. No change to text.

[(k)] (n) Stock Transfer Facilities. No change to text.

(o) Definitions. For purposes of this Article XXVIII, unless the context requires otherwise:

(1) "Controlled company" means a company of which more than 50% of the voting power is held by an individual, a group or another company.

(2) "Immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and any person who has the same residence.

(3) "Independent director" means a person other than an officer or employee of the issuer or its subsidiaries or any other individual having a relationship, which, in the opinion of the issuer's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The following persons shall not be considered independent:

(A) A director who is, or during the past three years was, employed by the