

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

COMPLIANCE GUIDELINES FOR A NON-U.S. COMPANY
QUOTED ON THE NASDAQ NATIONAL MARKET

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This memorandum summarizes the continuing obligations of a non-U.S. company (herein the “Company”) whose securities are traded on the Nasdaq National Market (“Nasdaq”).

A non-U.S. issuer whose securities (or ADRs representing such securities) are traded on Nasdaq will be required to register such securities under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and will be required to enter into a listing agreement with Nasdaq. Such trading and registration will subject the non-U.S. issuer to reporting requirements under the Exchange Act and under the National Association of Securities Dealers (“NASD”) rules governing Nasdaq traded companies. A non-U.S. company whose securities trade on Nasdaq also subjects itself to a variety of potential liabilities under the U.S. securities laws.

A. Periodic Reporting Under the Exchange Act.

1. What needs to be filed?

Non-U.S. issuers who have securities registered under the Exchange Act and traded on Nasdaq are required to file annual and periodic reports with the Securities and Exchange Commission (the “SEC”) and with Nasdaq; such issuers are also required to submit certain information to the SEC based on local requirements. These filings will be made using SEC Form 20-F and Form 6-K.

Form 20-F. A non-U.S. issuer generally must file annual reports on Form 20-F within six months after the end of each fiscal year. In addition to updating much of the information contained in the Company’s registration statement on Form F-1 (in the case of the first 20-F) or any previously filed Form 20-F, a non-U.S. issuer must include in its annual report on Form 20-F updated financial information. In addition, disclosure must be made of any material modification to the rights of the holders of securities covered by a registration statement, any material change in such rights occasioned by the issuance or modification of any other securities, and any material default with respect to any indebtedness of the issuer exceeding five percent of the total assets of the issuer. (A summary of the requirements of Form 20-F is set forth as Annex A.)

Non-U.S. issuers generally find that, in order to avoid inconsistencies between their home disclosure and their U.S. disclosure, they disclose more in their home jurisdiction than would otherwise be the case. Consideration should be given to the timing of the preparation and filing of the 20-F relative to the availability of the local annual report, again to avoid inconsistent disclosure.

Attention should be paid to the timing requirement for the 20-F filing in view of the fact that the availability of short-form registration under the Securities Act for future public offerings will turn on whether the filing of the last 20-F was timely made to the SEC. Attention should also be paid to the requirements for exhibits, including material contracts, which may raise issues of proprietary information and the need to request confidential treatment.

Form 6-K. In addition to filing annual reports on Form 20-F, non-U.S. issuers are also required to submit certain information to the SEC under cover of a Form 6-K. Form 6-K requires disclosure of information that is (a) made public, or is required to be made public, by the issuer in its home country, (b) filed with, or required to be filed with, and made public by, a foreign securities exchange, or (c) otherwise distributed, or required to be distributed to, securityholders.

Not all such information need be filed with the SEC. Form 6-K only requires the filing with the SEC of information that is material concerning: changes in management or control; acquisitions or dispositions of assets; bankruptcy or receivership; changes in the issuer's certifying accountants; its financial condition and results of operations; changes in its business; material legal proceedings; changes in securities or in the security for registered securities; defaults upon senior securities; material increases or decreases in the amount outstanding of securities or indebtedness; the results of the submission of matters to a vote of securityholders; and "any other information which the registrant deems of material importance to securityholders."

The Form 6-K is, in effect, a cover sheet (a copy of which is attached as Annex B) that accompanies (and identifies) the information being filed. Many non-U.S. issuers file all reports and documents used in their home jurisdictions rather than just those that may be "material," in order to avoid the administrative burden of having to make determinations each time as to what is "material."

Press releases and other information distributed directly to shareholders are to be in English. English versions or English summaries may be submitted in lieu of original English translations. Other information need only be submitted to the extent that the Company has English translations, versions or summaries, failing which a brief description in English will suffice.

Attention should be paid to the 6-K requirements in view of the fact that the availability of short-form registration under the Securities Act for future public offerings will turn on whether the required submissions were timely made to the SEC.

2. How to file.

Non-U.S. registrants have the option of making paper filings with the SEC and Nasdaq, or filing using the SEC's electronic filing system, EDGAR. Even if the Company elects to make some filings via EDGAR, it is not required to make all filings that way. The benefits of using EDGAR are that the filing is then instantly available via the SEC's website to analysts, investors and others, either directly or through the services that make filings available via e-mail notifications to their subscribers (upon filing through EDGAR). Some companies make all of their SEC filings via EDGAR, others file their 20-Fs and their 6-Ks that report significant matters via EDGAR while submitting other 6-K reports via paper, and yet others still use paper for all of their filings.

For those filing via paper, three complete copies of each 20-F report, including exhibits and financial statements, and five additional copies (which need not include exhibits), must be submitted to the SEC. In addition, one complete copy must be filed with Nasdaq. At least one of the copies deposited with the SEC and the copy filed with Nasdaq must be manually signed (although, as noted below, the manual signature need not be an original; it can be a faxed or photocopied signature page). The filing with Nasdaq does not require its own cover sheet or filing form; instead, you would simply copy Nasdaq on the cover letter to the SEC. The Form 20-F must be on “8½ x 11” paper.

For those filing via paper, upon the occurrence of an event requiring the filing of a Form 6-K, eight complete copies of each report, consisting of a cover page, the document or report triggering the filing, and a signature page, must be submitted to the SEC. In addition, one complete copy must be filed with Nasdaq. At least one of the copies deposited with the SEC and the copy filed with Nasdaq must be manually signed (although, as noted below, the manual signature need not be an original; it can be a faxed or photocopied signature page). The filing with Nasdaq does not require its own cover sheet or filing form; instead, you would simply copy Nasdaq on the cover letter to the SEC. The Form 6-K must be on “8½ x 11” paper.

The Company is required to file its Form 6-Ks with the SEC “promptly” after the subject information is made public, filed or distributed. Filings made with the SEC should be made by overnight courier, not fax. Similarly, filings made with Nasdaq should be made by overnight courier.

Filings made with the SEC need not be confirmed by telephone. Rather, when filing documents with the SEC, issuers typically include in their filing package a duplicate copy of their cover letter and a self-addressed stamped return envelope. The SEC will “receipt” this duplicate copy as evidence of the date and time upon which they received the filing package and will mail it back to the issuer in the return envelope.

Apart from the specific circumstances relating to notifications to the NASD Market Surveillance Department, information provided to Nasdaq need not be confirmed.

For your information, the address for the SEC is:

U.S. Securities and Exchange Commission
Filing Desk
450 Fifth Street, N.W.
Washington, D.C. 20549 U.S.A.
Telephone number (for filing desk): 1-202-942-8050

and the Nasdaq address is:

Nasdaq Regulatory Filings
1735 K Street, N.W.
Washington, D.C. 20006-1500 U.S.A.
Telephone number (general): 1-202-728-8840

3. *Other Reports.*

In addition to the annual and interim reports referred to above, other reports in respect of the securities of an issuer registered under the Exchange Act are required to be filed under certain conditions.

(a) Under Rule 10b-17 under the Exchange Act, it constitutes a “manipulative or deceptive device or contrivance” for an issuer of a class of securities publicly traded in the United States not to give appropriate notice of dividends, stock splits, reverse splits, or rights and other subscription offerings affecting such class of securities. Notice is to be given to the NASD. The rule sets forth the nature of the information which must be included in any such notice.

(b) Section 13(d) of the Exchange Act requires any person, with certain limited exceptions, who acquires, directly or indirectly, the beneficial ownership of 5% or more of a class of equity security registered under Section 12 of the Exchange Act to report such acquisition to the issuer, the NASD and the SEC. Such report, which is filed in the form of a prescribed schedule, must be made within ten days after acquisition of such beneficial ownership. Regulation 13D of the Exchange Act sets out the form of the schedule required to be filed and provides certain pertinent definitions, including that of “beneficial owner.”

Section 13(e) prohibits the acquisition by an issuer of its own equity securities in contravention of rules promulgated by the SEC. For the purpose of Section 13(e), a purchase by or for the issuer or any person controlling, controlled by, or under common control with the issuer, or a purchase subject to control of the issuer or any such person, is deemed to be a purchase by the issuer.

(c) The tender offer provisions of Section 14 of the Exchange Act are applicable to equity securities of non-U.S. issuers. Section 14(d) makes it unlawful for any person, directly or indirectly, to make use of any instrumentality of interstate commerce for purposes of making a tender offer for any equity securities registered under Section 12 of the Exchange Act if, after consummation of such purchase, such person would beneficially own more than 5% of such securities unless such person has provided certain information to the SEC, the issuer and, if applicable, the NASD. In addition, Section 14(d) and the rules promulgated thereunder impose rules (which are beyond the scope of this memorandum) governing the manner in which tender offers may be carried out. Section 14(e) makes it unlawful for any person to make any untrue statement of a material fact or omit to state a material fact or to engage in any fraudulent, deceptive or manipulative acts in connection with any tender offer. Where not more than 10% of a non-U.S. issuers securities are held by U.S. residents, tender offers and exchange offers may be undertaken without compliance with U.S. rules.

B. Reporting and Filing Requirements under NASD Rules.

The NASD imposes additional reporting obligations on listed companies. Depending upon the nature of the information at issue, the Company may be obligated by NASD rules to disclose certain items directly to it and/or to the public.

1. *Disclosure of Material Information.* Generally, non-U.S. issuers whose securities (or ADSs) are traded through Nasdaq must disclose promptly to the public through international wire services or similar disclosure media any material information which would reasonably be expected to affect the value of their securities or influence investors' decisions and must notify the NASD of the release of any such information prior to its release to the public through such media.¹

Material information would include information regarding events of an unusual and/or nonrecurrent nature. Such events may include, but are not limited to, the following: a merger, acquisition or joint venture; a stock split or stock dividend; earnings and dividends of an unusual nature; the acquisition or loss of a significant contract; a significant new product or discovery; a change in control or a significant change in management; a call of securities for redemption; the public or private sale of a significant amount of additional securities; the purchase or sale of a significant asset; a significant labor dispute; and establishment of a program to make purchases of the issuer's own shares.

Under current rules, postings of a press release or other announcement on a company web site do not constitute adequate public dissemination for purposes of Nasdaq's public notification requirements. For further information on this subject, please consult our memorandum on "Disclosure of Corporate Information on a Company Web Site."

Non-U.S. issuers are not subject to the SEC's Regulation FD on selective disclosure, but should consider whether to adopt policies and procedures to avoid selective disclosure as matter of best practices. For further information on this subject, please consult our memorandum on "Dealing with Financial Analysts."

2. *Distribution of Annual and Interim Reports.* Non-U.S. issuers must distribute to shareholders (and ADR holders) and file with the NASD (a) an annual report containing audited financial statements of the issuer and its subsidiaries "a reasonable period of time prior to the company's annual meeting of shareholders" and (b) any interim report required to be filed with the SEC (i.e., under cover of a Form 6-K) either before or as soon as practicable following filing with the SEC. Quarterly financial reporting is not required and the issuer's annual accounts do not have to be distributed within 90 days of its fiscal year-end.

¹ The NASD recommends that issuers provide such notification at least 10 minutes before such release. Notification may be provided directly to the NASD Market Surveillance Department by telephone at (1-800) 537-3929 or (1-301) 590-6411 or, from 6 p.m. to 8 a.m. eastern U.S. time, (1-301) 590-6413. Information communicated orally should be confirmed promptly in writing to fax number (1-301) 590-6482. Where a non-U.S. issuer makes an announcement in its home jurisdiction prior to the opening of trading in the United States, notification in a manner such that it is available when trading begins later in the day in question in the United States would be consistent with the notification rules.

3. *Copies of SEC Filings.* NASD rules require non-U.S. issuers to file with the NASD three copies of all reports required to be filed with the SEC, and must do so on or before the date they are required to be filed with the SEC. The consequence of this requirement is that all filings made with the SEC on Form 20-F or on Form 6-K (which would include such items as earnings releases and other press announcements) would also be filed with the NASD.

4. *Miscellaneous Reporting Requirements.* Non-U.S. issuers are required to notify the NASD, at least 15 calendar days prior to the date of creation or issuance, of the creation of any stock option, employee stock purchase or other stock remuneration plan or the issuance of additional shares of any class of securities quoted on Nasdaq. Non-U.S. issuers also are required to notify the NASD promptly in writing of any change in the general character or nature of its business and any change in the address of its principal executive offices.

C. Nasdaq Corporate Governance Policies.

Companies whose securities (or ADSs) trade through Nasdaq are expected to follow certain practices aimed at maintaining appropriate standards of corporate responsibility and accountability. These practices are outlined in Annex C. It is common practice for non-U.S. issuers seeking a listing on a U.S. stock exchange or Nasdaq to obtain waivers with respect to provisions that are inconsistent with, or different from, local practice.

On the basis of discussions with your local counsel, we have identified certain practices—the annual report, independent director, audit committee, quorum, proxy solicitation and shareholder approval requirements—that are inconsistent with, or different from, requirements applicable to other companies in your jurisdiction or companies with listings on your local exchange. Such companies have obtained waivers from Nasdaq with respect to compliance with such practices. With respect to the balance of the corporate governance provisions, we have been advised by your local counsel that the requirements applicable by reason of the Nasdaq rules are no more burdensome than the requirements to which the Company is already subject. After giving effect to the waivers, compliance by the Company with the requirements of local law and the rules of your local exchange will suffice so far as the Nasdaq corporate governance policies are concerned.

D. Liabilities Under the Exchange Act.

Section 18 of the Exchange Act imposes liability on any person who makes a false or misleading statement in any registration statement filed pursuant to the Exchange Act (e.g. a Form 20-F) or in any document or report filed with respect to such registration statement. In addition, documents so furnished to the SEC may give rise to liability under Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder. The documents included in Form 6-K are not deemed to be “filed” for the purposes of Section 18 of the Exchange Act or otherwise subject to liability under that Section, but may give rise to liability under Section 10(b) and Rule 10b-5. Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, generally prohibit

manipulation and fraud in connection with the purchase or sale of any security. A foreign issuer may violate these provisions by intentionally creating an artificial demand for a stock to inflate its market price, by knowingly or recklessly making false or misleading statements (or omissions) that could reasonably be expected to influence the purchase or sale of securities, or by engaging in other types of deceptive practices. Lawsuits may be brought under these provisions either by U.S. governmental authorities or by private parties who claim to have been injured as a result of alleged misstatements or other manipulative or deceptive practices.

E. Foreign Corrupt Practices Act.

The Foreign Corrupt Practices Act of 1977 amended the Exchange Act by adding Sections 13(b)(2)(A) and 13(b)(2)(B), which impose important requirements with regard to record-keeping and internal accounting controls on issuers that have registered securities under the Exchange Act. In light of these provisions, a foreign issuer considering such registration should consult with its auditors to insure that its internal control systems are adequate to maintain the basic integrity of its internal record-keeping, thereby preventing the unauthorized expenditure of funds or dissemination of other assets for unlawful purposes.

In addition, Section 30A of the Exchange Act prohibits an issuer, (including a foreign issuer) with securities registered under the Exchange Act, or director, officer, employee, or agent thereof or any stockholder acting on its behalf, from using the U.S. mails or “any means or instrumentality of [U.S.] interstate commerce corruptly in furtherance of” any offer, promise or authorization to pay, or payment of, any improper payments, either directly or indirectly, to foreign political parties or officials. Issuers, or their related persons, that violate Section 30A may be subject to civil enforcement or criminal penalties, including fines (which, in the case of an individual, may not be paid by the issuer) and imprisonment.

* * *

This memorandum is intended solely for general informational purposes and should not be construed as, or used as a substitute for, legal advice with respect to specific transactions, since such advice requires an evaluation of precise factual circumstances. U.S. counsel should be consulted as to all questions that arise with respect to the laws, rules, regulations and other legal requirements discussed herein. For further information concerning the subject matter of this memorandum, please contact any member of the Paul Weiss Securities Group, including:

<u>Office</u>	<u>Name</u>	<u>Telephone</u>	<u>E-Mail Address</u>
New York	Andrew J. Foley	1-212-373-3078	afoley@paulweiss.com
	Edwin S. Maynard	1-212-373-3024	emaynard@paulweiss.com
London	Mark S. Bergman	44-20-7367-1601	mbergman@paulweiss.com
	David K. Lakhdhir	44-20-7367-1602	dlakhdhir@paulweiss.com
Paris	Steven L. Wolfram	33-1-5343-1400	swolfram@paulweiss.com
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Form 20-F Disclosure Rules

The 20-F disclosure standards consist of ten core disclosure items and a glossary of terms. The ten core items are discussed below. Unless otherwise noted, these disclosures must be included in registration statements for public offerings or registered exchange offers (i.e., under the Securities Act), registration statements on Form 20-F for listings (i.e., under the Exchange Act) and annual reports.

Item 1. Identity of Directors, Senior Management and Advisers.

This item includes disclosure of directors and senior management, as well as legal advisers, principal bankers and auditors. This information is not required to be provided in annual reports. The term “senior management” includes members of administrative, supervisory and management bodies. Legal advisers and principal bankers need be disclosed only if the information is required to be disclosed in a non-U.S. jurisdiction.

Item 2. Offer Statistics and Expected Timetable .

This item includes key information regarding an offering and key dates that will be set forth in a Securities Act registration statement. For most offerings, disclosure of the sequence of events, rather than specific dates, should suffice.

Item 3. Key Information.

This item requires:

- selected financial data for five years and any interim periods for which financial statements are required to be provided (and interim income statement data for the corresponding prior period). The first two years may be omitted if the issuer represents to the SEC, before or at the time the document is filed, that those years cannot be provided, or cannot be provided on a restated basis, without unreasonable effort or expense, and states in the offering document the reason for the omission. U.S. GAAP reconciliations of the selected data are required in respect of the annual and interim periods for which reconciled financial statements need to be provided. This item also sets forth the disclosure requirements for information concerning exchange rates.

- in a Securities Act or Exchange Act registration statement, a statement of capitalization and indebtedness, distinguishing between guaranteed and non-guaranteed, and secured and unsecured, debt, as of a date within 60 days before the date of the offering document. For shelf offerings, the capitalization table in a prospectus supplement may be as of the date of the most recent balance sheet filed as part of the registration statement, updated to reflect securities issued up to 60 days before the date of the prospectus supplement.

- in a Securities Act registration statement, the reasons for the offer and the expected use of proceeds, including:

- a breakdown of the principal intended uses;
 - if the proceeds will not be sufficient, the order of priority and source of other funds needed;
 - if applicable, a description and cost of assets to be acquired outside the ordinary course of business and if assets are to be acquired from an affiliate, the identity of the affiliate and how the purchase price will be determined;
 - if applicable, a brief description of businesses to be acquired and the status of the acquisition; and
 - if applicable, the interest rate and maturity of any debt being repaid.
- risk factors.

Item 4. Information on the Company.

This item includes requirements for a description of the company's business and properties.

Item 5. Operating and Financial Review and Prospects.

This item corresponds to the old requirement for a management's discussion and analysis of financial condition and results of operations ("MD&A"). To reinforce the importance that the SEC places on MD&A and to remind issuers that the adoption of international standards was not intended to dilute the quality and quantity of disclosure, this item makes specific reference to the SEC's seminal 1989 release on MD&A. The instructions remind issuers that the discussion is to focus on the primary financial statements used in the document, but reference should be made to any aspects of the differences between local GAAP and U.S. GAAP that may be material to an understanding of the primary financial statements as a whole.

Item 6. Directors, Senior Management and Employees.

This item includes disclosure of the identity, background and experience, as well as compensation and share ownership, of directors and senior management, and board practices. Compensation is to be disclosed on an individual basis unless individual compensation is not required in the home jurisdiction and is not otherwise made public by the company. Share ownership and options are to be disclosed on an individual basis. Disclosure regarding employees includes numbers and significant changes in such numbers over the past three years.

Item 7. Major Shareholders and Related Party Transactions.

This item includes disclosure in respect of major shareholders (now defined as beneficial owners of 5% or more, unless the home jurisdiction requires disclosure of a lesser percentage) of their identity and holdings, any significant change during the past three years in such holdings and any disparate voting rights. Disclosure must also be provided with respect to

the portion of outstanding securities and number of record owners of securities in the United States.

This item also calls for disclosure of related party transactions since the beginning of the three preceding fiscal years to the date of the offering document (or, in the case of an annual report, from the beginning of the last full fiscal year to the latest practicable date). The disclosure covers loans or other transactions between the company and:

- entities controlling, controlled by or under common control with the company;
- associates (unconsolidated enterprises in which the company has a significant influence or that has a significant influence over the company);
- individuals having significant influence over the company by virtue of direct or indirect interests in the voting power of the company; and
- key management personnel (persons having authority and responsibility for planning, directing and controlling the activities of the company, including directors and senior management and close members of their families).

Significant influence is defined as the power to participate in financial and operating policy decisions, but is less than control over such policies. A beneficial owner of 10% of the voting power is presumed to have significant influence.

Item 8. Financial Information.

This item specifies the financial statements that must be included, as well as the periods to be covered, the age of the financial statements and other information of a financial nature. Financial statements must cover the latest three financial years, although a balance sheet for the earliest of the three years need not be provided if that balance sheet is not required by a jurisdiction outside the United States. This item makes clear that the financial statements, whether prepared in accordance with local GAAP or U.S. GAAP, must be audited in accordance with U.S. generally accepted auditing standards, and the auditor must comply with SEC standards for auditor independence. The item also notes that the circumstances in which the SEC will accept an audit report containing a disclaimer or qualification are extremely limited and advises issuers that plan to submit this type of a report to contact the accounting staff at the SEC well in advance of filing.

This item also requires disclosure of legal and arbitration proceedings.

The offering document must disclose whether or not there have been significant changes since the date of the most recent audited or interim financial statements.

Item 9. The Offer and Listing.

This item includes requirements (depending on the type of document) for a description of the offering, including the plan of distribution, trading markets, selling

shareholders, dilution and expenses. Disclosure concerning the plan of distribution is to include, to the extent known by the company, whether major shareholders, directors and senior management will participate in the offering or whether any person intends to subscribe for more than 5% of the offering, and to identify groups of targeted potential investors.

Item 10. Additional Information.

This item includes requirements for, among other things, a description of the company's share capital, significant provisions of its articles of incorporation and bylaws, its material contracts, exchange controls and relevant tax consequences.

Exhibits (subject to a variety of instructions)

- constituent documents
- instruments defining the rights of securityholders, including debtholders
- voting trust agreements
- material contracts, including management contracts
- list of patents
- list of subsidiaries

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Commission File No. 0-[]

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

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(Translation of registrant's name into English)

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[+]

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F _____ Form 40-F __

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes _____ No _____

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

[_____]

By: _____

Name:

Title:

[DATE]

Nasdaq Corporate Governance Policies

1. *Independent Directors.* Each Nasdaq quoted company must maintain a minimum of three independent directors on its board of directors. For this purpose “independent director” means 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.
2. *Audit Committee.* Each Nasdaq quoted company must establish and maintain an Audit Committee of at least three members, all of whom must be independent directors.
3. *Shareholders Meetings.* Each Nasdaq quoted company must hold an annual meeting of shareholders and provide notice of such meeting to the NASD.
4. *Quorum.* The quorum required for meetings of common stockholders may not be less than 33-1/3% of the outstanding shares of the company’s common voting stock.
5. *Solicitation of Proxies.* Each Nasdaq quoted company must solicit proxies and provide proxy statements for all meetings of shareholders and provide copies of such proxy solicitation to the NASD. A foreign private issuer’s proxy statement need not conform to U.S. regulations governing the content of proxy statements.
6. *Conflicts of Interest.* Each Nasdaq quoted company must conduct an appropriate review of all related party transactions on an ongoing basis and utilize the company’s Audit Committee or a comparable body for the review of potential conflict of interest situations where appropriate.
7. *Shareholder Approval.* Shareholder approval is required for certain types of transactions, including but not limited to, such matters as: (a) establishment of stock option or purchase plans for officers and directors, if the amount of securities to be issued constitutes more than 1% of number of shares of common stock, 1% of the outstanding voting power or 25,000 shares; (b) an issuance of securities resulting in a change of control; (c) an issuance of securities, on a convertible basis if applicable, resulting in an increase of 5% or more in outstanding common shares or voting power, in connection with an acquisition of stock or assets of another company in which any director, officer or substantial shareholder has a 5% or greater interest (or such persons collectively have a 10% or greater interest); (d) an issuance of securities (other than a public offering for cash), on a convertible basis if applicable, in excess of 20% of the outstanding common stock or voting power, in connection with an acquisition of stock or assets of another company; (e) an issuance of common stock (other than a public offering), on a convertible basis if applicable, at a price less than the greater of book or market value which together with sales by officers or directors or substantial shareholders

equals 20% or more of the outstanding common stock or voting power; and (f) an issuance of common stock (other than a public offering), on a convertible basis if applicable, equal to 20% or more of outstanding common stock or voting power for less than the greater of book or market value of the stock.

8. *Voting Rights.* A Nasdaq quoted company is not permitted to issue any class of security, or take other corporate action, with the effect of nullifying, restricting, or disparately reducing the per share voting rights of holders of an outstanding class or classes of common stock registered pursuant to Section 12 of the Exchange Act. Certain actions are presumed to have such a nullifying, restricting or disparately impacting effect, including: any restriction on voting power of shares of common stock based on the number of shares held; any such restriction based on the length of time the shares are held; any exchange offer for securities with voting rights greater or less than the per share voting right of the outstanding common stock; or any stock dividend in which the securities issued have voting rights greater than the per share voting rights of the outstanding common stock. Certain actions are presumed not to have such a nullifying, restricting or disparately impacting effect, including: an initial registered public offering of securities; a registered public offering of any class of securities with voting rights not greater than the per share voting rights of any outstanding common stock; the issuance of any class of securities to effect a bona fide merger or acquisition, with voting rights not greater than the per share voting rights of any outstanding common stock; or any action taken pursuant to state law requiring conditioning of the voting rights of a holder of a specified threshold percentage of voting stock on the approval of the company's independent shareholders.