

# **LISTING REQUIREMENTS AND FEES**

The NASDAQ Stock Market



# NASDAQ NATIONAL MARKET

## FINANCIAL REQUIREMENTS

Companies that choose to list their securities on The NASDAQ Stock Market® must meet minimum initial and continued inclusion financial requirements.

A company must meet all of the requirements under at least one of three listing standards for initial listing on The NASDAQ National Market®. A company must continue to meet at least one continued listing standard to maintain its listing.

Requirements	Initial Listing			Continued Listing	
	Standard 1 Marketplace Rule 4420(a)	Standard 2 Marketplace Rule 4420(b)	Standard 3 Marketplace Rule 4420(c)	Standard 1 Marketplace Rule 4450(a)	Standard 2 Marketplace Rule 4450(b)
Stockholders' equity	\$15 million	\$30 million	N/A	\$10 million	N/A
Market value of listed securities or Total assets and Total revenue	N/A	N/A	\$75 million <sup>1, 2</sup> or \$75 million and \$75 million	N/A	\$50 million or \$50 million and \$50 million
Income from continuing operations before income taxes (in latest fiscal year or 2 of last 3 fiscal years)	\$1 million	N/A	N/A	N/A	N/A
Publicly held shares <sup>3</sup>	1.1 million	1.1 million	1.1 million	750,000	1.1 million
Market value of publicly held shares	\$8 million	\$18 million	\$20 million	\$5 million	\$15 million
Minimum bid price	\$5	\$5	\$5 <sup>2</sup>	\$1	\$1
Shareholders (round lot holders) <sup>4</sup>	400	400	400	400	400
Market makers <sup>5</sup>	3	3	4	2	4
Operating history	N/A	2 years	N/A	N/A	N/A
Corporate governance <sup>6</sup>	Yes	Yes	Yes	Yes	Yes

1 For initial listing under Standard 3, a company must satisfy one of the following: the market value of listed securities requirement or the total assets and the total revenue requirement. Under Marketplace Rule 4200(a)(19), listed securities is defined as "securities quoted on NASDAQ or listed on a national securities exchange".

2 Seasoned companies (those companies already listed or quoted on another marketplace) qualifying only under the market value of listed securities requirement of Standard 3 must meet the market value of listed securities and the bid price requirements for 90 consecutive trading days prior to applying for listing.

3 Publicly held shares is defined as total shares outstanding less any shares held by officers, directors, or beneficial owners of 10 % or more.

4 Round lot holders are shareholders of 100 shares or more.

5 An Electronic Communications Network ("ECN") is not considered a market maker for the purpose of these rules.

6 Marketplace Rules 4350 and 4351.

A company seeking initial inclusion of any class of its securities on The NASDAQ National Market will be assessed entry and annual fees set forth in the tables below.

## ENTRY FEES

- Entry fees are based upon the aggregate number of shares to be listed at the time of application, regardless of class.
- Fees are assessed on the date of entry in The NASDAQ National Market, except for \$5,000, which represents a non-refundable application fee. This fee must be submitted with the company's application.
- For non-U.S. issuers, entry fees are levied only on those shares (or American Depositary Receipts) issued and outstanding in the United States.
- Total entry fees paid by a company for all classes of securities listed on the National Market, regardless of date listed, shall not exceed \$150,000. However, notwithstanding this fee cap, applications are subject to the \$5,000 non-refundable processing fee.

### Entry Fee Schedule

Any domestic issuer, or a foreign issuer raising capital in conjunction with its NASDAQ listing.

Shares	Entry Fees
Up to 30 million shares	\$100,000
30+ to 50 million shares	\$125,000
Over 50 million shares	\$150,000

### Entry Fee Schedule

A foreign issuer not raising capital in conjunction with its NASDAQ listing.

Shares	Entry Fees
Up to 3 million shares	\$50,000
3+ to 5 million shares	\$75,000
5+ to 30 million shares	\$100,000
30+ to 50 million shares	\$125,000
Over 50 million shares	\$150,000

## ANNUAL FEES

- Annual fees are based on the company's Total Shares Outstanding (TSO) for all classes of stock listed on the National Market, as reported in the company's latest filing on record with NASDAQ®. For non-U.S. issuers, TSO include only those shares issued and outstanding in the United States.
- In the first year of listing, the company's annual fee will be prorated based on the date of listing.
- For a company transferring to The NASDAQ National Market from The NASDAQ SmallCap Market, NASDAQ will apply a credit towards the balance of the company's new annual fee based on the annual fee already paid.
- Annual fees for ADRs listed on The NASDAQ National Market are based on the number of ADRs listed. NASDAQ will apply fees based on ADRs reported outstanding in the U.S. at year-end.

**Annual Fee Schedule**

<b>Total Shares Outstanding</b>	<b>Annual Fees</b>	<b>Annual Fees for ADRs</b>
Up to 10 million	\$21,225	\$10,000
10+ to 25 million	\$26,500	\$15,000
25+ to 50 million	\$29,820	\$20,000
50+ to 75 million	\$39,150	\$22,500
75+ to 100 million	\$51,750	\$25,000
100+ to 200 million	\$60,000	\$30,000
Over 200 million	\$60,000	\$30,000

For a complete listing of National Market fees, refer to the NASDAQ Marketplace Rules 4500 Series.

## FEES FOR LISTING A NEW CLASS OF SECURITIES

Companies listed on NASDAQ must complete an application to list a new class of securities that is not currently listed on NASDAQ. When a current NASDAQ-listed company lists a new class of securities on The NASDAQ National Market, it is assessed a variable fee based on the total number of shares outstanding of the new class of securities at the time of initial listing. Entry fees paid by a company for all classes of securities listed on the National Market, regardless of the date these securities are listed, shall not exceed \$150,000.

Fees are assessed on the date of entry in The NASDAQ National Market, except for \$5,000, which represents a non-refundable application fee. This fee must be submitted with the company's application. The company will also be assessed a pro-rated annual fee.

# NASDAQ SMALLCAP MARKET

## FINANCIAL REQUIREMENTS

A company must meet minimum financial requirements for initial listing and continue to meet standards to maintain its listing on The NASDAQ SmallCap Market<sup>SM</sup>.

Requirements	Initial Listing	Continued Listing	Marketplace Rules*
Stockholders' equity <sup>1</sup> or Market value of listed securities <sup>2</sup> or Net income from continuing operations (in latest fiscal year or 2 of the last 3 fiscal years)	\$5 million or \$50 million or  \$750,000	\$2.5 million or \$35 million or  \$500,000	Rule 4310(c)(2)
Publicly held shares <sup>3</sup>	1 million	500,000	Rule 4310(c)(7)
Market value of publicly held shares <sup>4</sup>	\$5 million	\$1 million	Rule 4310(c)(7)
Minimum bid price <sup>2</sup>	\$4	\$1	Rule 4310(c)(4)
Shareholders (round lot holders) <sup>4</sup>	300	300	Rule 4310(c)(6)
Market makers <sup>5</sup>	3	2	Rule 4310(c)(1)
Operating history or Market value of listed securities <sup>2</sup>	1 year or \$50 million	N/A	Rule 4310(c)(3)
Corporate governance	Yes	Yes	Rules 4350 & 4351

\* Applies to domestic and Canadian securities. For non-Canadian foreign securities and American Depositary Receipts, see Marketplace Rule 4320.

- 1 For initial listing, a company must satisfy one of the following to be in compliance: the stockholders' equity requirement, the market value of listed securities requirement or the net income requirement. Under Marketplace Rule 4200(a)(19), listed securities is defined as "securities quoted on NASDAQ or listed on a national securities exchange".
- 2 Seasoned companies (those companies already listed or quoted on another marketplace) qualifying only under market value of listed securities requirement must meet the market value of listed securities and the bid price requirements for 90 consecutive trading days prior to applying for listing.
- 3 Publicly held shares is defined as total shares outstanding less any shares held by officers, directors or beneficial owners of 10% or more. In the case of ADRs/ADS, for initial inclusion only, at least 100,000 shall be issued.
- 4 Round lot holders are shareholders of 100 shares or more.
- 5 An Electronic Communications Network ("ECN") is not considered a market maker for the purpose of these rules.

A company seeking initial inclusion of any class of its securities on The NASDAQ SmallCap Market will be assessed entry and annual fees set forth in the tables below.

## ENTRY FEES

- Entry fees are based upon the aggregate number of shares to be listed at the time of application, regardless of class.
- Fees are assessed on the date of entry in The NASDAQ SmallCap Market, except for \$5,000, which represents a non-refundable application fee. This fee must be submitted with the company's application.
- For non-U.S. issuers, entry fees are levied only on those shares (or American Depositary Receipts) issued and outstanding in the United States.
- Total entry fees paid by a company for all classes of securities listed on the SmallCap Market, regardless of date listed, shall not exceed \$50,000. However, notwithstanding this fee cap, applications are subject to the \$5,000 non-refundable processing fee.

**Entry Fee Schedule**

<b>Shares</b>	<b>Entry Fees</b>
Up to 5 million shares	\$25,000
5+ to 10 million shares	\$35,000
10+ to 15 million shares	\$45,000
Over 15 million shares	\$50,000

## ANNUAL FEES

- Companies on The NASDAQ SmallCap Market (domestic and foreign) will be assessed an annual fee for the first class of securities based on the schedule below and \$2,000 for each subsequent class.

**Annual Fee Schedule**

<b>Total Shares Outstanding</b>	<b>Annual Fees</b>
Up to 10 million	\$15,000
Over 10 million	\$16,000

For a complete listing of SmallCap Market fees, refer to the NASDAQ Marketplace Rules 4500 Series.

## **FEES FOR LISTING A NEW CLASS OF SECURITIES**

Companies listed on NASDAQ must complete an application to list a new class of securities that is not currently listed on NASDAQ. When a current NASDAQ-listed company lists a new class of securities on The NASDAQ SmallCap Market, it is assessed a variable fee based on the total number of shares outstanding of the new class of securities at the time of initial listing. Entry fees paid by a company for all classes of securities listed on the SmallCap Market, regardless of the date these securities are listed, shall not exceed \$50,000.

Fees are assessed on the date of entry in The NASDAQ SmallCap Market, except for \$5,000, which represents a non-refundable application fee. This fee must be submitted with the company's application. The company will also be assessed a pro-rated annual fee.

# LISTING OF ADDITIONAL SHARES

All listed companies (except ADRs) on The NASDAQ National Market and The NASDAQ SmallCap Market are required to notify NASDAQ prior to:

- Establishing a stock option plan, purchase plan or other arrangement pursuant to which stock may be acquired by officers or directors, unless shareholder approval has been obtained;
- Issuing securities that may result in the potential change in control of the issuer;
- Issuing any common stock (or security convertible into common stock) in connection with the acquisition of the stock or assets of another company, if any officer or director or substantial shareholder of the issuer has a 5 percent or greater interest (or if such persons collectively have a 10 percent or greater interest) in the company to be acquired or in the considerations to be paid; or
- Entering into a transaction that may result in the potential issuance of common stock (or securities convertible into common stock) greater than 10 percent of either the TSO or the voting power outstanding on a pre-transaction basis.
- SEC Rule 10b-17 distributions:
  - Stock split/stock dividend or reverse split;
  - Other distributions in cash or in kind, including a dividend or distribution of any security;
  - Subscription offering or rights offering/poison pill.

Companies should complete the *NASDAQ Notification Form: Listing of Additional Shares* and submit it, along with the required supporting documentation, to NASDAQ.

## FEES

Listed companies will be billed each quarter, and the fee will be calculated based on the company's TSO as reported on its periodic reports filed with the SEC.

The fee is:

- Up to 49,999 total shares per quarter---No fee
- 50,000 to 199,999 total shares per quarter---\$2,000 flat fee
- 200,000 or more total shares per quarter---\$0.01 per share
- Quarterly fee cap---\$22,500
- Annual fee cap---\$45,000

**Note:** Fees apply only to additional shares of a security already listed on NASDAQ; there is a separate set of requirements and form for listing a new class of securities.



## **OTHER SECURITIES**

For information regarding listing standards and fees for securities other than common stock, such as preferred stock, rights, warrants, debentures and other securities (Preferred Trust Securities, MITTS, and Index Products), please see Marketplace Rules 4300 and 4400 (listing standards) and 4500 (fees) for further information.

# CORPORATE GOVERNANCE REQUIREMENTS

Companies listed on The NASDAQ National Market and The NASDAQ SmallCap Market are required to meet high standards of corporate governance outlined in the NASDAQ Marketplace Rules.

Among the areas NASDAQ corporate governance requirements address are:

- Distribution of Annual and Interim Reports
- Independent Directors
- Audit Committees
- Shareholder Meetings
- Quorum
- Solicitation of Proxies
- Conflicts of Interest
- Shareholder Approval
- Stockholder Voting Rights
- Auditor Peer Review

NASDAQ does not require any foreign listed company to perform any act that is contrary to a law, rule or regulation of any public authority exercising jurisdiction over such company or that is contrary to generally accepted business practices in the company's country of domicile. NASDAQ has the ability to provide exemptions from the applicability of these provisions as may be necessary or appropriate to carry out this intent.

For a full list of NASDAQ's corporate governance requirements, please see Marketplace Rules 4350 and 4351. Please see the "Legal and Compliance" Web page on [www.NASDAQ.com](http://www.NASDAQ.com) regarding recent changes to NASDAQ's corporate governance policies.



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