

Listing Standards and Fees



March 2005

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 ^{1, 2} 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 ³ | 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 ² | \$1 | \$1 |
| Shareholders (round lot holders) ⁴ | 400 | 400 | 400 | 400 | 400 |
| Market makers ⁵ | 3 | 3 | 4 | 2 | 4 |
| Operating history | N/A | 2 years | N/A | N/A | N/A |
| Corporate governance ⁶ | 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)(20), 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, 4351 and 4360.

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 (“ADRs”) 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.
- NASDAQ® will eliminate all entry and application fees for any issuer that is listed on a national securities exchange and that transfers its listing to The NASDAQ National Market after September 20, 2004. For more information, please see SR-NASD-2004-140.

Entry Fee Schedule

| Shares | Entry Fees |
|--------------------------|------------|
| Up 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 includes 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 MarketSM, 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, as reported in the issuer’s most recent periodic report required to be filed with the issuer’s appropriate regulatory authority or in more recent information held by NASDAQ.

Annual Fee Schedule

| Total Shares Outstanding | Annual Fees* | Annual Fees for ADRs |
|---------------------------------|---------------------|-----------------------------|
| Up to 10 million | \$24,500 | \$21,225 |
| 10+ to 25 million | \$30,500 | \$26,500 |
| 25+ to 50 million | \$34,500 | \$29,820 |
| 50+ to 75 million | \$44,500 | \$30,000 |
| 75+ to 100 million | \$61,750 | \$30,000 |
| Over 100 million | \$75,000 | \$30,000 |

* For issuers except ADRs, “other securities,” portfolio depository receipts, trust issued receipts or index fund shares. 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.

FORMS

Applications, listing agreements and payment forms are located on the “Listing On NASDAQ” page at www.NASDAQ.com.

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 MarketSM.

| Requirements | Initial Listing | Continued Listing | Marketplace Rules* |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------|------------------------------------|
| Stockholders' equity ¹ or Market value of listed securities ² 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) Rule 4320(e)(2) |
| Publicly held shares ³ | 1 million | 500,000 | Rule 4310(c)(7) Rule 4320(e)(5) |
| Market value of publicly held shares ^{3,6} | \$5 million | \$1 million | Rule 4310(c)(7) Rule 4320(e)(5) |
| Minimum bid price ^{2,6} | \$4 | \$1 | Rule 4310(c)(4) Rule 4320(e)(2) |
| Shareholders (round lot holders) ⁴ | 300 | 300 | Rule 4310(c)(6) Rule 4320(e)(4) |
| Market makers ⁵ | 3 | 2 | Rule 4310(c)(1) Rule 4320(e)(1) |
| Operating history or Market value of listed securities ^{2,7} | 1 year or \$50 million | N/A | Rule 4310(c)(3) N/A |
| Corporate governance | Yes | Yes | Rules 4350, 4351 & 4360 |

* Marketplace Rule 4310 is applicable to domestic and Canadian securities. For non-Canadian foreign securities and American Depositary Receipts, see Marketplace Rule 4320.

1 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)(20), 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, 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.

6 Please note that the bid price and market value of publicly held shares requirements for initial listing standards of non-U.S. issuers became effective on September 28, 2004. The continued listing requirements for non-U.S. issuers will be effective on May 29, 2006.

7 The operating history/market value of listed securities requirement is not applicable to non-Canadian foreign securities.

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.
- NASDAQ will eliminate all entry and application fees for any issuer that is listed on a national securities exchange and that transfers its listing to The NASDAQ SmallCap Market after September 20, 2004. For more information, please see SR-NASD-2004-140.

Entry Fee Schedule

| Shares | Entry Fees |
|--------------------------|-------------------|
| 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

- Annual fees are based on the company’s Total Shares Outstanding for all classes of stock listed on the SmallCap Market, as reported in the company’s latest filing on record with NASDAQ. For non-U.S. issuers, TSO includes 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 SmallCap Market from The NASDAQ National 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 SmallCap Market are based on the number of ADRs listed. NASDAQ will apply fees based on ADRs, as reported in the issuer’s most recent periodic report required to be filed with the issuer’s appropriate regulatory authority or in more recent information held by NASDAQ.

Annual Fee Schedule

| Total Shares Outstanding | Annual Fees |
|---------------------------------|--------------------|
| Up to 10 million | \$17,500 |
| Over 10 million | \$21,000 |

* 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.

FORMS

Applications, listing agreements and payment forms are located on the “Listing On NASDAQ” page at www.NASDAQ.com.

OTHER SECURITIES

FINANCIAL REQUIREMENTS

For information regarding specific listing standards (initial and continued) for securities other than common stock, please see the following Marketplace Rules for further information:

| Description of Securities | Marketplace Rules |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| SmallCap Market | |
| Convertible Debentures | 4310(c)(5) and 4320(e)(3) |
| Preferred Stock and Secondary Classes of Common Stock | 4310(c)(4), 4310(c)(6)(B), 4310(c)(7)(B), 4320(e)(4)(B) and 4320(e)(5) |
| Rights and Warrants | 4310(c)(9) and 4320(e)(7) |
| Units | 4310(c)(10) and 4320(e)(8) |
| National Market | |
| Other Securities, which include Callable Common Stock, Contingent Litigation Rights/Warrants, Index Linked Notes, and Trust Preferred Securities | 4420(f) and 4450(c) |
| Selected Equity-Linked Debt Securities ("SEEDS") | 4420(g) |
| Units | 4420(h) |
| Portfolio Depositary Receipts | 4420(i) |
| Index Fund Shares | 4420(j) |
| Preferred Stock and Secondary Classes of Common Stock | 4420(k) and 4450(h) |
| Trust Issued Receipts | 4420(l) |

FEES

Preferred Stock, Stock, Secondary Classes of Common Stock, Shares of Beneficial Interest of Trusts, Limited Partnerships and Warrants: These securities are considered to be "equity securities" and are assessed fees (application, entry and annual) in the same manner as common stock.

Rights: Other than a one-time \$1,000 application fee, NASDAQ does not assess either entry or annual fees for rights.

Convertible Debentures: For initial listing, the fee for each class of convertible debentures is the greater of \$1,000 or \$50 per million dollar face amount of debentures outstanding. The annual fee for each class of convertible debentures is the greater of \$500 or \$25 per one million dollar face amount of debentures outstanding.

Units: In the case of units, each component, but not the unit itself, is considered separately as an “equity security” for fee purposes.

Other Securities and SEEDS: For initial listing, the issuer shall pay a \$1,000 non-refundable application fee and entry and annual fees based on the following schedule:

| Total Shares Outstanding* | Entry Fees | Annual Fees |
|----------------------------------|-------------------|--------------------|
| Up to 1 million | \$5,000 | \$15,000 |
| 1+ to 2 million | \$10,000 | \$15,000 |
| 2+ to 3 million | \$15,000 | \$15,000 |
| 3+ to 4 million | \$17,500 | \$15,000 |
| 4+ to 5 million | \$20,000 | \$15,000 |
| 5+ to 6 million | \$22,500 | \$17,500 |
| 6+ to 7 million | \$25,000 | \$17,500 |
| 7+ to 8 million | \$27,500 | \$17,500 |
| 8+ to 9 million | \$30,000 | \$17,500 |
| 9+ to 10 million | \$32,500 | \$17,500 |
| 10+ to 15 million | \$37,500 | \$20,000 |
| 15+ to 25 million | \$45,000 | \$20,000 |
| 25+ to 50 million | \$45,000 | \$22,500 |
| Over 50 million | \$45,000 | \$30,000 |

* For the purposes of calculating entry and annual fees for Other Securities and SEEDS, total shares outstanding means the aggregate of all classes of Other Securities and SEEDS of the issuer to be included in The NASDAQ National Market in the current calendar year, as shown in the issuer’s most recent periodic report required to be filed with the issuer’s appropriate regulatory authority or in more recent information held by NASDAQ or, in the case of new issues, as shown in the offering circular required to be filed with the issuer’s appropriate regulatory authority.

Portfolio Depository Receipts, Trust Issued Receipts, and Index Fund Shares: For initial listing, the issuer shall pay an entry fee of \$5,000, which includes a \$1,000 non-refundable application fee. The issuer’s annual fee is calculated on the total shares outstanding.

| Total Shares Outstanding* | Entry Fees | Annual Fees |
|----------------------------------|-------------------|--------------------|
| Up to 1 million shares | \$5,000 | \$6,500 |
| 1+ to 2 million shares | \$5,000 | \$7,000 |
| 2+ to 3 million shares | \$5,000 | \$7,500 |
| 3+ to 4 million shares | \$5,000 | \$8,000 |
| 4+ to 5 million shares | \$5,000 | \$8,500 |
| 5+ to 6 million shares | \$5,000 | \$9,000 |
| 6+ to 7 million shares | \$5,000 | \$9,500 |
| 7+ to 8 million shares | \$5,000 | \$10,000 |
| 8+ to 9 million shares | \$5,000 | \$10,500 |
| 9+ to 10 million shares | \$5,000 | \$11,000 |
| 10+ to 11 million shares | \$5,000 | \$11,500 |
| 11+ to 12 million shares | \$5,000 | \$12,000 |
| 12+ to 13 million shares | \$5,000 | \$12,500 |
| 13+ to 14 million shares | \$5,000 | \$13,000 |
| 14+ to 15 million shares | \$5,000 | \$13,500 |
| 15+ to 16 million shares | \$5,000 | \$14,000 |
| Over 16 million shares | \$5,000 | \$14,500 |

* Total shares outstanding means the aggregate number of shares in all series of Portfolio Depository Receipts, Trust Issued Receipts or Index Fund Shares to be included in The NASDAQ National Market, as shown in the issuer’s most recent periodic report required to be filed with the issuer’s appropriate regulatory authority or in more recent information held by NASDAQ.

FORMS

Applications, listing agreements and payment forms are located on the “Listing On NASDAQ” page at www.NASDAQ.com.

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
- Code of Conduct

NASD Marketplace Rule 4350(a)(1) permits foreign private issuers to follow certain governance practices in lieu of the NASDAQ requirement. To do so, a company must provide NASDAQ with a letter from outside counsel in the company's home country, certifying that the company's practices are not prohibited by home country law. This letter is only required once, prior to the time the company first adopts a non-conforming practice. Companies do not need to seek an exemption from NASDAQ. A foreign private issuer relying on this exemption must disclose in its annual reports filed with the Securities and Exchange Commission ("SEC") each requirement of Rule 4350 that it does not follow, and the alternative home country practice it does follow. In addition, a foreign private issuer making its initial public offering or first U.S. listing on NASDAQ must disclose any such practices in its registration statement.

A foreign private issuer relying on this exemption must still comply with those requirements of Rule 4350 that are mandated by U.S. securities laws and regulations. As such, all foreign private issuers are still required to comply with the audit committee requirements of Rule 10A-3 under the Securities Exchange Act of 1934. All foreign private issuers must also continue to comply with the listing agreement requirement, the requirement of prompt notification of material non-compliance, and the requirement to disclose receipt of a going concern opinion.

Prior to March 3, 2005, a foreign private issuer seeking an exemption from a NASDAQ corporate governance exemption was required to specifically request such an exemption from NASDAQ and demonstrate that the NASDAQ requirement was contrary to a law, rule or regulation of any public authority exercising jurisdiction over such company or contrary to generally accepted business practices in the company's country of domicile. A foreign private issuer that previously received such an exemption from NASDAQ may continue to rely on that exemption, and need not submit any additional information to NASDAQ unless it determines to adopt another non-conforming governance practice.

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:

- The establishment of, or a material amendment to, a stock option plan, purchase plan or other equity compensation arrangements, pursuant to which stock may be acquired by officers, directors, employees, or consultants 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% or greater interest (or if such persons collectively have a 10% 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% 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. The LAS Form, which is available on the “Listing On NASDAQ” page of www.NASDAQ.com, should be submitted 15 days prior to the issuance of securities or 10 days before the record date for SEC 10b-17 distributions.

FEES *

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

The fee is:

- Up to 49,999 total shares per quarter – No fee
- 50,000 to 249,999 total shares per quarter – \$2,500 flat fee
- 250,000 or more total shares per quarter – \$0.01 per share
- 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.

CHANGE IN COMPANY RECORD

When a NASDAQ-listed company submits a request for a change in its name, a change in the par value or title of its securities, or a voluntary change in its trading symbol, a \$2,500 non-refundable fee must be submitted concurrently with the request.

Companies should complete the *Notification Form: Change in Company Record and Record-Keeping Fee – Payment Form*, which are available on the “Listing On NASDAQ” page on www.NASDAQ.com.

WRITTEN INTERPRETATIONS OF NASDAQ LISTING RULES

NASDAQ will provide a written interpretation of the application of NASDAQ listing rules to its issuers. In connection with such a request, a company is required to submit to NASDAQ a non-refundable fee. The fee to be submitted is generally \$2,000. However, if the company requests a response by a specific date that is less than four weeks, but at least one week, after the date NASDAQ receives all information necessary to respond to the request, then the fee is \$10,000.

Please note that NASDAQ does not impose fees for requests related to initial listing on The NASDAQ Stock Market, requests for a financial viability exception pursuant to Marketplace Rule 4350(i)(2), or requests by non-U.S. issuers for exemptions pursuant to Marketplace Rule 4350(a).

For specific instructions on the submission of an interpretative request, please see “Staff Interpretative Letters” on the “Legal and Compliance” page on www.NASDAQ.com.

