

Additions: Underlined
Deletions: [Bracketed]
Marked Additions: Double Underlined
Marked Deletions: ~~Strikethrough~~

NYSE Listed Company Manual

102.01B

A Company must demonstrate an aggregate market value of publicly-held shares of \$40,000,000 for companies that list either at the time of their initial public offerings (“IPO”) (C) or as a result of spin-offs or under the Affiliated Company standard or, for companies that list at the time of their Initial Firm Commitment Underwritten Public Offering (C), and \$100,000,000 for other companies (D) (E). A company must have a closing price or, if listing in connection with an IPO or Initial Firm Commitment Underwritten Public Offering, an IPO or Initial Firm Commitment Underwritten Public Offering price per share of at least \$4 at the time of initial listing. A company listing a common equity security upon completion of an exchange of such security for a listed Equity Investment Tracking Stock must demonstrate an aggregate market value of publicly-held shares of \$100,000,000 and a closing price per share of \$4.00 and may demonstrate that it has met these requirements by reference to the trading price and publicly-held shares outstanding (D) of the Equity Investment Tracking Stock which is the subject of the exchange, basing those calculations on the exchange ratio between the two securities.

(E) Generally, the Exchange expects to list companies in connection with a firm commitment underwritten IPO, upon transfer from another market, or pursuant to a spin-off. However, the Exchange recognizes that some companies that have not previously had their common equity securities registered under the Exchange Act, but which have sold common equity securities in one or more private placements, may wish to list their common equity securities on the Exchange at the time of effectiveness of a registration statement filed solely for the purpose of allowing existing shareholders to sell their shares, where such company is listing without a related underwritten offering upon effectiveness of a registration statement registering only the resale of shares sold by the company in earlier private placements (a “Selling Shareholder Direct Floor Listing”). In addition, in certain cases, a company that has not previously had its common equity securities registered under the Exchange Act may wish to list its common equity securities on the Exchange at the time of effectiveness of a registration statement pursuant to which the company will sell shares itself in the opening auction on the first day of trading on the Exchange in addition to or instead of facilitating sales by selling shareholders (any such listing in which either (i) only the company itself is selling shares in the opening auction on the first day of trading or (ii) the company is selling shares and

selling shareholders may also sell shares in such opening auction, is referred to herein as a “Primary Direct Floor Listing”). Consequently, the Exchange will, on a case by case basis, exercise discretion to list companies that are listing in connection with a Selling Shareholder Direct Floor Listing or a Primary Direct Floor Listing.

In exercising this discretion with respect to Selling Shareholder Direct Floor Listings, the Exchange will determine that such company has met the \$100,000,000 aggregate market value of publicly-held shares requirement based on a combination of both (i) an independent third-party valuation (a “Valuation”) of the company and (ii) the most recent trading price for the company's common stock in a trading system for unregistered securities operated by a national securities exchange or a registered broker-dealer (a “Private Placement Market”). The Exchange will attribute a market value of publicly-held shares to the company equal to the lesser of (i) the value calculable based on the Valuation and (ii) the value calculable based on the most recent trading price in a Private Placement Market. Alternatively, in the absence of any recent trading in a Private Placement Market, the Exchange will determine that such company has met its market-value of publicly-held shares requirement if the company provides a Valuation evidencing a market value of publicly-held shares of at least \$250,000,000.

In exercising the above-referenced discretion with respect to a Primary Direct Floor Listing, the Exchange will deem such company to have met the applicable aggregate market value of publicly-held shares requirement if the company will sell at least \$100,000,000 in market value of shares in the Exchange’s opening auction on the first day of trading on the Exchange. Market value for this purpose will be calculated using a price per share equal to the lowest price of the price range established by the issuer in its effective registration statement minus an amount equal to 20% of the highest price included in of such price range (the “Primary Direct Floor Listing Minimum Price”). A Company offering securities for sale in connection with a Primary Direct Floor Listing must (1) register securities by specifying the quantity of shares registered, as permitted by Securities Act Rule 457(a), and (2) retain an underwriter with respect to the primary sales of shares by the Company and identify the underwriter in its effective registration statement.

Where a company is conducting a Primary Direct Floor Listing and will sell shares in the opening auction with a market value of less than \$100,000,000, the Exchange will determine that such company has met its market-value of publicly-held shares requirement if the aggregate market value of the shares the company will sell in the opening auction on the first day of trading and the shares that are publicly held immediately prior to the listing is at least \$250,000,000 with such market value calculated using [a price per share equal to the lowest price of the price range established by the issuer in its registration statement] the Primary Direct Floor Listing Minimum Price.

Rules of the New York Stock Exchange LLC

Rule 7P EQUITIES TRADING

Section 3. Exchange Trading

Rule 7.31. Orders and Modifiers

- (c) Auction-Only Order. A Limit or Market Order that is to be traded only in an auction pursuant to the Rule 7.35 Series (for Auction-Eligible Securities) or routed pursuant to Rule 7.34 (for UTP securities). MOO, MOC, LOC, IDO, and Closing IO Orders are not available to DMMs.
- (1) The Exchange will accept the following Auction-Only Orders designated for an opening or reopening auction only before the Core Trading Session begins (for the Core Open Auction) or during a halt or pause (for a Trading Halt Auction) and any quantity of such orders that are not traded in the designated auction will be cancelled.

- (D) An Issuer Direct Offering Order (“IDO Order”). An IDO Order is a Limit Order to sell that is to be traded only in a Direct Listing Auction for a Primary Direct Floor Listing.
- (i) Only one IDO Order may be entered on behalf of the issuer and only by one member organization.
- (ii) The limit price of the IDO Order must be equal to the lowest price of the “Primary Direct Floor Listing Auction Price Range,” which is 20% below the lowest price and 2080% above the highest price of the price range established by the issuer in its effective registration statement (the “Issuer Price Range”) [(“Primary Direct Floor Listing Auction Price Range”). For purposes of determining the Primary Direct Floor Listing Auction Price Range, the 20% and 80% thresholds will be calculated based on the maximum offering price set forth in the registration fee table, consistent with the Instruction to paragraph (a) of Securities Act Rule 430A highest price of the Issuer Price Range.

(iii) The IDO Order must be for the quantity of shares offered by the issuer, as disclosed in the prospectus in the effective registration statement.

(iv) An IDO Order may not be cancelled or modified.

(v) An IDO Order must be executed in full in the Direct Listing Auction.

Rule 7.35 Series. Auctions

Rule 7.35A. DMM-Facilitated Core Open and Trading Halt Auctions

(d) *Pre-Opening Indications.* A pre-opening indication will include the security and the price range within which the Auction Price is anticipated to occur. A pre-opening indication will be published via the securities information processor and proprietary data feeds.

(2) *Indication Reference Price.*

(A) The Indication Reference Price for a security, other than an American Depositary Receipt (“ADR”), will be:

(v) for a security that is a Primary Direct Floor Listing, the lowest price of the Primary Direct Floor Listing Auction Price Range. The Exchange will disseminate, free of charge, the Indication Reference Price on a public website, such as nyse.com.

(g) *Determining an Auction Price.* The DMM is responsible for determining the Auction Price for a Core Open Auction or Trading Halt Auction. If there is an Imbalance of any size, the DMM must select an Auction Price at which all better-priced orders on the Side of the Imbalance can be satisfied.

- (2) [The DMM will not conduct] When facilitating a Direct Listing Auction for a Primary Direct Floor Listing [if] ~~When facilitating a Direct Listing Auction for a Primary Direct Floor Listing:~~
- (A) [t]The Auction Price [would]may not be below the price that is 20% below the lowest price of the Issuer Price Range {or above the price that is 80% above the highest price }of the Issuer Price Range (i.e., outside of the Primary Direct Floor Listing Auction Price Range)[; or]. If the issuer certifies to the Exchange a maximum Auction Price that is below the price that is 80% above the highest price of the Issuer Price Range, the Auction Price may not be above such price.
- (B) The Auction Price may be outside of the Issuer Price Range but at or within the Primary Direct Floor Listing Auction Price Range but outside of the Issuer Price Range, or above the highest price of the Primary Direct Floor Listing Auction Price Range, only if the issuer meets the following requirements:
- (i) the issuer has previously certified to the Exchange and publicly disclosed that:
- (a) the issuer does not expect that the Auction Price would materially change the issuer's previous disclosure in its effective registration statement;
- (b) the price range in the preliminary prospectus included in the effective registration statement is a bona fide price range in accordance with Item 501(b)(3) of Regulation S-K; and
- (c) the effective registration statement contains a sensitivity analysis explaining how the issuer's plans would change if the actual proceeds from the offering differ from the amount assumed in the price range established by the issuer in its effective registration statement; and
- (ii) the issuer has confirmed to the Exchange that no additional disclosures are required under the federal securities laws to open the Direct Listing Auction at such a price, which information the Exchange will relay to the DMM.
- (C) The DMM will not conduct a Direct Listing Auction for a Primary Direct Floor Listing if:
- (i) there is insufficient buy interest to satisfy both the IDO Order and all better-priced sell orders in full[.] at the Auction Price;

(ii) the DMM has been notified by the Exchange that the conditions set forth in Commentary .20 to this Rule for a Primary Direct Floor Listing to proceed have not been satisfied; or

(iii) the Auction Price would be outside of the Issuer Price Range and the issuer has not satisfied the conditions set forth in subparagraphs (g)(2)(A) and (g)(2)(B)(i) and (ii) of this Rule.

Commentary:

.10 In connection with a Selling Shareholder Direct Floor Listing, the financial advisor to the issuer of the security being listed (“financial advisor”) and the DMM assigned to such security are reminded that any consultation that the financial advisor provides to the Exchange as required by paragraph (d)(2)(A)(iv) of this Rule and any consultation between the DMM and financial advisor as required by paragraph (g)(1) of this Rule are to be conducted in a manner that is consistent with the federal securities laws, including Regulation M and other anti-manipulation requirements.

.20 In connection with a Primary Direct Floor Listing, the Direct Listing Auction may not proceed until the Exchange has notified the DMM that, at least one business day prior to the commencement of trading of a security listing in connection with a Direct Listing Auction for a Primary Direct Floor Listing, the Exchange has distributed a regulatory bulletin to its member organizations describing any special characteristics of the offering and the Exchange rules that apply to the pricing of the Primary Direct Floor Listing pursuant to Rule 7.31(c)(1)(D) and this Rule, as well as the requirements below:

- (1) Member organizations must use reasonable diligence in regard to the opening and maintenance of every account, to know (and retain) the essential facts concerning every customer and concerning the authority of each person acting on behalf of each customer (Rule 2090);
- (2) Member organizations in recommending transactions for a security subject to a Direct Listing Auction for a Primary Direct Floor Listing must have a reasonable basis to believe that: (i) the recommendation is suitable for a customer given reasonable inquiry concerning the customer’s investment objectives, financial situation, needs, and any other information known by such member organizations, and (ii) the customer can evaluate the special characteristics, and is able to bear the financial risks, of an investment in such security (Rule 2111); and
- (3) Member organizations must provide to a customer, before that customer places an order to be executed in the Direct Listing Auction, a notice describing the mechanics of pricing a security subject to Direct Listing Auction for a Primary Direct Floor Listing, including information regarding the dissemination of the

Indication Reference Price on a public website and the availability of the pre-opening indications via the securities information processor and proprietary data feeds.
