

What notification is required to be given to Cboe if a company no longer complies with a corporate governance requirement?

Cboe BZX Exchange, Inc. (the “Exchange”) Rule 14.10(g) states that a company must provide Cboe with prompt notification after an executive officer of the company becomes aware of any noncompliance by the company. A company should provide the required notification to the Listing Qualifications Department via email at continuedlisting@cboe.com.

How may a company request a written interpretation of an Exchange listing rule?

A company may submit a request for a written interpretation of an Exchange listing rule to the Listing Qualifications Department via email at continuedlisting@cboe.com. The company must provide the details of the inquiry and a non-refundable fee of \$15,000. The check shall be payable to Cboe Global Markets and be mailed to 8050 Marshall Drive Suite 120, Lenexa, KS 66214.

A response to a request for a written interpretation will be provided generally within four weeks from the date the Listing Qualifications Department receives all information necessary to respond to the request. If a company requires a response by a specific date, it may state the date in its request for the written interpretation and Cboe will attempt to respond by that date.

Cboe does not impose fees for requests related to initial listing or requests for a financial viability exception pursuant to Exchange Rule 14.10(i)(6). A company that has a class of securities which has been suspended or delisted from the Exchange is eligible to request a written interpretation while the suspension or delisting decision is under review, subject to the payment of the appropriate fee.

Under what circumstances is a cure period provided for corporate governance deficiencies?

If a company fails to comply with the independent audit committee or majority independent board requirement due to one vacancy, or because one director ceases to be independent due to circumstances beyond the director’s reasonable control, the company is provided a cure period.

Additionally, if a company fails to comply with the compensation committee composition requirements due to one compensation committee member ceasing to be independent due to circumstances beyond the member’s reasonable control, the company is provided a cure period.

Under what circumstances is a cure period not provided to remedy corporate governance deficiencies?

As set forth in Exchange Rule 14.12(f)(2), a company is not provided a cure period and must provide a plan of compliance for violations of, among other things:

- Majority independent board or audit committee composition requirements due to **more than one** vacancy on the board, or because **more than one director** ceases to be independent;
- Code of Conduct;
- Quorum;
- Review of Related Party Transactions;
- Shareholder Approval; and
- Voting Rights.

The plan of compliance is due 45 days from the date that the company is notified by the Listing Qualifications Department. After reviewing the company’s plan of compliance, the Listing Qualifications Department may grant the company an extension of up to 180 calendar days from the date of the notification to regain compliance. Note that, unlike the cure period under Exchange Rule 14.10(c), this 180-day extension is not guaranteed. Extensions may vary and are not granted in all cases.

What is a Public Reprimand Letter?

A Public Reprimand letter is issued when the Listing Qualifications Department determines that a company has violated Exchange Rules, but does not believe the circumstances warrant delisting the company. A Public Reprimand Letter is generally issued to address inadvertent violations of the Exchange's corporate governance rules.

A company that receives a Public Reprimand Letter must publicly disclose receipt of the letter by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing receipt of the letter, including the Exchange Rule(s) upon which the letter was based, and describing each specific basis and concern identified by the Listing Qualifications Department in reaching its determination that the company does not meet the listing standard.

Prior to the public announcement, the company must disclose the announcement to the Listing Qualifications Department in accordance with Exchange Rule 14.6(b)(2).

Note that a company which receives a Public Reprimand Letter has the opportunity to appeal the Exchange's determination to a Hearings Panel.

Under what circumstances may Cboe issue a Public Reprimand letter?

The Listing Qualifications Department will issue a Public Reprimand Letter when it determines that a company has violated Exchange Rules, but does not believe the circumstances warrant delisting the company. A Public Reprimand Letter is generally issued to address inadvertent violations of corporate governance rules.

Some of the factors the Listing Qualifications Department will consider in determining whether to issue a Public Reprimand Letter are as follows:

- Was the violation inadvertent;
- Did the violation have a material adverse impact on shareholders' interests;
- What was the scope of the violation;
- Upon discovery of the violation, was the violation cured and how quickly was it cured;
- Did the company reasonably rely on an independent advisor;
- Has the company demonstrated a pattern of rule violations; and
- Was the violation self-reported to Cboe?

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