

## EXHIBIT 5 – TEXT OF PROPOSED RULE CHANGE

Proposed new language is underlined; proposed deletions are [bracketed]

**Rule 1.160. Definitions**

Unless the context otherwise requires, for all purposes of these LTSE Rules, terms used in LTSE Rules shall have the meaning assigned in Article I of the Exchange's Bylaws or as set forth below:

- (a) – (r) No change.
- (s) LTSE-Primary-Listed Security: The term “LTSE-Primary-Listed Security” shall mean a class of securities listed on the Exchange for which the Exchange is the primary listing market.
- (t) LTSE Order Book or Order Book: The terms “LTSE Order Book” and “Order Book” shall mean the System's electronic file of orders.
- (u) [(t)] LTSE Regulation: The term “LTSE Regulation” shall mean the department of LTSE or designated employees of LTSE that supervise, administer, or perform the regulatory functions of LTSE, including the administration of any regulatory services agreements with another self-regulatory organization to which LTSE is a party.
- (v) [(u)] LTSE Appeals Committee: The term "LTSE Appeals Committee" means the committee authorized and directed to act for the Board of Directors in a manner consistent with the Rules and Bylaws of LTSE with respect to (1) an appeal or review of a disciplinary proceeding; (2) a statutory disqualification decision; (3) a review of a membership proceeding; (4) a review of an offer of settlement, a letter of acceptance, waiver, and consent, and a minor rule violation plan letter; (5) the exercise of exemptive

authority; and (6) such other proceedings or actions authorized by the Rules of the Exchange.

(w) [(v)] Member: The term “Member” shall mean any registered broker or dealer that has been admitted to membership in the Exchange. A Member will have the status of a Member of the Exchange as that term is defined in Section 3(a)(3) of the Act. Membership may be granted to a sole proprietor, partnership, corporation, limited liability company, or other organization that is a registered broker or dealer pursuant to Section 15 of the Act, and which has been approved by the Exchange.

(x) [(w)] Midpoint Price: The term “Midpoint Price” shall mean the midpoint of the NBBO. Where the midpoint may be expressed within four (4) decimal places beyond the dollar, the Exchange uses the Midpoint Price; for Midpoint Prices, which would require a fifth decimal place beyond the dollar, the Exchange uses the nearest, passive, fourth decimal price.

(y) [(x)] NBB, NBO or NBBO: The term “NBB” shall mean the national best bid, the term “NBO” shall mean the national best offer, and the term “NBBO” shall mean the national best bid or offer, as set forth in Rule 600(b) of Regulation NMS under the Act, determined as set forth in LTSE Rule 11.410(b).

(z) Non-LTSE-Primary-Listed Security: The term “Non-LTSE-Primary-Listed Security” shall mean: (i) any UTP Security; and (ii) any Dually-Listed Securities, as provided for in Rule 14.210, which are not LTSE-Primary-Listed Securities.

(aa) [(y)] Official Closing Price: The term “Official Closing Price” of a security means the closing price of such security on the primary listing market in such security.

(bb) [(z)] Person: The term “person” shall include any natural person, partnership, corporation, association, or other legal entity.

(cc) [(aa)] Person Associated with a Member or Associated Person of a Member: The terms “person associated with a Member” or “associated person of a Member” mean any partner, officer, director, or branch manager of a Member (or person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such Member, or any employee of such Member, except that any person associated with a Member whose functions are solely clerical or ministerial shall not be included in the meaning of such term for purposes of these Rules.

(dd) [(bb)] Pre-Market Hours or Pre-Market Session: The term “Pre-Market Hours” or “Pre-Market Session” shall mean the time between 8:00 a.m. and 9:30 a.m. Eastern Time.

(ee) [(cc)] Post-Market Hours or Post-Market Session: The term “Post-Market Hours” or “Post-Market Session” shall mean the time between 4:00 p.m. and 5:00 p.m. Eastern Time.

(ff) [(dd)] Protected Bid, Protected Offer, and Protected Quotation: The term “Protected Bid” or “Protected Offer” shall mean a bid or offer, respectively, in a security that is (i) displayed by an automated trading center; (ii) disseminated pursuant to an effective national market system plan; and (iii) an automated quotation that is calculated by LTSE to be the best bid or best offer, respectively, of a national securities exchange or association. The term “Protected Quotation” shall mean a quotation that is a Protected Bid or Protected Offer.

(gg) [(ee)] Protected NBB, Protected NBO, and Protected NBBO: The term “Protected NBB” shall mean the national best bid that is a Protected Quotation, the term “Protected NBO” shall mean the national best offer that is a Protected Quotation, and the term “Protected

NBBO” shall mean the national best bid or offer that is a Protected Quotation, determined as set forth in LTSE Rule 11.410(b).

(hh) [(ff)] Quotations: The term “quotations” means displayed quotations.

(ii) [(gg)] Registered Broker or Dealer: The term “registered broker or dealer” means any broker or dealer, as defined in Section 3(a)(48) of the Act, that is registered with the Commission under the Act.

(ij) [(hh)] Registered Clearing Agency: The term “registered clearing agency” means a clearing agency registered with the Commission pursuant to Section 17A of the Act that is deemed qualified by the Exchange.

(kk) [(ii)] Regular Market Hours or Regular Market Session: The term “Regular Market Hours” or “Regular Market Session” means the time between 9:30 a.m. and 4:00 p.m. Eastern Time.

(ll) [(ij)] Regulatory Contract: The term Regulatory Contract means the regulatory services agreement between LTSE and FINRA pursuant to which FINRA has agreed to perform certain regulatory functions on behalf of LTSE.

(mm) [(kk)] Resting Order: The term “resting order” shall mean any order with unexecuted, open share interest that has been posted to the LTSE Order Book pursuant to LTSE Rule 11.190.

(nn) [(ll)] Rules, LTSE Rules, Exchange Rules, or Rule of the Exchange: Each of the terms “Rules,” “LTSE Rules,” “Exchange Rules,” or “Rules of the Exchange” means the numbered rules set forth in the LTSE Rules beginning with LTSE Rule Series 1.100, as adopted by the Board pursuant to the Bylaws of the Exchange, as hereafter amended or

supplemented, and also includes the Certificate of Incorporation and the Bylaws of the Exchange.

(oo) [(mm)] Sponsoring Member: The term “Sponsoring Member” shall mean a broker-dealer that has been issued a membership by the Exchange who has been designated by a Sponsored Participant to execute, clear, and settle transactions resulting from the System. The Sponsoring Member shall be either (i) a clearing firm with membership in a clearing agency registered with the Commission that maintains facilities through which transactions may be cleared, or (ii) a correspondent firm with a clearing arrangement with any such clearing firm.

(pp) [(nn)] Sponsored Participant: The term “Sponsored Participant” shall mean a person which has entered into a sponsorship arrangement with a Sponsoring Member pursuant to LTSE Rule 11.130.

(qq) [(oo)] Statutory Disqualification: The term “statutory disqualification” shall mean any statutory disqualification as defined in Section 3(a)(39) of the Act.

(rr) [(pp)] System: The term “System” shall mean the electronic communications and trading facility designated by the Board through which securities orders of Members are consolidated for ranking and execution.

(ss) [(qq)] System Hours: The term “System Hours” means the time between the beginning of the Pre-Market Session and the end of the Post-Market Session, which is the time between 8:00 a.m. and 5:00 p.m. Eastern Time.

(tt) [(rr)] Top of Book: The term “Top of Book” shall mean the best-ranked order to buy (or sell) in the Order Book as ranked pursuant to LTSE Rule 11.220.

(uu) [(ss)] User: The term “User” shall mean any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to LTSE Rule 11.130.

(vv) [(tt)] UTP Security: The term “UTP Security” shall mean any security that is not listed on the Exchange, but is traded on the Exchange pursuant to unlisted trading privileges.

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**Rule 11.152. Withdrawal of Quotations**

(a) - (b) No change.

(c) (1) For LTSE-Primary-L[I]isted S[s]ecurities, excused withdrawal status based on circumstances beyond the LTSE Market Maker's control, other than systemic equipment problems, may be granted for up to five (5) business days, unless extended by LTSE Regulation. Excused withdrawal status based on demonstrated legal or regulatory requirements, supported by appropriate documentation and accompanied by a representation that the condition necessitating the withdrawal of quotations is not permanent in nature, may, upon notification, be granted for not more than sixty (60) days (unless such request is required to be made pursuant to paragraph (e) below). Excused withdrawal status based on religious holidays may be granted only if written notice is received by LTSE one business day in advance and is approved by LTSE. Excused withdrawal status based on vacation may be granted only if:

(A) - (C) No change.

(2) No change.

(d) No change.

- (e) Excused withdrawal status may be granted to an LTSE Market Maker that is a distribution participant or an affiliated purchaser in order to comply with SEC Rule 101 or 104 of Regulation M under the Act on the following conditions:
- (1) - (2) No change.
- (3) If an LTSE Market Maker that is a distribution participant withdraws its quotations in an LTSE-Primary-L[I]isted S[s]ecurity in order to comply with any provision of SEC Rules 101 or 104 of Regulation M and promptly notifies LTSE Regulation of its action, the withdrawal shall be deemed an excused withdrawal. Nothing in this subparagraph shall prohibit LTSE from taking such action as is necessary under the circumstances against a Member and its associated persons for failure to contact LTSE Regulation to obtain an excused withdrawal as required by subparagraphs (a) and (e) of this Rule.
- (4) - (5) No change.
- (f) - (g) No change.

#### **Rule 11.153. Voluntary Termination of Registration**

- (a) An LTSE Market Maker may voluntarily terminate its registration in a security by withdrawing its two-sided quotation from the Exchange. An LTSE Market Maker that voluntarily terminates its registration in a security may not re-register as a market maker in that security for twenty (20) business days in the case of LTSE-Primary-L[I]isted S[s]ecurities or for one (1) business day in the case of other securities. Withdrawal from participation as an LTSE Market Maker in the Exchange shall constitute termination of registration as a market maker in that security for purposes of this LTSE Rule; provided, however, that an LTSE Market Maker that fails to maintain a clearing arrangement with a

registered clearing agency or with a Member of such an agency and is withdrawn from participation in the Exchange and thereby terminates its registration as an LTSE Market Maker may register as an LTSE Market Maker at any time after a clearing arrangement has been reestablished unless LTSE finds that the LTSE Market Maker's failure to maintain a clearing arrangement is voluntary, in which case the withdrawal of quotations will be considered voluntary and unexcused.

(b) - (e) No change.

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#### **Rule 11.190. Orders and Modifiers**

Users may enter into the System the types of orders listed in this LTSE Rule 11.190, subject to the limitations set forth in this LTSE Rule 11.190 or elsewhere in the LTSE Rules. Order, modifier, and parameter combinations which are disallowed by the Exchange may be rejected, ignored, or overridden by the Exchange, as determined by the Exchange to facilitate the most orderly handling of User instructions. All orders resting on the Order Book shall be displayable; this requirement shall not preclude the use of market orders, Immediate-or-Cancel Orders, or Inter-market Sweep Orders which, by their terms, are ineligible to rest on the Order Book.

(a) General Order Types

(1) No change.

(2) Market Order. An order to buy or sell a stated amount of a security that is to be executed at or better than the NBBO at the time the order reaches the Exchange. Market orders shall not trade through Protected Quotations. Any portion of a market order that is designated as "LTSE Only" will be canceled if upon receipt



by the System, it cannot be executed by the Exchange in accordance with LTSE Rule 11.230. A market order:

(A) - (D) No change.

(E) May only trade during the Regular Market Session. Market orders submitted in the Pre-Market Session may queue for the Opening Process as defined below. Market orders submitted in the Post-Market Session will be rejected by the System.

(i) No change.

(ii) Market orders marked DAY submitted before the open of the Regular Market Session are queued by the System until the Opening Auction (or Halt Auction, as applicable) for LTSE-Primary-L[1]isted S[s]ecurities pursuant to LTSE Rule 11.350, or until the Opening Process for N[n]on-LTSE-Primary-L[1]isted S[s]ecurities pursuant to LTSE Rule 11.231. Market orders marked DAY are eligible to trade during the Regular Market Session and treated by the System as having a TIF of IOC.

(iii) - (vii) No change.

(3) No change.

(b) - (e) No change.

Supplementary Material No change.

(f) Order Price Collars and Constraints

(1) Order Collar. Except for orders that are eligible for the Cross Book pursuant to Rule 11.231 during the Opening Process for N[n]on-LTSE-Primary-L[1]isted

S[s]ecurities or the Auction Book pursuant to LTSE Rule 11.350(a)(1) during the auction process for LTSE-Primary-L[l]isted S[s]ecurities, the Exchange Order Collar prevents any incoming order or order resting on the Order Book, including those marked ISO, from executing at a price outside the Order Collar price range, i.e. prevents buy orders from trading at prices above the collar and prevents sell orders from trading at prices below the collar. The Order Collar price range is calculated using the numerical guidelines for clearly erroneous executions. Executions are permitted at prices within the Order Collar price range, inclusive of the boundaries. Any portion of a market order that would execute at a price beyond the Order Collar is canceled. Any remainder of a limit order that would execute at a price beyond the Order Collar is posted to the Order Book or canceled as per User instructions. Limit orders may post on the Order Book at the Order Collar Price, but never more aggressive. Such orders may be re-priced to a compliant price within or at the Order Collar as the Order Collar price changes due to changing market conditions.

(A) - (D) No change.

(2) - (4) No change.

(g) No change.

Supplementary Material No change.

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**Rule 11.231. Regular Market Session Opening Process for Non-LTSE-Primary-Listed Securities**

(a) - (f) No change.

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**Rule 11.281. Limit Up-Limit Down Mechanism**

- (a) Limit Up-Limit Down Mechanism.
- (1) - (7) No change.
- (8) Re-opening of Trading following a Trading Pause. At the end of the Trading Pause, the Exchange shall re-open trading in LTSE-Primary-L[I]isted S[s]ecurities pursuant to the procedures set forth in LTSE Rule 11.350(f). Trading in N[n]on-LTSE-Primary-L[I]isted S[s]ecurities shall re-open upon receipt of the Price Bands from the single plan processor responsible for consolidation of information for the security.

**Rule 11.282. Regulatory Trading Halts**

- (a) Authority to Initiate Trading Halts. In circumstances in which LTSE deems it necessary to protect investors and the public interest, LTSE, pursuant to the procedures set forth in paragraph (b).
- (1) May halt trading on LTSE of an LTSE-Primary-L[I]isted S[s]ecurity to permit the dissemination of material news, provided, however, that in the Pre-Market Session LTSE will halt trading for dissemination of news only at the request of an issuer or pursuant to (a)(2) below;
- (2) - (3) No change.
- (4) May halt trading in an LTSE-Primary-Listed Security or American Depository Receipt (“ADR”) that is an LTSE-Primary-Listed Security[or other security listed on LTSE], when the LTSE-Primary-L[I]isted S[s]ecurity or underlying security of the ADR is listed on or registered with another national or foreign securities

exchange or market, and the national or foreign securities exchange or market, or regulatory authority overseeing such exchange or market, halts trading in such security for regulatory reasons;

(5) - (11) No change.

(b) No change.

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### **Rule 11.330. Data Products**

(a) The Exchange offers the following data products free of charge, except as otherwise noted in the Exchange's fee schedule:

(1) LTSE Web Platform. LTSE Web Platform is a data feed, available through the Exchange's public website, that offers aggregated top of book quotations for all orders resting on the Order Book, aggregated depth of book quotations for all orders resting on the Order Book at each price level, execution information (i.e., last sale information) for executions on the Exchange, and provides LTSE Auction Information for LTSE-Primary-L[isted] S[s]ecurities.

(2) - (3) No change.

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### **Rule 11.350. Auctions**

(a) Definitions

(1) The term "Auction Book" refers to the orders specified below that queue prior to the auction match, and shall mean:

(A) - (D) No change.

(E) For Volatility Auctions (i.e., Volatility Auction Book):

- (i) On-Close orders, if an LTSE-Primary-L[l]isted S[s]ecurity is paused pursuant to LTSE Rule 11.281 at or after the Closing Auction Lock-in Time, or the Order Acceptance Period of a Volatility Auction for a security paused before the Closing Auction Lock-in Time pursuant to LTSE Rule 11.281 would otherwise be extended by the Exchange to a time after the Closing Auction Lock-in Time;
- (ii) - (v) No change.
- (2) - (9) No change.
- (10) The term “LTSE Official Closing Price” shall mean the price disseminated by the Exchange to the Consolidated Tape as the market center official close of an LTSE-Primary-L[l]isted S[s]ecurity.
- (11) The term “LTSE Official IPO Opening Price” shall mean the price disseminated by the Exchange to the Consolidated Tape following an IPO Auction as the market center official open for an initial public offering of an LTSE-Primary-L[l]isted S[s]ecurity.
- (12) The term “LTSE Official Opening Price” shall mean the price disseminated by the Exchange to the Consolidated Tape as the market center official open of an LTSE-Primary-L[l]isted S[s]ecurity.
- (13) The term “LTSE Re-opening Trade” shall mean the trade resulting from a Halt Auction or Volatility Auction (conducted prior to the Closing Auction Lock-in Time) that is disseminated by the Exchange to the Consolidated Tape as the market center re-opening trade of an LTSE-Primary-L[l]isted S[s]ecurity.

(14) - (33) No change.

Supplementary Material No change.

(b) No change.

(c) Opening Auction.

(1) No change.

(2) Opening Auction Process. The Exchange will conduct an Opening Auction for all LTSE-Primary-L[I]isted S[s]ecurities.

(A) No change.

(B) Determination of LTSE Official Opening Price. The LTSE Official Opening Price will be the price of the Opening Auction. In the event that there is no Opening Auction for an LTSE-Primary-L[I]isted S[s]ecurity, the security will be released for trading pursuant to section (3) below, and the LTSE Official Opening Price will be the price of the Initial Last Sale Eligible Trade.

(i) - (iv) No change.

(C) No change.

(D) Pre-Market Session Halt. If an LTSE-Primary-L[I]isted S[s]ecurity is subject to a Pre-Market Session halt, all orders on the Opening Auction Book will remain open. Users may resume submission of new or modifications to existing Auction Eligible Orders for the halted security during the Order Acceptance Period. Users may cancel open Auction Eligible Orders at any time during the halt. If a halt persists through the start of Regular Market Hours, no Opening Auction will occur, orders on

the Opening Auction Book will become part of the Halt Auction Book, and the Halt Auction will determine the LTSE Official Opening Price in accordance with LTSE Rule 11.350(e) below.

- (E) The Halt Auction will determine the LTSE Official Opening Price for an LTSE-Primary-L[l]isted S[s]ecurity pursuant to Rule 11.350(e) below if a Halt Auction is scheduled to occur during the Regular Market Session, and LTSE has not determined an LTSE Official Opening Price due to:

(i) - (ii) No change.

- (F) The Volatility Auction will determine the LTSE Official Opening Price for an LTSE-Primary-L[l]isted S[s]ecurity pursuant to LTSE Rule 11.350(f) below if LTSE has not determined an LTSE Official Opening Price due to:

(i) No change.

(3) - (4) No change.

- (d) Closing Auction.

(1) No change.

- (2) Closing Auction Process. The Exchange will conduct a Closing Auction for all LTSE-Primary-L[l]isted S[s]ecurities.

(A) No change.

- (B) Determination of LTSE Official Closing Price. The LTSE Official Closing Price will be the price of the Closing Auction. In the event that there is no Closing Auction for an LTSE-Primary-L[l]isted S[s]ecurity, the LTSE Official Closing Price will be the price of the Final Last Sale Eligible

Trade, and the security will be released for trading pursuant to section (3) below.

(i) - (iv) No change.

(C) No change.

(D) If a halt is disseminated in an LTSE-Primary-L[l]isted S[s]ecurity prior to the Closing Auction, all orders on the Auction Book will remain open.

Users may resume submission of new or modifications to existing Auction Eligible Orders for the halted security during the Order Acceptance Period. Users may cancel open Auction Eligible Orders at any time during the halt. If a halt persists through the end of Regular Market Hours, no Closing Auction will occur, all On-Open orders, On-Close orders, market orders, and limit orders with a TIF of DAY will be canceled at the conclusion of Regular Market Hours, and the Final Last Sale Eligible Trade will be the LTSE Official Closing Price. However, where an LTSE-Primary-L[l]isted S[s]ecurity is paused pursuant to LTSE Rule 11.281 at or after the Closing Auction Lock-in Time, or the Order Acceptance Period of a Volatility Auction for a security paused before the Closing Auction Lock-in Time pursuant to LTSE Rule 11.281 would otherwise be extended by the Exchange to a time after the Closing Auction Lock-in Time, On-Close orders are added to the Volatility Auction and such auction will be used to determine the LTSE Official Closing Price for the subject security at the conclusion of Regular Market Hours in accordance with LTSE Rule 11.350(f)(3) below.



(3) - (4) No change.

(e) IPO and Halt Auctions. For trading in an LTSE-Primary-L[l]isted S[s]ecurity in an initial public offering (an “IPO”), or the initial pricing of any other security pursuant to LTSE Rule 11.282(b)(9), the Exchange will conduct an IPO Auction, as described below.

Following a trading halt in an LTSE-Primary-L[l]isted S[s]ecurity pursuant to LTSE Rule 11.282(a)(1), (4), or (5), the Exchange will conduct a Halt Auction, as described below.

(1) No change.

(2) IPO and Halt Auction Process.

(A) - (B) No change.

(C) Determination of LTSE IPO Opening Price and LTSE Re-opening Trade.

The IPO Auction price will be the LTSE Official IPO Opening Price. The execution resulting from the Halt Auction will be the LTSE Re-opening Trade. If there is insufficient trading interest in the System to execute a Halt Auction for that security, no Halt Auction will occur, and the security will be released for trading pursuant to section (3) below. Pursuant to LTSE Rule 11.350(c)(2)(D) or (E), as applicable, if LTSE has not determined the LTSE Official Opening Price for an LTSE-Primary-L[l]isted S[s]ecurity, and the Halt Auction is scheduled to occur during the Regular Market Session, the LTSE Official Opening Price will be the price of the Halt Auction. If there is insufficient trading interest to complete the Halt Auction, the transition to the Regular Market Session shall be conducted pursuant to LTSE Rule 11.350(e)(3) below, no auction

will occur, and the LTSE Official Opening Price will be the price of the Initial Last Sale Eligible Trade.

(i) - (v) No change.

(D) No change.

(3) – (4) No change.

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\* \* \* \* \* **Supplementary Material** \* \* \* \* \*

**.01** No change.

**.02**

*Initial trading for an LTSE-Primary-L[I]isted S[s]ecurity that is not the subject of an IPO or otherwise being priced pursuant to Rule 11.282(b)(9) will be eligible to begin trading in the Pre-Market Session and have an Opening Auction on LTSE at the start of Regular Market Hours. For example, if an issuer with a class of common stock listed on LTSE offers and lists a preferred class of securities on LTSE, the offering of such securities would not constitute an initial public offering pursuant to section 12(f)(1)(G)(i) of the Securities and Exchange Act. Therefore, if the security does not qualify for the process of halting and initial pricing of a security pursuant to Rule 11.282(b)(9) (e.g., because there is no broker-dealer serving in the role of financial advisor to the issuer of the securities being listed that is willing to perform the functions under LTSE Rule 11.282(b)(8) that are performed by an underwriter with respect to an initial public offering), such security will be eligible for trading in the Pre-Market Session and have an Opening Auction on LTSE at the start of Regular Market Hours.*

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(f) Volatility Auction. The Volatility Auction is used to re-open an LTSE-Primary-L[I]isted S[s]ecurity after such security is subject to an LULD trading pause pursuant to LTSE Rule 11.281.

(1) Order Entry and Cancellation Before a Volatility Auction.

(A) Auction Eligible Orders may be submitted to the Exchange at the beginning of the five (5) minute Order Acceptance Period for participation in a Volatility Auction. However, when an LTSE-Primary-L[I]isted

S[s]ecurity is paused pursuant to LTSE Rule 11.281 at or after the Closing Auction Lock-in Time, or if the Order Acceptance Period of a Volatility Auction for a security paused before the Closing Auction Lock-in Time pursuant to LTSE Rule 11.281 would be in effect at the Closing Auction Lock-in Time, the Order Acceptance Period shall continue to the end of the Regular Market Session.

(B) - (C) No change.

(2) Volatility Auction Process.

(A) - (B) No change.

(C) Conditions for Extending the Order Acceptance Period. The Order Acceptance Period will be extended:

(i) - (ii) No change.

(iii) Automatically to the end of Regular Market Hours where an LTSE-Primary-L[I]isted S[s]ecurity is paused pursuant to LTSE Rule 11.281 at or after the Closing Auction Lock-in Time, or the Order Acceptance Period of a Volatility Auction for a security paused before the Closing Auction Lock-in Time pursuant to LTSE Rule 11.281 would be in effect at the Closing Auction Lock-in Time, in which case the LTSE Official Closing Price will be determined by the Volatility Auction pursuant to section (3) below.

(D) No change.

(E) Determination of LTSE Re-Opening Trade. The execution resulting from the Volatility Auction will be the LTSE Re-opening Trade. If there is

insufficient trading interest in the System to execute the Volatility Auction for that security, no Volatility Auction will occur, and the security will be released for trading pursuant to section (G) below. Pursuant to LTSE Rule 11.350(c)(2)(F), if LTSE has not determined the LTSE Official Opening Price for an LTSE-Primary-L[l]isted S[s]ecurity, and the security is subject to an LULD trading pause, the LTSE Official Opening Price will be the price of the Volatility Auction.

(i) - (v) No change.

(F) - (H) No change.

- (3) Closing with a Volatility Auction. Where an LTSE-Primary-L[l]isted S[s]ecurity is paused pursuant to LTSE Rule 11.281 at or after the Closing Auction Lock-in Time, or the Order Acceptance Period of a Volatility Auction for a security paused before the Closing Auction Lock-in Time pursuant to LTSE Rule 11.281 would otherwise be extended by the Exchange to a time after the Closing Auction Lock-in Time, no Closing Auction for the security will occur. Instead, the Exchange will conduct a Volatility Auction at the end of Regular Market Hours to determine the LTSE Official Closing Price for the security.

(A) No change.

(B) Process for Closing with a Volatility Auction.

(i) No change.

(ii) Determination of LTSE Official Closing Price. The LTSE Official Closing Price will be the price of the Volatility Auction. If there is insufficient trading interest in the System to execute the Volatility

Auction for that security, the Final Last Sale Eligible Trade shall be used as the LTSE Official Closing Price in that security, and the security will be released for trading pursuant to section (C) below. Pursuant to Rule 11.350(c)(2)(F), if LTSE has not determined the LTSE Official Opening Price for an LTSE-Primary-L[I]isted S[s]ecurity, and the security is subject to an LULD trading pause, the LTSE Official Opening Price will be the price of the Volatility Auction.

(a) - (e) No change.

(iii) No change.

(C) - (D) No change.

(g) - (j) No change.

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#### **Rule 14.202. The Applications and Qualifications Process**

(a) – (g) No change.

(h) An account of a Member that is beneficially owned by a customer (as defined in LTSE Rule 1.160[(m)]) will be considered a holder of a security upon appropriate verification by the Member.

(i) No change.

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#### **Rule 14.207. Obligations for Companies Listed on the Exchange**

(a) No change.

(b) Obligation to Make Public Disclosure

(1) Disclosure of Material Information

Except in unusual circumstances, an Exchange-listed Company shall make prompt disclosure to the public through any Regulation FD compliant method (or combination of methods) of disclosure of any material information that would reasonably be expected to affect the value of its securities or influence investors' decisions. The Company shall, prior to the release of the information, provide notice of such disclosure to the Exchange's Regulation Department at least ten minutes prior to public announcement if the information involves any of the events set forth in Supplementary Material .01 to this LTSE Rule and the public release of the material information is made during System Hours (as defined in LTSE Rule 1.160[(qq)]). If the public release of the material information is made outside of System Hours, Exchange Companies must notify the Exchange's Regulation Department of the material information at least 10 minutes prior to the start of System Hours (as defined in LTSE Rule 1.160[(qq)]). As described in Supplementary Material .01 to this LTSE Rule, prior notice to the Exchange's Regulation Department must be made through the electronic disclosure submission system available at the Exchange's Web site, except in emergency situations.

(2) Disclosure of Notification of Deficiency

As set forth in LTSE Rule 14.501(c), a listed Company that receives a notification of deficiency from the Exchange is required to make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing receipt of the notification and the Rule(s) upon which the deficiency is

based, and describing each specific basis and concern identified by the Exchange in reaching its determination that the Company does not meet the listing standard. However, note that in the case of a deficiency related to the requirement to file a periodic report contained in LTSE Rule 14.207(c)(1) or (2), the Company is required to make the public announcement by issuing a press release. As described in LTSE Rule 14.207(b)(1) above and Supplementary Material .01 below, the Company must notify the Exchange's Regulation Department about the announcement through the electronic disclosure submission system available on the Exchange's Web site, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during System Hours (as defined in LTSE Rule 1.160[(qq)]), the Company must notify the Exchange's Regulation Department at least ten minutes prior to the announcement. If the public announcement is made outside of System Hours (as defined in LTSE Rule 1.160[(qq)]), the Company must notify the Exchange's Regulation Department of the announcement at least ten minutes prior to the start of System Hours (as defined in LTSE Rule 1.160[(qq)]).

(3) No change.

(c) – (f) No change.

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\* \* \* \* \* *Supplementary Material* \* \* \* \* \*

***.01 Disclosure of Material Information***

*(a) General Disclosure Requirements*

*Rule 14.207(b)(1) requires that, except in unusual circumstances, Exchange Companies disclose promptly to the public through any Regulation FD compliant*

*method (or combination of methods) of disclosure any material information that would reasonably be expected to affect the value of their securities or influence investors' decisions. Exchange Companies must notify the Exchange at least ten minutes prior to the release to the public of material information that involves any of the events set forth below when the public release of the information is made during System Hours (as defined in LTSE Rule 1.160[(qq)]). If the public release of the material information is made outside of System Hours (as defined in LTSE Rule 1.160[(qq)]), Exchange Companies must notify the Exchange's Regulation Department of the material information at least ten minutes prior to the start of System Hours (as defined in LTSE Rule 1.160[(qq)]). Under unusual circumstances Companies may not be required to make public disclosure of material events; for example, where it is possible to maintain confidentiality of those events and immediate public disclosure would prejudice the ability of the Company to pursue its legitimate corporate objectives. However, the Exchange Companies remain obligated to disclose this information to the Exchange upon request pursuant to LTSE Rule 14.207(a).*

*Whenever unusual market activity takes place in an Exchange Company's securities, the Company normally should determine whether there is material information or news which should be disclosed. If rumors or unusual market activity indicate that information on impending developments has become known to the investing public, or if information from a source other than the Company becomes known to the investing public, a clear public announcement may be required as to the state of negotiations or development of Company plans. Such an announcement may be required, even though the Company may not have previously been advised of such information or the matter has not yet been presented to the Company's Board of Directors for consideration. In certain circumstances, it may also be appropriate to publicly deny false or inaccurate rumors, which are likely to have, or have had, an effect on the trading in its securities or would likely have an influence on investment decisions.*

*(b) Notification to the Exchange's Regulation Department*

*Companies must notify the Exchange's Regulation Department prior to the distribution of certain material news at least ten minutes prior to public announcement of the news when the public release of the information is made during System Hours (as defined in LTSE Rule 1.160[(qq)]). If the public release of the material information is made outside of System Hours (as defined in LTSE Rule 1.160[(qq)]), the Company must notify the Exchange's Regulation Department of the material information at least ten minutes prior to the start of System Hours (as defined in LTSE Rule 1.160[(qq)]). Except in emergency situations, this notification must be made through the Exchange's electronic disclosure submission system available on the Exchange's Web site. In emergency situations, Companies may instead provide notification by telephone or facsimile. Examples of an emergency situation include: lack of computer or internet access; technical problems on the Exchange and a material development such that no*



*draft disclosure document exists, but immediate notification to the Exchange's Regulation Department is important based on the material event.*

*If a Company repeatedly fails to either notify the Exchange at least ten minutes prior to the distribution of material news during System Hours (as defined in LTSE Rule 1.160[(qq)]) or at least ten minutes prior to the start of System Hours (as defined in LTSE Rule 1.160[(qq)]) for material news distributed outside of System Hours (as defined in LTSE Rule 1.160[(qq)]), or repeatedly fails to use the electronic disclosure submission system when the Exchange finds no emergency situation existed, the Exchange may issue a Public Reprimand Letter (as defined in LTSE Rule 14.500(b)(5)) or, in extreme cases, a Staff Delisting Determination (as defined in LTSE Rule 14.500(b)(7)). In determining whether to issue a Public Reprimand Letter, the Exchange will consider whether the Company has demonstrated a pattern of failures, whether the Company has been contacted concerning previous violations, and whether the Company has taken steps to assure that future violations will not occur.*

(c) *Trading Halts*

*A trading halt benefits current and potential Shareholders by halting all trading in any Exchange securities until there has been an opportunity for the information to be disseminated to the public. This decreases the possibility of some investors acting on information known only to them. A trading halt provides the public with an opportunity to evaluate the information and consider it in making investment decisions. It also alerts the marketplace to the fact that news has been released.*

*The Exchange's Regulation Department monitors real time trading in all Exchange securities during the trading day for price and volume activity. In the event of certain price and volume movements, the Exchange's Regulation Department may contact a Company and its Market Makers in order to ascertain the cause of the unusual market activity. The Exchange's Regulation Department treats the information provided by the Company and other sources in a highly confidential manner, and uses it to assess market activity and assist in maintaining fair and orderly markets. An Exchange listing includes an obligation to disclose to the Exchange's Regulation Department information that the Company is not otherwise disclosing to the investing public or the financial community. On, occasion, changes in market activity prior to the Company's release of material information may indicate that the information has become known to the investing public. Changes in market activity also may occur when there is a release of material information by a source other than the Company, such as when an Exchange Company is subject to an unsolicited take-over bid by another company. Depending on the nature of the event and the Company's views regarding the business advisability of disclosing the information, the Exchange's Regulation Department may work with the Company to accomplish a timely release of the information. Furthermore, depending on the materiality of the information and the anticipated effect of the information on the price of the*

*Company's securities, the Exchange's Regulation Department may advise the Company that a temporary trading halt is appropriate to allow for full dissemination of the information and to maintain an orderly market. The institution of a temporary trading halt pending the release of information is not a reflection on the value of the securities halted. Such trading halts are instituted, among other reasons, to insure that material information is fairly and adequately disseminated to the investing public and the marketplace, and to provide investors with the opportunity to evaluate the information in making investment decisions. A trading halt normally lasts one half hour but may last longer if a determination is made that news has not been adequately disseminated or that the original or an additional basis under LTSE Rule 11.282 exists for continuing the trading halt.*

*The Exchange's Regulation Department is required to keep non-public information, confidential and to use such information only for regulatory purposes.*

*Companies are required to notify the Exchange's Regulation Department of the release of material information included in the following list of events at least ten minutes prior to the release of such information to the public when the public release of the information is made during System Hours (as defined in LTSE Rule 1.160[(qq))]:*

- (1) Financial-related disclosures, including quarterly or yearly earnings, earnings restatements, pre-announcements or "guidance."*
- (2) Corporate reorganizations and acquisitions, including mergers, tender offers, asset transactions and bankruptcies or receiverships.*
- (3) New products or discoveries, or developments regarding customers or suppliers (e.g., significant developments in clinical or customer trials, and receipt or cancellation of a material contract or order).*
- (4) Senior management changes of a material nature or a change in control.*
- (5) Resignation or termination of independent auditors, or withdrawal of a previously issued audit report.*
- (6) Events regarding the Company's securities — e.g., defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of security holders, or public or private sales of additional securities.*
- (7) Significant legal or regulatory developments. Regulation FD*
- (8) Any event requiring the filing of a Form 8-K.*

*If the public release of the material information is made outside of System Hours (as defined in LTSE Rule 1.160[(qq))), Exchange Companies must notify the Exchange's Regulation Department of the material information at least 10 minutes prior to the start of System Hours (as defined in LTSE Rule 1.160[(qq))). It should also be noted that every development that might be reported to the Exchange in these areas would not necessarily be deemed to warrant a trading halt. In addition to the list of events set forth above, the Exchange encourages*

*Companies to avail themselves of the opportunity for advance notification to the Exchange's Regulation Department in situations where they believe, based upon their knowledge of the significance of the information, that a temporary trading halt may be necessary or appropriate.*

**.02 Use of Regulation FD Compliant Methods in the Disclosure of Material Information**

*Regardless of the method of disclosure that a Company chooses to use, Companies are required to notify the Exchange's Regulation Department of the release of material information that involves any of the events set forth above at least ten minutes prior to its release to the public when the public release of the information is made during System Hours (as defined in LTSE Rule 1.160[(qq)]). If the public release of the material information is made outside of System Hours (as defined in LTSE Rule 1.160[(qq)]), Exchange Companies must notify LTSE Regulation of the material information at least 10 minutes prior to the start of System Hours (as defined in LTSE Rule 1.160[(qq)]). When a Company chooses to utilize a Regulation FD compliant method for disclosure other than a press release or Form 8-K, the Company will be required to provide prior notice to the Exchange's Regulation Department of: 1) the press release announcing the logistics of the future disclosure event; and 2) a descriptive summary of the material information to be announced during the disclosure event if the press release does not contain such a summary.*

*Depending on the materiality of the information and the anticipated effect of the information on the price of the Company's securities, the Exchange's Regulation Department may advise the Company that a temporary trading halt is appropriate to allow for full dissemination of the information and to maintain an orderly market. The Exchange's Regulation Department will assess with Companies using methods of disclosure other than a press release or Form 8-K the timing within the disclosure event when the Company will cover the material information so that the halt can be commenced accordingly. Companies will be responsible for promptly alerting the Exchange's Regulation Department of any significant changes to the previously outlined disclosure timeline. Companies are reminded that the posting of information on the company's website may not by itself be considered a sufficient method of public disclosure under Regulation FD and SEC guidance and releases thereunder, and as a result, under LTSE Rules.*

**.03 No change.**

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**Rule 14.501. Notification of Deficiency by LTSE Regulation**

(a) – (b) No change.

(c) Company Disclosure Obligations

A Company that receives a notification of deficiency, Staff Delisting Determination, or Public Reprimand Letter is required to make a public announcement disclosing receipt of the notification and the Rule(s) upon which the deficiency is based. A Company that receives a notification of deficiency or Staff Delisting Determination related to the requirement to file a periodic report contained in LTSE Rule 14.207(c)(1) or (2) is required to make the public announcement by issuing a press release disclosing receipt of the notification and the Rule(s) upon which the deficiency is based, in addition to filing any Form 8-K required by SEC rules. In all other cases, the Company may make the public announcement either by filing a Form 8-K, where required by SEC rules, or by issuing a press release. As described in LTSE Rule 14.207(b)(1) and Supplementary Material .01 to LTSE Rule 14.207 (Disclosure of Material Information), the Company must notify LTSE Regulation about the announcement through the electronic disclosure submission system available on the Exchange's Web site, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during System Hours (as defined in LTSE Rule 1.160[(qq)]), the Company must notify LTSE Regulation at least ten minutes prior to the announcement. If the public announcement is made outside of System Hours (as defined in LTSE Rule 1.160[(qq)]), the Company must notify LTSE Regulation of the announcement at least 10 minutes prior to the start of System Hours (as defined in LTSE Rule 1.160[(qq)]). The Company should make the public announcement as promptly as possible but not more than four business days following receipt of the notification.

Supplementary Material .01 No change.

(d) – (e) No change.

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**Rule 14.505. Adjudicatory Process: General Information**

(a) – (j) No change.

(k) Disclosure of Public Reprimand Letter

A Company that receives a Listings Review Committee Decision that serves as a Public Reprimand Letter must make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing the receipt of the Decision, including the Rule(s) upon which the Decision was based. As described in LTSE Rule 14.207(b)(1) and Supplementary Material .01 to LTSE Rule 14.207, the Company must notify the LTSE Regulation about the announcement through the electronic disclosure submission system available on the Exchange's Web site, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during System Hours (as defined in LTSE Rule 1.160[(qq)]), the Company must notify LTSE Regulation at least ten minutes prior to the announcement. If the public announcement is made outside of System Hours (as defined in LTSE Rule 1.160[(qq)]), the Company must notify LTSE Regulation of the announcement at least ten minutes prior to the start of System Hours (as defined in LTSE Rule 1.160[(qq)]). The Company should make the public announcement as promptly as possible but not more than four business days following receipt of the Decision.

(l) No change.

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