

Current State With Respect to NYSE Direct Listings

		Current Rule in Effect	Current Proposal (Submitted by NYSE Dec. 13, 2019)
Private Company with Recent Trading on a Private Placement Market ⁽¹⁾	Secondary Only:	Aggregate Market Value of “ publicly held shares ” ⁽²⁾ of at least \$100 million , determined based on lesser of: (a) independent third-party valuation and (b) most recent trading price in Private Placement Market	Unchanged from Current Rule
		Must have 400 round lot holders and 1.1 million publicly held shares (“ Distribution Requirements ”)	90-day grace period to comply with Distribution Requirements if Company demonstrates at least \$350 million in market value of publicly held shares
	Including a Primary Capital Raise:	Not Permitted	<p>Two Options to Qualify:</p> <ul style="list-style-type: none"> • sell at least \$100 million of primary shares in the opening auction; or • if selling less than \$100 million of primary shares in the opening auction, the aggregate market value of publicly held shares must be \$250 million based on: <ul style="list-style-type: none"> • the market value of publicly held shares immediately prior to listing (determined based on the lesser of (a) an independent third-party valuation and (b) most recent trading price in Private Placement Market); and • the market value of primary shares sold in the opening auction. <p>90-day grace period to comply with Distribution Requirements if (1) Company sells at least \$250 million in primary shares in opening auction or (2) aggregate of market value of primary shares sold in the opening auction and market value of publicly held shares immediately prior to listing, together is at least \$350 million.</p>

(1) A trading system for unregistered securities operated by a national securities exchange or registered broker-dealer

(2) "Publicly held shares" generally means all outstanding shares, excluding those beneficially owned by directors, officers, and 10% holders.

Current State With Respect to NYSE Direct Listings

		Current Rule in Effect	Current Proposal (Submitted by NYSE Dec. 13, 2019)
Private Company without Recent Trading on a Private Placement Market ⁽¹⁾	Secondary Only:	Company must provide an independent third-party valuation showing a market value of publicly held shares of at least \$250 million	Unchanged from Current Rule
		Must satisfy Distribution Requirements	90-day grace period to comply with Distribution Requirements if Company demonstrates at least \$350 million in market value of publicly held shares
	Including a Primary Capital Raise:	Not Permitted	<p>Two Options to Qualify:</p> <ul style="list-style-type: none"> • sell at least \$100 million of primary shares in the opening auction; or • if selling less than \$100 million of primary shares in the opening auction, the aggregate market value of publicly held shares must be \$250 million based on: <ul style="list-style-type: none"> • the market value of publicly held shares immediately prior to listing (determined based on an independent third-party valuation); and • the market value of primary shares sold in the opening auction. <p>90-day grace period to comply with Distribution Requirements if (1) Company sells at least \$250 million in primary shares in opening auction or (2) aggregate of market value of primary shares sold in the opening auction and market value of publicly held shares immediately prior to listing, together is at least \$350 million.</p>

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