Rule 14.10. Corporate Governance Requirements

(a)-(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. 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)], the Controlled Company Exemption [Rule 14.10(e)(3)(B)], and Code of Conduct [Rule 14.10(d)]:

({i})a) asset-backed issuers; and

({ii})b) issuers, such as unit investment trusts, including Portfolio Depository Receipts, which are organized as trusts or other unincorporated associations that do not have a board of directors or persons acting in a similar capacity and whose activities are limited to passively owning or holding (as well as administering and distributing amounts in respect of) securities, rights, collateral or other assets on behalf of or for the benefit of the holders of the listed securities.

(ii) Shareholder Approval [Rule 14.10(i)(1)]: issuers, of Portfolio Depository Receipts as defined in Rule 14.11(b), 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.

(B)-(D) 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:

(i) the Independent Directors requirement, the Independent Director Oversight of Executive Officer Compensation and Director Nominations requirements, and the Code of Conduct requirement, 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.

(iii) 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, 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.

(F) No change.

(2)-(3) No change.

(f)-(j) No change.

Interpretations and Policies

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