

**Rule A-3: Membership on the Board**

(a) No change.

(b) *Nomination and Election of Members.*

(i) Members shall be nominated and elected in accordance with the procedures specified by this rule. The 21 member Board shall be divided into four classes, one class being comprised of six members and three classes being comprised of five members, who serve four-year terms. The classes shall be as evenly divided in number as possible between public representatives and regulated representatives. The terms will be staggered and, each year, one class shall be nominated and elected to the Board [of Directors]. The terms of office of all members of the Board shall commence on October 1 of the year in which elected and shall terminate on September 30 of the year in which their terms expire. A member may not serve consecutive terms, unless special circumstances warrant that the member be nominated for a successive term or because the member served only a partial term as a result of filling a vacancy pursuant to section (d) of this rule, and a member may not serve more than two terms consecutively. No broker-dealer representative, bank representative, or municipal advisor representative may be succeeded in office by any person associated with the broker, dealer, municipal securities dealer, or municipal advisor with which such member was associated at the expiration of such member's term except in the case of a Board member who succeeds himself or herself in office.

(ii) No change.

(iii) The Nominating and Governance Committee shall publish a notice in a financial journal having national circulation among members of the municipal securities industry and in a separate financial journal having general national circulation soliciting applicants for the positions on the Board to be filled in such year. The notice shall require that [applicant recommendations] an application be [accompanied by a statement of the position] submitted which includes the category of representative for which the person is [recommended] applying, the person's background and qualifications for membership on the Board [of the person recommended] and, if applicable, information concerning such person's association with any broker, dealer, municipal securities dealer, municipal advisor, municipal entity, or institutional investor. The Nominating and Governance Committee shall accept [recommendations] applications pursuant to such notice for a period of at least 30 days. Any interested member of the public, whether or not associated with a broker, dealer, municipal securities dealer, municipal advisor, municipal entity, or institutional investor, may submit [recommendations] an application to the Nominating and Governance Committee.

(iv) The Nominating and Governance Committee shall nominate one person for each of the Board positions to be filled and shall submit the nominees to the Board for approval.

In making such nominations, the Nominating and Governance Committee shall take into consideration such factors as, without limitation, diversity in the geographic location, size and type of brokers, dealers, municipal securities dealers, and municipal advisors represented on the Board, as well as the background, experience, and knowledge of the municipal securities markets of the public Board members. Each nomination shall [be accompanied by a statement indicating the position] include the category of representative for which such person is nominated, the nominee's qualifications to serve as a member of the Board, and information concerning the nominee's association, if any, with a broker, dealer, municipal securities dealer, municipal advisor, municipal entity, or institutional investor. The names of the nominees shall be confidential.

(v) – (vii) No change.

(c) *Resignation and Removal of Members.* A member may resign from the Board by submitting a written notice of resignation to the Chair of the Board which shall specify the effective date of such member's resignation. In no event shall such date be more than 30 days from the date of delivery of such notice to the Chair. If no date is specified, the resignation shall become effective immediately upon its delivery to the Chair. In the event the Board shall find that any member has willfully violated any provision of the Act, any rule or regulation of the Commission thereunder, or any rule of the Board or has abused his or her authority or has otherwise acted, or failed to act, so as to affect adversely the public interest or the best interests of the Board, the Board may, upon the affirmative vote of two-thirds of the whole Board (which shall include the affirmative vote of at least one public representative, one broker-dealer representative, [and] one bank representative and one municipal advisor representative), remove such member from office.

(d) *Vacancies.* Vacancies on the Board shall be filled by vote of the members of the Board[, subject to the Commission's power of approval referred to in section (c) of this rule with respect to public representatives]. Any person so elected to fill a vacancy shall serve for the term, or any unexpired portion of the term, for which such person's predecessor was elected. For purposes of this rule, the term "vacancies on the Board" shall include any vacancy resulting from the resignation of any person duly elected to the Board prior to the commencement of his or her term.

(e) No change.

(f) *Affiliations.* Two persons associated with the same broker, dealer, [or] municipal securities dealer or municipal advisor shall not serve as members of the Board at the same time.

(g) No change.

#### **Rule A-4: Meetings of the Board**

(a) – (c) No change.

(d) *Action Without a Meeting.* Action by the Board may be taken without a meeting by written consent of the Board setting forth the action so taken or by telephone or e-mail poll of all

members of the Board, provided that, in the case of action taken by telephone or e-mail poll, the Board, at a meeting, or the chairman of the Board authorizes the action to be taken by such means. The Chief Executive [Director] Officer shall transmit to each Board member, as soon as practicable after a telephone or e-mail poll is taken, a written statement setting forth the question or questions with respect to which the telephone or e-mail poll was taken and the results of the telephone or e-mail poll. Such statement shall also be entered in the minutes of the next Board meeting. In the case of action taken without a meeting by written consent, telephone or e-mail poll, an affirmative vote of a majority of the whole Board is required.

#### **Rule A-5: Officers and Employees of the Board**

(a) – (b) No change.

(c) *Executive and Administrative Staff.* The staff of the Board shall consist of [an] a Chief Executive [Director] Officer, a General Counsel, a Secretary to the Board, a Treasurer to the Board, and such other personnel as the Board shall deem necessary or appropriate. The duties and responsibilities of the Chief Executive [Director] Officer shall be as prescribed by the Board. The duties and responsibilities of all other staff shall be as prescribed by the Chief Executive [Director] Officer.

(d) No change.

#### **Rule A-17: Confidentiality of Examination Reports**

Any report of an examination or of information extracted from a report of an examination ("examination report") of a broker, dealer and municipal securities dealer furnished to the Board by the Securities and Exchange Commission pursuant to section 15(B)(c)(7)(B) of the Act and rule 15Bc7-1 thereunder shall be maintained and utilized in accordance with the following terms and conditions, in order to ensure the confidentiality of any information contained in such reports:

(1) No change.

(2) The Chief Executive [Director] Officer and General Counsel shall designate jointly the members of the staff of the Board who shall have access to the examination reports.

(3) – (4) No change.