Rule 14.414. Internal Audit Function

(a) Each Company must establish and maintain an internal audit function to provide management and the audit committee with ongoing assessments of the Company’s risk management process and system of internal control. The Company may choose to outsource this function to a third party service provider other than its independent auditor. The audit committee must meet periodically with the internal auditors (or other personnel responsible for this function) and assist the Board in its oversight of the performance of this function. The audit committee should also discuss with the outside auditor the responsibilities, budget and staffing of the internal audit function.

(b) Transition Periods

(1) A Company listing in conjunction with its initial public offering or a spin-off transaction must comply with the requirements of LTSE Rule 14.414(a) within one year of the listing date.

(2) A Company previously registered pursuant to Section 12(b) of the Exchange Act must satisfy the requirements of LTSE Rule 14.414(a) within one year of the listing date to the extent the national securities exchange on which it was listed did not have the same requirement. If the other exchange had a substantially similar requirement and the company was afforded a transition period that had not expired, the company will have the same transition period as would have been available to it on the other exchange.

Rule 14.425. Long-Term Policies

(a) Each Company must adopt and publish the following policies:

(1) Long-Term Stakeholder Policy: a policy explaining how the Company operates its business to consider all of the stakeholders critical to its long-term success, including:

(A) which stakeholder groups the Company considers critical to long-term success;

(B) the Company’s impact on the environment and its community;

(C) the Company’s approach to diversity and inclusion;

(D) the Company’s approach to investing in its employees; and

(E) the Company’s approach to rewarding its employees and other stakeholders for contributing to the Company’s long-term success.

(2) Long-Term Strategy Policy: a policy explaining how the Company prioritizes long-term strategic decision-making and long-term success, including discussion of:
(A) what time horizon the Company considers long-term;

(B) how this time horizon relates to the Company’s strategic plans;

(C) how the Company aligns success metrics with its long-term time horizon; and

(D) how the Company implements long-term prioritization throughout the organization.

(3) Long-Term Compensation Policy: a policy explaining the Company’s alignment of executive compensation and board compensation with the Company’s long-term success and long-term success metrics.

(4) Long-Term Board Policy: a policy explaining the engagement of the Company’s board of directors in the Company’s long-term focus, including discussion of whether the board and/or which board committee(s), if any, have explicit oversight of and responsibility for long-term strategy and success metrics.

(5) Long-Term Investor Policy: a policy explaining how the Company engages with long-term investors.

(b) Companies will have flexibility in developing what they believe to be appropriate policies for their businesses; however, each of the policies required in Section 14.425(a) must be consistent with the following principles:

(1) Long-term focused companies should consider a broader group of stakeholders and the critical role they play in one another’s success;

(2) Long-term focused companies should measure success in years and decades and prioritize long-term decision-making;

(3) Long-term focused companies should align executive compensation and board compensation with long-term performance;

(4) Boards of directors of long-term focused companies should be engaged in and have explicit oversight of long-term strategy; and

(5) Long-term focused companies should engage with their long-term shareholders.

(c) Each Company must review the policies required by this Rule 14.425 at least annually and make such policies available publicly and free of charge on or through its website. In addition, each Company must disclose in its annual proxy statement or, if it does not file an annual proxy statement, in its annual report on Form 10-K (or in the case of a foreign
Rule 14.500. Failure to Meet Listing Standards

(a) Securities of a Company that does not meet the listing standards set forth in Chapter 14 are subject to delisting from the Exchange. This Section sets forth procedures for the independent review, suspension, and delisting of Companies that fail to satisfy one or more standards for continued listing and thus are "deficient" with respect to the listing standards.

LTSE Regulation is responsible for identifying deficiencies that may lead to delisting; notifying the Company of the deficiency; and issuing Staff Delisting Determinations and Public Reprimand Letters. Rule 14.501 contains provisions regarding LTSE Regulation's process for notifying Companies of different types of deficiencies and their corresponding consequences.

The Listings Review Committee, upon timely request by a Company, will review a Staff Delisting Determination or Public Reprimand Letter at an oral or written hearing, and issue a Decision that may, among other things, grant an "exception" to the Exchange's listing standards or affirm a delisting. Rule 14.502 contains provisions relating to the hearings process.

Procedures related to SEC notification of the Exchange's final Delisting Determinations are discussed in LTSE Rule 14.503. Rules applicable to the Listings Review Committee and Advisors are provided in LTSE Rule 14.504 and general information relating to the adjudicatory process is provided in LTSE Rule 14.505.

A Company's failure to maintain compliance with the applicable provisions of Chapter 14 will result in the termination of the listing unless an exception is granted to the Company, as described below. The termination of the Company's listing will become effective in accordance with the procedures set forth herein, including LTSE Rule 14.503.

(b) Definitions

(1) "Advisor" means an individual employed by the Exchange who is advising the Listings Review Committee with respect to a proceeding under this section.

(2) "Decision" means a written decision of an Adjudicatory Body.