

## **INDEPENDENCE POLICY OF THE EXCHANGE BOARD OF DIRECTORS**

### **Purpose**

The purpose of this Policy is to set forth the independence requirements that shall apply to the members of the Board of Directors (the “Board”) of the Exchange in accordance with Article IV, Section 2 of the New York Stock Exchange Constitution.

### **Independence Requirements**

1. Each Director elected by the members and the Chairman of the Board if not also the Chief Executive Officer shall be independent within the meaning of this Policy. A list of the Directors shall be maintained on the Exchange’s web site.
2. A Director shall be independent only if the Board determines that the Director does not have any material relationships with the Exchange. When assessing a Director’s relationships and interests, the Board shall consider the issue not merely from the standpoint of the Director, but also from the standpoint of persons or organizations with which the Director is affiliated<sup>1</sup> or associated.
3. In making independence determinations, the Board shall consider the special responsibilities of a Director in light of the status of the Exchange as a New York not-for-profit corporation, and as a self-regulatory organization and national securities exchange subject to the supervision of the Securities and Exchange Commission.
4. The Board shall make an independence determination with respect to each Director elected by the members upon the Director’s nomination or appointment to the Board and thereafter at such times as the Board considers advisable in light of the Director’s circumstances and any changes to this Policy, but in any event not less frequently than annually. Upon adoption of this Policy, the Board shall make an affirmative determination with respect to the independence of each Director then serving on the Board.
5. It shall be the responsibility of each Director to inform the Chairman of the Board and the Chairman of the Nominating & Governance Committee promptly and otherwise as requested of the existence of such relationships and interests which might reasonably be considered to bear on the Director’s independence.
6. Any Director elected by the members who is no longer independent due to the existence of a relationship described in Article IV, Section 2(a)-(d) of the Constitution or whom the Board otherwise determines not to be independent from the Exchange under this Policy shall, pursuant to Article IV, Section 9, be deemed to have tendered his or her

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<sup>1</sup> An “affiliate” of, or a person “affiliated” with, a specific person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

resignation for consideration by the Board, and such resignation shall not be effective unless and until accepted by the Board.

### **Independence Qualifications**

1. In making an independence determination with respect to any Director or Director candidate, the Board shall consider the standards below with respect to relationships or interests of the Director or Director candidate with or in (a) the Exchange or its subsidiaries, (b) members, allied members, and lessor members, (c) member organizations of the Exchange (“Member Organizations”) or non-member broker-dealers that engage in business involving substantial direct contact with securities customers (“Non-Member Broker-Dealers”), and (d) companies other than Member Organizations whose securities are listed on the Exchange (“Listed Companies”). The standards below relating to category (a) are the same as those that the Exchange applies to its own listed companies. The standards below relating to categories (b), (c) and (d) stem from the differing regulatory responsibilities and roles that the Exchange exercises in overseeing the organizations and companies included in those categories.
2. The term “approved person” used herein has the meaning set forth in the NYSE Constitution.
3. The term “immediate family member” with respect to any Director has the meaning set forth in the NYSE Listed Company Manual.
4. The following independence criteria shall apply:

#### ***Independence from the Exchange***

A Director is not independent if the Director or an immediate family member of the Director has or had a relationship or interest with or in the Exchange which, if such relationship or interest existed with respect to a Listed Company, would preclude a Director of the Listed Company from being considered an independent Director of the Listed Company pursuant to Section 303A.02(a) or (b) of the Listed Company Manual.<sup>2</sup>

#### ***Members, Allied Members and Lessor Members***

A Director is not independent if he or she is, or within the last three years was, or has an immediate family member who is, or within the last three years was, a member, allied member, lessor member or approved person.

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<sup>2</sup> The relevant sections of the Listed Company Manual and commentary are available on the website at [www.nyse.com/pdfs/finalcorpgovrules.pdf](http://www.nyse.com/pdfs/finalcorpgovrules.pdf)

### ***Member Organizations***

A Director is not independent if the Director (a) is, or within the last three years was, employed by a Member Organization, (b) has an immediate family member who is, or within the last three years was, an executive officer of a Member Organization, (c) has within the last three years received from any Member Organization more than \$100,000 per year in direct compensation, or received from Member Organizations in the aggregate an amount of direct compensation which in any one year is more than 10 percent of the Director's annual gross income for such year, excluding in each case Director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), or (d) is affiliated, directly or indirectly, with a Member Organization.

### ***Non-Member Broker-Dealers***

A Director is not independent if the Director is employed by or affiliated, directly or indirectly, with a Non-Member Broker-Dealer.

### ***Listed Companies***

A Director is not independent if the Director is an executive officer of an issuer of securities listed on the Exchange.

5. The Exchange shall make disclosure of any charitable relationship that a listed company would be required to disclose pursuant to Listed Company Manual Section 303A.02(b)(v) and commentary. Gifts by the Exchange or by The NYSE Foundation, Inc. shall not favor charities on which any Director serves as an executive officer or member of the board of trustees or directors or comparable governing body.