

HUSCH BLACKWELL

Compensation Committee Independence and Adviser Independence Standards

	SEC	NYSE	Nasdaq
Compensation committee requirement	No new requirements	No new requirements in §303A.05(a)	New Rule 5605(d)(2)(A): Each company must have and certify ¹ that it has and will continue to have a compensation committee of at least two members, each of whom must: (i) be an independent director as defined under Rule 5605(a)(2); and (ii) not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof. <i>(This eliminates the current “alternative” that allows executive compensation to be determined by independent directors that constitute a majority of the board’s independent directors in a vote by only the Independent Directors).</i> Effective the earlier of the first annual meeting after January 15, 2014, or October 31, 2014.

¹ Certification required no later than 30 days after the implementation deadline applicable to the company. Certification form available on the [NASDAQ OMX Listing Center](#).

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	SEC	NYSE	Nasdaq
Compensation Committee Charter	No new requirements	<p>No new requirements in §303A.05(b) <i>except 303A.05(b) (iii)</i>: the charter must address the rights and responsibilities of the compensation committee set forth in 303A.05.(c) <i>(the committee’s right to retain an advisor, etc.)</i></p> <p>Effective July 1, 2013</p>	<p>New Rule 5605(d)(1): 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:</p> <p>(A) the scope of the compensation committee’s responsibilities and how the committee carries out those responsibilities, including structure, processes and membership requirements;</p> <p>(B) 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;</p> <p>(C) that the chief executive officer may not be present during voting or deliberations on his or her compensation; and</p> <p>(D) the specific compensation committee responsibilities and authority set forth in Rule 5605(d)(3).</p>

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	SEC	NYSE	Nasdaq
			Effective the earlier of the first annual meeting after January 15, 2014, or October 31, 2014.
General compensation committee independence requirement	<p>Exchange Act Rule 10C-1(b) <i>Required standards</i>. The requirements of this section apply to the compensation committees of listed issuers.</p> <p>(1) Independence.</p> <p>(i) Each member of the compensation committee must be a member of the board of directors of the listed issuer and must otherwise be independent.</p>	<p>Existing Rule §303A.02(a) provides that no director qualifies as "independent" unless the board of directors affirmatively determines that the director has no material relationship with the listed company (directly or as a partner, shareholder or officer of an organization that has a relationship with the company).</p> <p>Existing Rule §303A.02(b) provides that a director may not be deemed to be independent if such director has a relationship with the listed company that violates any one of five "bright line" tests.²</p>	<p>Existing Rule 5605(a)(2): "Independent director" means a person other than an executive officer or employee of the company or any other individual having a relationship that, 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, whether by blood, marriage or adoption, or anyone residing in such person's home. Rule 5602(a)(2)(A)-(G) specifically identifies circumstances in which a</p>

² Employee or immediate family member (IFM) has been CEO within the past three years, directs compensation of more than \$120,000 to director or IFM, director or IFM is or has been partner or employee of company's auditor within the past three years, director or IFM has been executive of another company where the listed company's current officers serve or served on that company's compensation committee, or the director is a current employee or IFM is a current officer of a company that has made payments to, or received payments from, the listed company for property or services in excess of \$1 million, or 2 percent of consolidated gross revenues.

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			director shall not be considered independent. ³
Independence test: compensatory fees	<p>New Rule §10C-1(b)(1)(ii): In determining independence requirements for members of compensation committees, the national securities exchanges and national securities associations shall consider relevant factors, including, but not limited to:</p> <p>(A) The source of compensation of a member of the board of directors of an issuer, including any consulting, advisory or other compensatory fee paid by the issuer to such member of the board of directors.</p>	<p>New Rule §303A.02(a)(ii): In addition [to §303A.02(a)(i)], in affirmatively determining the independence of any director who will serve on the compensation committee of the listed company’s board of directors, the board of directors must consider all factors specifically relevant to determining whether a director has a relationship to the listed company that 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,</p> <p>(A) the source of compensation of such director, including any consulting, advisory or other</p>	<p>New Rule 5605(d)(2)(A): Members must: (i) be an independent director as defined under Rule 5605(a)(2); and (ii) not accept directly or indirectly any consulting, advisory or other compensatory fee from the company or any subsidiary thereof. Compensatory fees shall not include: (i) fees received as a member of the compensation committee, the board of directors or any other board committee; or (ii) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the company (provided that such compensation is not contingent in any way on continued</p>

³ Employee or “family member” (FM) has been CEO within the past three years, directs compensation of more than \$120,000 to director or FM director or immediate family members (IFM) has been executive of another company where the listed company’s current officers serve or served on that company’s compensation committee, the director or FM is or was an employee or partner of the company’s outside auditor in past three years, the director is a current employee or IFM is a current officer of a company that has made payments to, or received payments from, the listed company for property or services in excess of \$200,000, or 5 percent of consolidated gross revenues or is an “interested person” of the company as defined in the Investment Company Act of 1940.

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		<p>compensatory fee paid by the listed company to such director.⁴</p> <p>Effective the earlier of the first annual meeting after January 15, 2014, or October 31, 2014</p>	<p>service). <i>(This makes the requirement consistent with current audit committee requirements.)</i>⁵</p> <p>Effective the earlier of the first annual meeting after January 15, 2014, or October 31, 2014.</p>
Independence Test: Affiliation	<p>New Rule 10C-1(b)(1)(ii)(B): Whether a member of the board of directors of an issuer is affiliated with the issuer, a subsidiary of the issuer or an affiliate of a subsidiary of the issuer.</p>	<p>New §303A.02(a)(ii)(B): Whether such director is affiliated with the listed company, a subsidiary of the listed company or an affiliate of a subsidiary of the listed company.⁶</p> <p>Effective the earlier of the first annual meeting after January 15, 2014, or October 31, 2014</p>	<p>New Rule 5605(d)(2)(A) (cont.): In determining whether a director is eligible to serve on a compensation committee, a company's board must consider whether the director is affiliated with the company, a subsidiary of the company or an affiliate of a subsidiary of the company to determine whether such affiliation would impair the director's judgment as a member of the compensation committee. A board may conclude that it is appropriate for a director who is an affiliate to serve on the compensation committee. <i>(This</i></p>

⁴ Commentary notes that when considering the sources of a director's compensation, the board should consider whether the director receives compensation from any person or entity that would impair his or her ability to make independent judgments about the listed company's executive compensation.

⁵ Commentary notes that compensatory fees do not include fees received for board or committee service or fixed amounts of compensation received under a retirement plan (including deferred compensation) for prior service with the company.

⁶ Commentary notes that when considering any affiliate relationship, the board should consider whether the affiliate relationship places the director under the direct or indirect control of the listed company or its senior management or creates a direct relationship with the same individuals, in each case of a nature that would impair his ability to make independent judgments about the listed company's executive compensation. (Does not include stock ownership.)

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			<p><i>differs from the requirement for audit committee).</i>⁷</p> <p>Effective the earlier of the first annual meeting after January 15, 2014, or October 31, 2014.</p>
Exceptions to independence requirement	None	None	<p>Rule 5605(d)(2)(B): If the compensation committee is comprised of at least three members, one director who does not meet the requirements of paragraph 5605(d)(2)(A) 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</p>

⁷ Commentary notes that ownership of company stock by itself does not preclude 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 to serve on compensation committees because their interests are likely aligned with those of other stockholders.

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			<p>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.</p> <p>Effective the earlier of the first annual meeting after January 15, 2014, or October 31, 2014.</p>
Exemption from director independence requirements	<p>Rule 10C-1(b)(1)(iii): <i>(Exemptions from the independence requirements.)</i> (A) The listing of equity securities of the following categories of listed issuers is not subject to the requirements of paragraph (b)(1) of this section:</p> <ul style="list-style-type: none"> (1) Limited partnerships; (2) companies in bankruptcy proceedings; (3) open-end management investment companies registered under the Investment Company 	<p>Existing Rule §303A.02(a): No new changes to the list of issuers that are exempt from the independence standard or to the types of relationships permitted or prohibited under the existing independence standard. But note limited exemptions applicable to smaller reporting companies below.</p>	<p>Existing Rule 5615: No new changes to the list of issuers that are exempt from the independence standard or type of relationships permitted or prohibited under the existing independence standard. But note limited exemptions applicable to smaller reporting companies below.</p>

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	<p>Act of 1940; and (4) any foreign private issuer that discloses in its annual report the reasons that the foreign private issuer does not have an independent compensation committee. (B) In addition to the issuer exemptions set forth in paragraph (b)(1)(iii)(A) of this section, a national securities exchange or a national securities association, pursuant to section 19(b) of the act (15 U.S.C. 78s(b)) and the rules thereunder, may exempt from the requirements of paragraph (b)(1) of this section a <i>particular relationship</i> with respect to members of the compensation committee, as each national securities exchange or national securities association determines is appropriate, taking into consideration the size of an issuer and any other relevant factors.</p>		

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<p>Compensation committee authority to retain advisers – charter requirements, if any</p>	<p>New Rule 10C-1(b)(2) requires exchange rules to mandate that compensation committees must have broad authority to engage advisers to assist in their performance of the committee’s functions. Specifically, exchange rules must mandate that:</p> <p>(i) The compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser; and</p> <p>(ii) The compensation committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel and other adviser retained by the compensation committee.</p>	<p>New Rule §303A.05(c) (i): The compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser.</p> <p>(ii) The compensation committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or other adviser retained by the compensation committee.</p> <p><i>(Existing commentary to Rule 303A.05(b) requires that if a compensation consultant is to assist in the evaluation of director, CEO or executive officer compensation, the compensation committee charter should give that committee sole authority to retain and terminate the consulting firm, including sole authority to approve the firm’s fees and other retention terms. The new rule formalizes this commentary.)</i></p> <p>Effective July 1, 2013</p>	<p>New Rule 5605(d)(3): The compensation committee must have the specific compensation committee responsibilities and authority necessary to comply with Rule 10C-1(b)(2), (3) and (4)(i)-(vi) under the Exchange Act relating to the: (i) authority to retain compensation consultants, independent legal counsel and other compensation advisers; (ii) responsibility to appoint, compensate and oversee the work of any retained advisers, consultants and legal counsel; (iii) authority to fund such advisers; and (iv) responsibility to consider the six independence factors before selecting such advisers, other than in-house legal counsel.</p> <p>Certain aspects of this rule are effective July 1, 2013, and others not until the earlier of the first annual meeting after January 15, 2014, or October 31, 2014.</p> <p>Effective July 1, 2013 Nasdaq-listed issuers and their boards must grant the specific compensation committee</p>

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			responsibilities and authority to comply with Exchange Act Rule 10C-(b)(2), (3) and (4)(i)-(vi) to be effective by July 1, 2013, through a committee charter, resolution or other board action. <u>First annual meeting after January 15, 2014, or October 31, 2014:</u> the actual charter or charter amendments that comply with Rule 10C-(b)(2), (3) and (4)(i)-(vi)
Compensation committee authority to fund	New Rule 10C-1(b)(3) The listed issuer must provide for appropriate funding, as determined by the compensation committee, for payment of reasonable compensation to such compensation advisers	New Rule §303A.05(c) (iii) The listed company must provide for appropriate funding, as determined by the compensation committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the compensation committee. <i>Existing commentary to Rule 03A.05(b) requires that the compensation committee charter provide for appropriate funding as determined by the compensation committee, for payment of reasonable compensation to a consultant, legal adviser or other adviser. But, in the interest of clarity, the exchange proposes to adopt the new language that tracks the SEC section.</i>	New Rule 5605(d)(3): The charter must provide the authority to fund an adviser. <i>(implicit in reference to Rule 10C-1(b) et seq.)</i> Same effective dates described directly above.

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		Effective July 1, 2013	
Compensation adviser independence	Rule 10C-1(b)(4): The compensation committee of a listed issuer may select a compensation consultant, legal counsel or other adviser to the compensation committee only after taking into consideration the following factors, as well as any other factors identified by the relevant national securities exchange or national securities association in its listing standards. ⁸	New Rule §303A.05(c) (iv): The compensation committee may select a compensation consultant, legal counsel or other adviser ⁹ to the compensation committee only after taking into consideration all factors relevant to that person’s independence from management, including the following: (A) The provision of other services to the listed company by the person that employs the compensation consultant, legal counsel or other	New Rule 5605(d)(3)(D): The compensation committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser ¹⁰ to the compensation committee, other than in-house legal counsel, only after taking into consideration the following factors: (i) the provision of other services to the company by the person who employs the compensation consultant, legal counsel or other

⁸ The independence factors include: (i) the provision of other services to the issuer by the person who employs the adviser (the “employer”); (ii) the amount of fees received from the issuer by the employer as a percentage of the total revenue of the employer; (iii) the policies and procedures of the employer that are designed to prevent conflicts of interest; (iv) any business or personal relationship of the adviser with a member of the compensation committee; (v) any stock of the issuer owned by the adviser; and (vi) any business or personal relationship of the adviser or the employer with an executive officer of the issuer. See 17 CFR 240.10C-1(b)(4).

⁹ **NYSE commentary:** The compensation committee is required to conduct the independence assessment outlined in Section 303A.05(c)(iv) with respect to any compensation consultant, legal counsel or other adviser who 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 listed company and that is available generally to all salaried employees; or providing information that either is 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.

¹⁰ **Nasdaq commentary:** For purposes of this Rule, the compensation committee is not required to conduct an independence assessment for a compensation adviser who 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

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		adviser; (B) The amount of fees received from the listed company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person who employs the compensation consultant, legal counsel or other adviser; (C) the policies and procedures of the person who 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 listed company owned by the compensation consultant, legal counsel or other adviser; and (F) any business or personal relationship of the compensation	adviser; (ii) 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 who employs the compensation consultant, legal counsel or other adviser; (iii) the policies and procedures of the person who employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest; (iv) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee; (v) any stock of the company owned by the compensation consultant, legal counsel or other adviser; and (vi) any business or personal relationship of the compensation

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.

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		<p>consultant, legal counsel other adviser or the person employing the adviser with an executive officer of the listed company. <i>(Existing Rule 303A.05(b) requires like elements of the compensation committee charter. But, in the interest of clarity, the exchange proposes to adopt the following language, which tracks the SEC standard:</i></p> <p>Effective July 1, 2013</p>	<p>consultant, legal counsel other adviser or the person employing the adviser with an executive officer of the company.</p> <p>Same effective dates described directly above.</p>
General exemption from 10C-1	<p>10C-1(b)(5) General exemptions.</p> <p>(i) The national securities exchanges and national securities associations, pursuant to section 19(b) of the Act (15 U.S.C. 78s(b)) and the rules thereunder, may exempt from the requirements of this section certain categories of issuers, as the national securities exchange or national securities association determines is appropriate, taking into consideration, among other relevant factors, the potential impact of such requirements on smaller reporting issuers.</p> <p>(ii) The requirements of this section shall not apply to any controlled company or to any</p>	<p><i>(Text from the proposal.)</i> Pursuant to the general exemptive authority granted in Rule 10C-1(b)(5)(i), the exchange proposes to exempt from <u>all</u> of the proposed requirements each category of issuer that qualifies for a general or specific exemption under Rule 10C-1(b)(1)(iii)(A). The exchange also proposes to provide a general exemption from all of the requirements to all of the other categories of issuers that are currently exempt from the NYSE's existing compensation committee requirements. Thus, as proposed, controlled companies, limited partnerships and companies in bankruptcy, closed-end and open-end funds registered under the 1940 act,</p>	<p>Revised Rule 5615(a)(1): The following are exempt from . . . compensation committee (Rule 5605(d)):</p> <ul style="list-style-type: none"> • Asset-backed issuers and other passive issuers; • cooperatives; • limited partnerships; • management investment companies; • controlled companies; • Foreign private issuers that follow their home country practices with disclosure to the SEC. <p>Effective July 1, 2013</p>

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	<p>smaller reporting company.</p> <p>(iii) The listing of a security futures product cleared by a clearing agency that is registered pursuant to section 17A of the act (15 U.S.C. 78q-1) or that is exempt from the registration requirements of section 17A(b)(7)(A) (15 U.S.C. 78q-1(b)(7)(A)) is not subject to the requirements of this section.</p> <p>(iv) The listing of a standardized option, as defined in Rule 240.9b-1(a)(4), issued by a clearing agency that is registered pursuant to section 17A of the act (15 U.S.C. 78q-1) is not subject to the requirements of this section.</p>	<p>passive business organizations in the form of trusts (such as royalty trusts), derivatives and special purpose securities (such as those described in Sections 703.19 and 703.20 of the manual), and issuers whose only listed equity security is a preferred stock, would be exempt.</p> <p>Effective July 1, 2013</p>	
Controlled companies and smaller reporting companies	<p>Exempt pursuant to 10C-1(b)(5)(ii): (ii) The requirements of this section shall not apply to any controlled company or to any smaller reporting company.</p>	<p>§303A: <i>(New language.)</i> Listed companies that satisfy the definition of smaller reporting company in Exchange Act Rule 12b-2 are not required to comply with Section 303A.02(a)(ii) and the second paragraph of the commentary to Section 303A.02(a). However, smaller reporting companies must comply with all other applicable</p>	<p>New Rule 5605(d)(5): Smaller reporting companies (SRCs) must have a compensation committee comprised of at least two independent directors and a formal written compensation committee charter or board resolution that specifies the committee's responsibilities and authority, but such companies are not required to</p>

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		<p>requirements under Section 303A.05 (<i>compensation committee</i>), with the exception of Section 303A.05(c)(iv) (<i>compensation consultant independence</i>).</p> <p>Under SEC Rule 12b-2, a company tests its status as a smaller reporting company on an annual basis at the end of its most recently completed second fiscal quarter (hereinafter, for purposes of this subsection, the “smaller reporting company determination date”). The compensation committee of a company that has ceased to be a smaller reporting company shall be required to comply with Section 303A.05(c)(iv) as of six months from the date it ceases to be a smaller reporting company and must have: (i) one member of its compensation committee who meets the independence standard of 303A.02(a)(ii) and the second paragraph of the commentary to Section 303A.02(a) within six</p>	<p>adhere to the compensation committee eligibility requirements relating to compensatory fees and affiliation, or the requirements relating to compensation consultants, independent legal counsel and other compensation advisers that Nasdaq is proposing to adopt under Rule 10C-1.¹¹</p> <p>Effective the earlier of the first annual meeting after January 15, 2014, or October 31, 2014</p> <p>New Rule 5615(b)(4): A company that ceases to be a SRC may phase in the independence standard for compensation committee members.</p> <p>Effective the earlier of the first annual meeting after January 15, 2014, or October 31, 2014.</p>

¹¹ Commentary notes that SRC’s must have a compensation committee with a minimum of two independent directors and a formal written charter but are not required to adhere to the additional compensation committee eligibility requirements in Rule 5605(d)(2)(A)

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		months of that date; (ii) a majority of directors on its compensation committee meeting those requirements within nine months of that date; and (iii) a compensation committee comprised solely of members that meet those requirements within 12 months of that date.	
Certification and annual review	No new requirements	Existing Rule §303A.12 : No new standards	New Rule 5605(d)(1) : Each company must certify that it has adopted a formal written compensation committee charter that will be reviewed and reassessed on an annual basis. <i>(similar to requirement for audit committee)</i> Effective the earlier of the first annual meeting after January 15, 2014, or October 31, 2014.
Cure period	Rule 10C-1(a)(3) requires that exchange rules must include appropriate procedures for a listed issuer to have a reasonable opportunity to cure any noncompliance with the provisions of exchange rules adopted as required by Rule 10C-1. In addition, Rule 10C-1(a)(3)	New Rule §303A : If a listed company fails to comply with the compensation committee composition requirements because a member of the compensation committee ceases to be independent for reasons outside the member's reasonable control, that person, with prompt notice to the exchange and only so long as a	Rule 5605(d)(4) : If a company fails to comply with the compensation committee composition requirement under Rule 5605(d)(2)(A) due to one vacancy, or one compensation committee member ceases to be independent due to circumstances beyond the member's reasonable

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	states that such rules may provide that if a member of a compensation committee ceases to be independent in accordance with the requirements of Rule 10C-1 for reasons outside the member's reasonable control, that person, with notice by the issuer to the exchange, may remain a compensation committee member of the listed issuer until the earlier of the next annual meeting or one year from the occurrence of the event that caused the member to be no longer independent.	majority of the members of the compensation committee continue to be independent, may remain a member of the compensation committee until the earlier of the next annual shareholders' meeting of the listed company or one year from the occurrence of the event that caused the member to be no longer independent.	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 Nasdaq immediately upon learning of the event or circumstance that caused the noncompliance. <i>Mirrors general cure provision applicable to board independence in 5605(b)(1)(A).</i> Effective the earlier of the first annual meeting after January 15, 2014, or October 31, 2014.
Effective date	N/A	New Rule §303A.00: Listed companies have until the earlier of their first annual meeting after January 15, 2014, or October 31,	Rule 5605(d)(6): Rule 5605(d)(3) relating to compensation committee responsibilities and authority shall be effective on July 1, 2013. For

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		<p>2014, to comply with the new Section 303A.02(a)(ii) compensation committees independence standards.</p> <p>The rule will go into effect on July 1, 2014.</p>	<p>those companies without a compensation committee, Rule 5605(d)(3) will apply to the independent directors who determine or recommend CEO and other executive compensation. Compliance with remaining provisions by the earlier of their first annual meeting after January 15, 2014, or October 31, 2014.</p>
Qualifications	<p>Rule 10C-1(b)(2)(iii) no provision of the rule shall be construed: (A) to require the compensation committee to implement or act consistently with the advice or recommendations of the compensation consultant, independent legal counsel or other adviser to the compensation committee; or (B) to affect the ability or obligation of the compensation committee to exercise its own judgment in fulfillment of the duties of the compensation committee (or, if applicable, the independent directors).</p>	<p><i>Commentary:</i> Nothing in this Section 303A.05(c) shall be construed: (A) to require the compensation committee to implement or act consistently with the advice or recommendations of the compensation consultant, independent legal counsel or other adviser to the compensation committee; or (B) to affect the ability or obligation of the compensation committee to exercise its own judgment in fulfillment of the duties of the compensation committee.</p>	<p>None</p>

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Compliance time table – NYSE (unless otherwise exempt)

Topic	Effective date
Charter amendments re: compensation committee oversight §303A.05(b)(iii)	July 1, 2013
Compensation committee consideration of new independence standards applicable to compensation advisers and consultants §303A.05(c)	July 1, 2013
Compensation committee member independence standards in Section 303A.02(a)(ii).	Earlier of the first annual meeting after January 15, 2014, or October 31, 2014

Compliance time table – Nasdaq (unless otherwise exempt)

Topic	Effective date
Compensation committee responsibilities and authority (Rule 5605(d)(3). <i>(If issuer does not have a compensation committee, the rule will apply to the independent directors who determine or recommend the compensation of executive officers.)</i>)	July 1, 2013
Compensation committee charter, including required elements	Earlier of the first annual meeting after January 15, 2014, or October 31, 2014.
Compensation committee independence requirements	The earlier of the first annual meeting after January 15, 2014, or October 31, 2014.