

AMEX Listing Process

1. Listing Standard

The AMEX has established certain quantitative and qualitative standards for the initial listing of U.S. companies.

Quantitative Standards

<u>Standard 1</u>	
Shareholders' equity	\$4 million
Total market capitalization	\$50 million
Distribution ¹	800 public shareholders and 500,000 shares publicly held, or 400 public shareholders and 1 million shares publicly held, or 400 public shareholders, 500,000 shares publicly held, and average daily trading volume of 2,000 shares for previous 6 months
Market value public float	\$15 million

<u>Standard 2</u>	
Shareholders' equity	\$4 million
Pre-tax income	\$750,000 in last fiscal year or in two of the last three fiscal years
Distribution ¹	800 public shareholders and 500,000 shares publicly held, or 400 public shareholders and 1 million shares publicly held, or 400 public shareholders, 500,000 shares publicly held, and average daily trading volume of 2,000 shares for previous 6 months
Price	\$3
Market value public float	\$3 million

<u>Standard 3</u>	
Shareholders' equity	\$4 million
History of operations	2 years
Distribution ¹	800 public shareholders and 500,000 shares publicly held, or 400 public shareholders and 1 million shares publicly held, or 400 public shareholders, 500,000 shares publicly held, and average daily trading volume of 2,000 shares for previous 6 months
Price	\$3
Market value public float	\$15 million

<u>Standard 4</u>	
Total market capitalization	\$75 million OR Total assets and revenue of \$75 million each in the most recent fiscal year or in two of the last three fiscal years
Distribution ¹	800 public shareholders and 500,000 shares publicly held, or 400 public shareholders and 1 million shares publicly held, or 400 public shareholders, 500,000 shares publicly held, and average daily trading volume of 2,000 shares for previous 6 months
Price	\$3
Market value public float	\$20 million

¹ Public shareholders and public float do not include shareholders or shares held directly or indirectly by any officer, director, controlling shareholder, or other concentrated (10 percent or greater) affiliated or family holdings.

Qualitative Standards: In evaluating listing eligibility, the Exchange also considers qualitative factors such as the nature of a company's business, market for its products, reputation of its management, historical record and pattern of growth, financial integrity, demonstrated earnings power, and future outlook.

Corporate Governance Standards: The American Stock Exchange requires listed companies to adhere to its corporate governance standards. Questions should be directed to the Listing Qualifications department at 212-306-1331. For new rules click on [Enhanced Corporate Governance](#).

Conflicts of Interest: The Exchange requires a listed company to utilize its audit committee to conduct an appropriate review of all related party transactions on an ongoing basis. See [Section 120](#) of the American Stock Exchange Company Guide.

Independent Directors and Audit Committee: The Exchange has various requirements regarding a company's independent directors and audit committee. Any domestic issuer applying for listing on the Amex must be prepared to demonstrate compliance with these requirements and ongoing compliance is also required for listed companies. See [Section 121](#) and [Part 8 \(Corporate Governance Requirements\)](#) of the American Stock Exchange Company Guide. For the Audit Committee Certification Forms and Rules [click here](#).

Quorum: The American Stock Exchange expects that an appropriate quorum of the shares issued and outstanding and entitled to vote will be provided for by the bylaws of companies applying for the original listing of voting securities. A quorum of at least 33-1/3 percent is recommended. See [Section 123](#) of the American Stock Exchange Company Guide.

Shareholder Approval: The American Stock Exchange requires listed companies to obtain shareholder approval for certain corporate actions that would result in discounted stock and/or option issuances as well as other potentially dilutive transactions. See [Sections 711, 712, and 713](#) of the American Stock Exchange Company Guide.

Voting Rights: Common Stock—See [Section 122](#) of the American Stock Exchange Company Guide. Preferred Stock—See [Section 124](#) of the American Stock Exchange Company Guide.

2. Equities Initial Listing and Annual Listing Fees

Number of Shares	Initial Listing*	Annual
Up to 5 million	\$35,000	\$15,000
5+ to 10 million	\$45,000	\$17,500
10+ to 15 million	\$55,000	\$20,000
15+ to 25 million	\$65,000	\$20,000
25+ to 50 million	\$65,000	\$22,500
More than 50 million	\$65,000	\$30,000

* The initial listing fee includes a one-time \$5,000 application processing charge, which is non-refundable. Non-U.S. issuer applicants pay 50 percent of the initial listing fee, to a maximum of \$32,500.

Additional Shares Previously Listed Equity Issues - Additional shares will be subject to a \$.02 per share listing fee, per application, subject to a minimum fee of \$2,000 (for 100,000 shares or less) and a maximum fee of \$45,000 (for 2.25 million shares or more). The maximum fee for listing additional shares is \$60,000 per year.

In cases where a new class of securities is to be listed in substitution for a previously listed class, there is a fee of \$5,000 in addition to the normal per share listing fee.

Listing applications can be downloaded at: www.amex.com

3. Reporting Requirements

Companies listed on the American Stock Exchange are subject to various reporting requirements. Summarized below is a guide to filing requirements, annual reports, and news dissemination.

For guide to filing requirements [click here](#).

For guide to annual reports [click here](#).

For guide to news dissemination [click here](#).

Guide to Filing Requirements: (Section 1101 of [Amex Company Guide](#)) A company having a security listed on the American Stock Exchange must make all required filings on a timely basis with the Securities and Exchange Commission (SEC) (or other appropriate regulatory agency) and also file copies with the Exchange. With the exception of annual reports to shareholders, which must be filed with the Exchange in hard copy, a company will have satisfied this requirement if it electronically submits its filings to the SEC through EDGAR.

The Exchange also requires timely notice and written confirmation of various corporate actions including record dates, dividends, proposed amendments to and certified copies of the issuer's certificate of incorporation, bylaws or similar organization documents and all material sent to shareholders or released to the press. For questions, please call the Listed Qualifications department at 212-306-1331.

An issuer is strongly encouraged to consult with its SEC counsel on filing requirements.

Guide to Annual Reports (Sections 610-616 of [Amex Company Guide](#)): A company listed on the American Stock Exchange is required to publish and furnish to its shareholders (or to holders of any other listed security when its common stock is not listed on a national securities exchange) an annual report containing audited financial statements prepared in conformity with the requirements of the SEC. The company must disclose in its annual report to security holders, for the year covered by the report: (a) the number of unoptioned shares available at the beginning and at the close of the year for the granting of options under an option plan; and (b) any changes in the exercise price of outstanding options, through cancellation and reissuance or otherwise, except price changes resulting from the normal operation of antidilution provision of options. Three copies of the report must be filed with the Exchange. Annual reports must be sent to shareholders and filed with the Exchange at least ten days in advance of the annual meeting of shareholders, and not later than four months after the close of the last preceding fiscal year of the company.

Guide to News Dissemination (Sections 401-404 of [Amex Company Guide](#)): The American Stock Exchange considers that the conduct of a fair and orderly market requires every listed company to make available to the public information necessary for informed investing and to take reasonable steps to ensure that all who invest in its securities enjoy equal access to such information. Listed companies must fax press releases prior to issuance to the Exchange's Stock Watch Department at 212-306-1488.

The following is a summary of the Exchange's disclosure policies:

Immediate public disclosure of material information: A listed company is required to make immediate public disclosure of all material information concerning its affairs, except in unusual circumstances.

Thorough public dissemination: A listed company is required to release material information to the public in a manner designed to obtain the widest possible public dissemination.

Clarification or confirmation of rumors and reports: Whenever a listed company becomes aware of a rumor or report, true or false, that contains information that is likely to have, or has had, an effect on the trading in its securities, or would be likely to have a bearing on investment decisions, the company is required to publicly clarify the rumor or report as promptly as possible.

Response to unusual market action: Whenever unusual market action takes place in a listed company's securities, the company is expected to make inquiry to determine whether rumors or other conditions requiring corrective action exist and, if so, to take whatever action is appropriate.

Unwarranted promotional disclosure: A listed company should refrain from promotional disclosure activity which exceeds that necessary to enable the public to make informed investment decisions.

Insider trading: Insiders should not trade on the basis of material information which is not known to the investing public. Moreover, insiders should refrain from trading, even after material information has been released to the press and other media, for a period sufficient to permit thorough public dissemination and evaluation of the information.

Receipt of written Delisting Notice: A company is required to publicly disclose that it has received a written notice indicating that the Exchange has determined to remove the company's securities from listing (or unlisted trading) as a result of non-compliance with the continued listing requirements.

The following is a summary of the Exchange's requirements for public announcements. Each press release or other public announcement should:

- be factual, clear, and succinct;
- contain sufficient quantitative information to allow investors to evaluate its relative importance to the activities of the company;
- be balanced and fair;
- avoid over technical language, and should be expressed to the extent possible in language comprehensible to the layman;
- explain, if the consequences or effects of the information on the company's future prospects cannot be assessed, why this is so; and
- clarify and point out any reasonable alternatives where the public announcement undertakes to interpret information disclosed.

The requirement of the federal securities laws must also be carefully considered in the preparation of public announcements.

Please visit www.amex.com or <http://wallstreet.cch.com/AmericanStockExchangeAMEX/AmexCompanyGuide/default.asp> for more information