
**WHY AND HOW TO
BECOME LISTED
AT NASDAQ OMX ARMENIA**

NASDAQ OMXSM | ARMENIA

Listed on
NASDAQ



"NASDAQ OMX Armenia" open joint stock company is the only stock exchange currently operating in Armenia. The company is part of the NASDAQ OMX Group, Inc. For nearly a decade now, the stock exchange has been the organized market for securities in Armenia offering market professionals a fully automated electronic trading platform.

Today, instruments traded on the stock exchange include stocks, corporate bonds, Government and Central Bank bonds, REPO (repurchase agreements) on corporate bonds, currency, as well as credit resources. NASDAQ OMX Armenia continues working to introduce other organized markets such as depository receipts and investment funds shares.

NASDAQ OMX Armenia's **mission** is to provide an efficient and transparent exchange market with fair securities pricing mechanisms, which will enable Armenian companies to raise capital and contribute to the development of the Armenian economy. Through its listing services, the stock exchange also helps public companies raise capital to finance their capital needs. After becoming a part of NASDAQ OMX in early 2008, the stock exchange has further increased its efforts to implement the best standards and practices for company listing, for the purpose of further enhancing investor confidence in the Armenian market.

Content

+ Why to List	5
+ Why NASDAQ OMX Armenia	6
+ Listing and Admission to Trading	7
+ Corporate Governance	9
+ Listing Process	10
+ Listing Fee	12
+ Living as a Listed Company	14
+ NASDAQ OMX Armenia Members	15



Why to List

There are many ways to foster the growth and development of a company. One is to publicly list the company on the stock exchange and it all starts from the very important decision the company makes, **decision to develop**.

Being listed is certainly not suitable for all companies, but the fact that most large successful companies in the world are public listed companies is a fact that speaks for itself.

A listed company is a company whose securities – be that stocks or bonds – meet certain criteria and are traded on the exchange market. Stock exchanges usually have various lists with different requirements for securities and their issuers to be compliant with. The stock exchange ensures that the securities included in the lists comply with respective criteria, and this is why listed and publicly traded securities are normally regarded by the investors as those of higher quality and, thus, a more desirable investment target.

Listing also increases the public profile of the company, not least through expanded coverage by media and information disclosure channels used by the stock exchange. Besides that, having the company traded on the stock exchange gives its management and all stakeholders a constantly updated market valuation of the business.

A company can list its outstanding or newly issued securities. In the latter case listing is preceded by an initial offering of securities to the public (often called *IPO* standing for “*initial public offering*”). If you hear that a company decided to “*go public*” or “*float its shares*”, then it’s setting up for an IPO and plans to become listed on a stock exchange.

IPOs have long been a major source of capital for companies worldwide. Advantages of doing an IPO and becoming listed on a stock exchange are plenty:

-
- + IPOs are a way to **raise capital**, which can ensure lower cost of funds to your business compared to borrowings from banks
 - + making shares publicly traded provides an **exit mechanism** for founders and shareholders of the company whose stakes become more liquid and can be cashed-in quickly;
 - + IPO and listing can **enhance the reputation** of the company and provide additional publicity through increased and continuous media attention;
 - + the issuer builds up a **history in the market**: once you've done your IPO successfully, it will be easier to generate equity funding from the stock market in the future :
-

Why NASDAQ OMX Armenia

If you have decided to enter the public market, but are still not sure which trading venue to choose, a research to see which offering is best suited to your company's needs can help. Here are just some of the advantages that listing on NASDAQ OMX Armenia will provide:

- ▶ NASDAQ OMX Armenia is a **part of the NASDAQ OMX Group, Inc.**, home to nearly 4,000 companies across the world and a brand name trusted globally. This means it provides access to a potentially unlimited number of individual and institutional investors, including those who will only invest in instruments admitted to internationally recognized markets;
- ▶ **flexible list structure** with NASDAQ OMX Armenia's free market "C" offering a chance to "test the waters": build track record in the market and get ready to meet listing criteria;
- ▶ **listing requirements and fees adapted to local conditions** give cost advantages;
- ▶ **lower fees for underwriting and advisory services** offered by NASDAQ OMX Armenia member investment companies and banks, as compared to rates charged by overseas consultants and brokers;
- ▶ **continuous coverage from local media** attracting added public attention to the company and its products;
- ▶ **help within arm's reach**: NASDAQ OMX Armenia staff is always here to provide advice and assistance on all matters related to company listing and listing maintenance.

Listing and Admission to Trading

Companies vary in terms of the objectives that they pursue by becoming public and entering the exchange market. Some have been operating for a number of years and seek to expand their business or need funds to launch a new project; others first wish to see what market has to offer and start putting in place mechanisms that will foster a lasting relationship with their existing and potential investors.

In order to satisfy these ranging requirements, NASDAQ OMX Armenia provides companies with an opportunity to have their stocks or bonds added to one of the exchange **lists**, or **admitted to trading**. In either case the securities will become traded on the exchange, however, the higher the criteria of the list, the more attractive the security will be for the investor.

NASDAQ OMX Armenia has two lists for stocks – **A** and **B** – and two for bonds – **Abond** and **Bbond**. For companies that want to become admitted to trading there is the free market: **C** for stocks and **Cbond** for bonds. By being on the free market the company gets access to a reliable channel for disclosing financials and other information to the holders of its securities.

The following requirements must be met by companies that apply for listing:

Stocks A Market	Stocks B Market
<ul style="list-style-type: none">▶ Total calculation value of stocks minimum AMD 1 billion▶ issuer operating for no less than 3 years▶ financial statements for the last 3 years audited by independent auditor▶ net financial result for the last 3 years – profit▶ at least 100 registered shareholders▶ free float of minimum 15%▶ at least one Market marker on the Exchange.	<ul style="list-style-type: none">▶ Total calculation value of stocks minimum AMD 500 million▶ issuer operating for no less than 3 years▶ financial statements for the last 3 years audited by independent auditor▶ free float of minimum 10%

Bonds Abond Market	Bonds Bbond Market
<ul style="list-style-type: none">▶ issuer operating for no less than 3 years▶ minimum size of the given issue: AMD 500 million▶ financial statements for the last 2 years audited by independent auditor▶ at least one Market marker on the Exchange	<ul style="list-style-type: none">▶ issuer operating for no less than 2 years▶ minimum size of the given issue: AMD 250 million▶ financial statements for the last year audited by independent auditor

Stocks Free Market C is open to all companies – except those under liquidation or bankruptcy procedures.

Bonds Free Market Cbond only requires the bond issue to be no less than AMD 100 million. Money market instruments including bonds and other short-term debt instruments, can only be admitted to the free Cbond market.

Free float

The “free float” of a listed and publicly traded company is the proportion of its stocks that is not directly or indirectly held by its major owners (entities holding more than 5% of all stocks in issue), executive officials, subsidiaries of the company, or the Government.

From a practical viewpoint, the higher the company’s free float, the larger the trading volumes and the higher the liquidity of its stocks. Therefore, the level of a company’s free float is an important factor for both private and institutional investors in making investment decisions.

Corporate Governance

Corporate Governance is a management and supervisory system for companies, it's a complex of current relationships among company's management, board, owners and other stakeholders. Corporate governance provides companies with opportunity to increase their competitiveness, economic efficiency and growth, acquire financial resources required for economic growth.

In 2008 the RA Government started constructive dialogue with Central Bank of Armenia, NASDAQ OMX Armenia, European Bank of Reconstruction and Development (EBRD), aimed at improving corporate governance practice in listed companies, banks, insurance companies, investment funds and government companies. As a result, Corporate Governance Code has been developed, which, however, do not replace legislation in force, but rather defines Corporate Governance principles and standards.

More information about Corporate Governance and Corporate Governance Code of Armenia are available on the official website of the RA Ministry of Economy (in Armenian)

<http://www.mineconomy.am/arm/19/text.html>

NASDAQ OMX Armenia sets the following requirements, related to Corporate governance for companies, having their stocks listed on A or B markets of the Exchange:

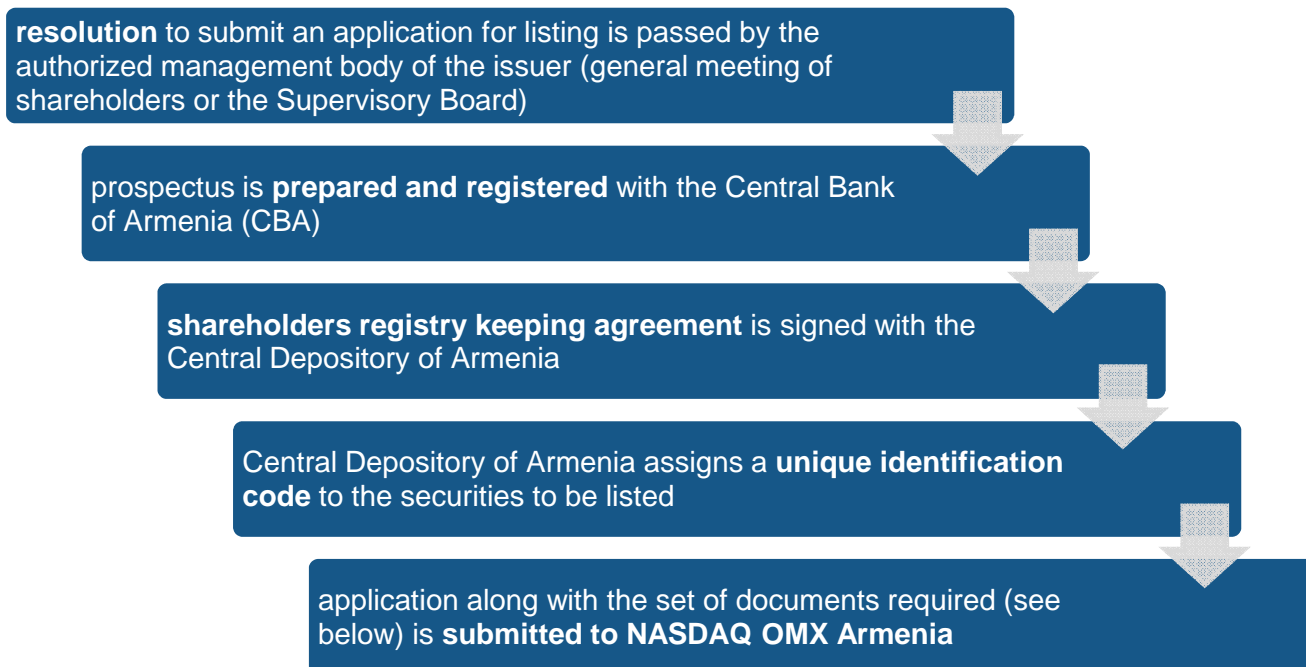
- + accept and apply at least principles, set forth in the Corporate Governance Code, unless it had already applied equivalent or stricter principles of corporate governance
- + publish annual report on corporate governance principles and level of the Issuer's compliance with the latter, at least on its website prior to or along with publication of invitation to annual meeting of shareholders

Meanwhile, NASDAQ OMX Armenia assists listed companies in applying Corporate Governance principles and adopting Corporate Governance Code, as well as supports them in drafting Corporate Governance annual prospectus.

More detailed description of Corporate Governance annual prospectus and handy guide on its drafting is available here (in Armenian): www.mineconomy.am/uploads/Haytararagir.pdf

Listing Process

Companies seeking to get listed or admitted to trading on NASDAQ OMX Armenia go through the following steps:



Here are the main documents that are required to be submitted to the stock exchange along with the Application for listing or admission to trading:

- + completed [Application Form](http://www.nasdaqomx.am/am/get_listed.htm) (available for download from http://www.nasdaqomx.am/am/get_listed.htm);
- + [prospectus](#) (or trading prospectus) complying with the requirements of the Law “On Securities Market”;
- + a copy of the [CBA resolution](#) for the registration of securities;
- + statement confirming that the [registry of holders](#) of the securities to be listed is maintained with the Central Depository of Armenia;
- + [unique identification code](#) assigned to the securities by the Central Depository of Armenia;
- + [quarterly statements](#) for the current year, if such were not attached to the prospectus;
- + information on the [market maker](#), if any, and the main terms and conditions of the agreement concluded between the company and the market maker;
- + a statement confirming that the issuer agrees to [comply with the provisions of the stock exchange’s rules](#);
- + [audited annual reports](#), including auditors’ statements, if such were not attached to the prospectus;
- + [other documents](#) at the discretion of the issuer.

The Application along with the full set of documents must be submitted to NASDAQ OMX Armenia in hard copy with electronic version sent by e-mail.



Once the documents have been filed, NASDAQ OMX Armenia will normally have three months to approve or reject the application. In either case the company will be notified of the decision in writing. As soon as the application has been approved by the stock exchange, a Listing/Admission to Trading Agreement will be concluded with the company, and its securities will become traded in the exchange market.

Securities listing or admittance to trading is celebrated by Opening Bell Ceremony held at Grand Hall of NASDAQ OMX Armenia. During the ceremony details of the issuer and its securities are presented to media, public and all the stakeholders and representative of the Issuer rings the honorary bell. This ceremony is usually widely covered by local media, while additional information and press release is disseminated among European media as well via NASDAQ OMX news distribution service, GlobeNewswire.

Detailed description of the listing and admission to trading process can be found in NASDAQ OMX Armenia "Rules for Securities Listing and Admission to Trading" downloadable at <http://www.nasdaqomx.am/am/rules.htm>.

Listing Fee

NASDAQ OMX Armenia has a flexible fee structure that depends on the type of the security and on whether they are listed or admitted to trading. Generally, fees comprise one-off admission charge for newly admitted securities (or new issues of securities already listed or admitted to trading) and quarterly fees. The one-off charge comprises a fixed and a variable part, which depends on the value of the issue. The quarterly fees also have a fixed element and a variable, which depends on the market price of the securities as determined based on the market data of the previous quarter.

Stocks Listing/Admission to Trading Fees

(all VAT exclusive)

List or Free Market	One-off admission charge		Quarterly fee (payable in advance at the beginning of each quarter)
	For new securities	For new issues of securities already in the market	
A	AMD 800,000 + 0.02% of the total value of securities listed (total max AMD 3 mln)	AMD 400,000 + 0.02% of the total value of securities listed (total max AMD 1 mln)	AMD 450,000 + 0.0075% of the total market value of securities listed. If the market value of shares listed exceeds AMD 2 bln: AMD 600,000 + 0.0035% of the market value in excess of AMD 2 bln.
B	AMD 400,000 + 0.02% of the total value of securities listed (total max AMD 1.5 mln)	AMD 200,000 + 0.02% of the total value of securities listed (total max AMD 1 mln)	AMD 300,000 + 0.0075% of the total market value of securities listed. If the market value of shares listed exceeds AMD 1 bln, then AMD 375,000 + 0.0035% of the market value in excess of AMD 1 bln.
Free Market C	AMD 50,000 + 0.02% of the total value of securities (total max AMD 100,000)	AMD 25,000 + 0.02% of the total value of securities (total max AMD 100,000)	AMD 45,000 + 0.0075% of the total market value of securities admitted. If the market value of shares admitted exceeds AMD 600 mln, then AMD 90,000 + 0.0035% of the market value in excess of AMD 600 mln (max quarterly fee payable is AMD 450,000).

For stock listing and admission to trading a one-time application fee of AMD 250,000 (VAT exclusive) is also charged, which will, however, be set off against future listing fees.

Bonds Listing/Admission to Trading Fees*(all VAT exclusive)*

List or Free Market	One-off admission charge		Quarterly fee (payable in advance at the beginning of each quarter)
	For new securities	If the issuer has stocks listed or traded on the exchange, or if the issuer is a member of NASDAQ OMX Armenia	
Abond	AMD 300,000	AMD 150,000	AMD 150,000 + 0.0025% of the total nominal value of bonds listed (total max AMD 225,000)
Bbond	AMD 150,000	AMD 75,000	AMD 75,000 + 0.0025% of the total nominal value of bonds listed (total max AMD 150,000)
Free Market Cbond	AMD 50,000	AMD 25,000	AMD 45,000 + 0.0025% of the total nominal value of bonds admitted (total max AMD 90,000)

No application fees are charged for bonds listings.

A more detailed description of the listing and admission to trading fees and payment procedures is provided in NASDAQ OMX Armenia “Tariff Rules” downloadable at <http://www.nasdaqomx.am/am/rules.htm>.

Living as a Listed Company

While being a very rewarding initiative for reasons mentioned above, becoming a public listed company is quite a rigorous commitment for any business. To build a beneficial relationship with its investors and to do well in the market, the issuing company will need to ensure that it complies with best corporate governance practices and remains at all times transparent to the public, its existing and potential shareholders. This, apart from the annual audit, implies maintaining an up-to-date website, setting up communication channels including media, establishing an Investor Relations function. The larger number of shares you want to allocate to minor holders – the free float, - the larger the “audience” you are accountable to.

Compliance with listing requirements is a continuous, rather than a one-time process, as the listed companies have to adhere to stock exchange rules to maintain their listed status. Both the Central Bank of Armenia, the regulatory and supervisory authority of all capital market participants, and NASDAQ OMX Armenia set reporting requirements for companies listed and admitted to trading on the regulated market. All companies listed and traded on NASDAQ OMX Armenia are required to submit to the stock exchange:

- ▶ **annual reports** (on or before April 30 of the following year, except banks, credit organizations, and investment companies, who submit and publish financial statements as per the requirements of the Central Bank of Armenia,
- ▶ **quarterly reports** (within 45 days after the end of the quarter),
- ▶ reports and **information on material facts** including corporate actions, except for confidential information (no later than by the end of the business day following the occurrence of the fact).

So, obviously, the most important task for a listed company is to remain transparent to by keeping investors and other stakeholders informed about its business so that they can take investment decisions based on accurate and sound information. Moreover, to ensure that all groups of investors are treated fairly, any facts that can impact the company's share price, including financial statements, must be disclosed by the company simultaneously to the whole market.

NASDAQ OMX Armenia Members

When a company decides to go public and become listed or traded on the stock exchange, it will usually need to select an advisor, a licensed entity that will provide professional advice and support in the capital market at all stages, beginning with the preparation of the securities issue through to the listing on the stock exchange.

The advisor is usually also the **underwriter** of the securities assisting the issuer in compiling the prospectus, registering it with the Central Bank of Armenia, conducting the public offering and distribution of the securities, including, most importantly, finding interested investors, local and foreign.

NASDAQ OMX Armenia **member investment companies and banks** offer the full range of capital market related services to corporate customers. They are the entities licensed by the Central Bank of Armenia to operate in this market, with arguably the most important task being to serve as the connecting link between issuers and investors. NASDAQ OMX Armenia members have full access to the exchange trading system and it is only through them that securities listed or admitted to trading can be bought or sold once the stock or bond makes it to the secondary market.

An up to date list of NASDAQ OMX Armenia members can always be found at <http://www.nasdaqomx.am/en/members.htm>. You are welcome to obtain a service offer from each and every one of them, choosing the one that is best positioned to respond to your company's needs. For your convenience, here is a list of NASDAQ OMX Armenia members as of **December 31, 2012** (A-Z).

ACBA-Credit Agricole Bank cjsc 1 Byron str., Yerevan, Armenia tel.: (374 10) 565 858 fax: (374 10) 543 485 acba@acba.am www.acba.am	Armenbrok jsc 32/01 Tirgan Mets str., Yerevan, Armenia tel.: (374 10) 538 700 fax: (374 10) 528 986 info@armenbrok.com www.armenbrok.com	Future Capital Market LLC 7/2 Aghayan str., Yerevan, Armenia tel.: (374 10) 544 587 fax: (374 10) 544 587 general@fsm.am www.fcm.am
"Byblos Bank Armenia" CJSC 18/3 Amiryan str., Yerevan, Armenia tel.: (374 10) 530 362 fax: (374 10) 535 296 info@byblosbankarmenia.am www.byblosbankarmenia.am	Armenian Development Bank jsc 21/1 Paronyan str., Yerevan, Armenia tel.: (374 10) 591 400 fax: (374 10) 591 405 info@armdb.com www.armdb.com	HSBC Bank Armenia cjsc 66 Teryan str., Yerevan, Armenia tel.: (374 10) 515 000 fax: (374 10) 515 009 hsbc.armenia@hsbc.com www.hsbc.am
Ameriabank cjsc 9 G. Lusavorchi str., Yerevan tel.: (374 10) 561 111 fax: (374 10) 513 133 office@ameriabank.am www.ameriabank.am	Armswissbank cjsc 10 V.Sargsyan str., Yerevan, Armenia tel.: (374 10) 529 593 fax: (374 10) 540 627 info@armswissbank.am www.armswissbank.am	Inecobank cjsc 17 Tumanyan str., Yerevan, Armenia tel.: (374 10) 545 167 fax: (374 10) 565 974 inecobank@inecobank.am www.inecobank.am

Anelik Bank cjsc 13 Vardanants str., Yerevan, Armenia tel.: (374 10) 593 300 fax: (374 10) 593 343 anelik@anelik.am www.anelik.am	Artsakhbank cjsc 25 Knunyantsneri str., Stepanakert, NKR tel.: (374 79) 4 3412 fax: (374 79) 7 1542 artsakhbank@ktsurf.net www.artsakhbank.am	ProCreditBank cjsc 105/1 Teryan str. Citadel Business Center, 7th floor, Yerevan, Armenia tel.: (374 10) 514 860 fax: (374 10) 514 853 info@procreditbank.am www.procreditbank.am
Araratbank jsc 19 Pushkin str., Yerevan, Armenia tel.: (374 10) 547 935 fax: (374 10) 547 936 araratbank@araratbank.am www.araratbank.am	BTA Bank jsc 48/1 Nalbandyan str, Yerevan, Armenia tel.: (374 10) 544 527 fax: (374 10) 544 527 bta@bta.am www.bta.am	Prometey Bank LLC 44/2 Hanrapetutyan str., Yerevan, Armenia tel.: (374 10) 562 036 fax: (374 10) 560 332 info@prometeybank.am www.prometeybank.am
Ardshininvestbank cjsc 13, 13/1 Grigor Lusavorich str., Yerevan, Armenia tel.: (374 10) 590 404 fax: (374 10) 567 486 office@ashib.am www.ashib.com	"Capital Investments" cjsc 27 Amiryan str. 27, office 14, Yerevan, Armenia tel.: (374 10) 501 526 fax: (374 10) 501 528 mail@capital.com.am www.capital.com.am	Renesa cjsc 16 Vardanants str., Yerevan, Armenia tel.: (374 10) 548 383 fax: (374 10) 548 383 info@renesa.am www.renesa.am
Areximbank cjsc 6-10 Northern ave., Yerevan, Armenia tel.: (374 10) 514 023 fax: (374 10) 514 060 info@areximbank.am www.areximbank.am	VTB Bank (Armenia) cjsc 46 Nalbandyan str., Yerevan, Armenia tel.: (374 10) 547 249 fax: (374 10) 547 245 info@vtb.ru www.vtb.am	Tonton Investment LLC 10 Adontsi str., Yerevan, Armenia tel.: (374 10) 203 815 fax: (374 10) 203 812 info@tontoninvest.com www.tontoninvest.com
Armbusinessbank cjsc 48 Nalbandyan str., Yerevan, Armenia tel.: (374 10) 592 020 fax: (374 10) 540 324 info@armbusinessbank.am www.armbusinessbank.am	Cascade Investments cjsc 48 bld, 2 Tumanyan str., Yerevan, Armenia tel.: (374 10) 544 730 fax: (374 10) 544 731 info@cascadeinvmts.com www.cascadeinvmts.com	Unibank cjsc N 53, 12 Charents str., Yerevan, Armenia tel.: (374 10) 592 259 fax: (374 10) 555 140 unibank@unibank.am www.unibank-armenia.com
Armeconombank jsc 23/1 Amiryan str., Yerevan, Armenia tel.: (374 10) 510 910 fax: (374 10) 563 697 bank@aeb.am www.aeb.am	Converse Bank cjsc 26/1 V.Sargsyan str., Yerevan, Armenia tel.: (374 10) 511 206 fax: (374 10) 511 212 dealing@conversebank.am www.conversebank.am	



Listed on
NASDAQ

NASDAQ OMX Armenia
5b, Mher Mkrtchyan str.,
Yerevan 0010, Armenia

Tel.: +374 10 543 321 ext. 112, 120
Fax: +374 10 543 321 ext. 136
E-mail: info@nasdaqomx.am
URL: <http://www.nasdaqomx.am>