

**Achievement of Market-Friendly Initiatives and Results Program
(AMIR 2.0 Program)**

Funded By U.S. Agency for International Development

**Presentation to Potential Companies
For listing on the
Middle East New Exchange
(ME-NEX)**

Final Report

**Deliverable for Capital Markets Component, Task No. 635.10
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LISTING RULES

I. General

1. Issuers seeking to list on the Middle East New Exchange shall comply with the legal framework of the Exchange. However, an issuer may notify the Exchange if it believes that it may be unable to comply with one or more provisions of the Exchange's legal framework. The Exchange shall have discretion on a case-by-case basis, upon receipt of such notice, to grant exemptions.
2. Issuers seeking listings on the Middle East New Exchange can choose their entry point from one of the three sponsoring locations (Bahrain, Dubai, or Jordan).
3. The Middle East New Exchange will have one set of listing rules regardless of the entry point or country of incorporation of the issuer.
4. The Middle East New Exchange shall exercise its discretionary authority as appropriate having a fair, efficient, liquid, and transparent market in the securities of listed companies as one of its principle objectives.

II. Types of Companies to List

1. Companies eligible to list on the Middle East New Exchange are those active in Technology, Media and Telecommunication and companies from other growth sectors to be determined by the Exchange. Exchange management shall have discretionary authority with respect to countries from which companies are allowed to list.

III. Types of Securities Listed

1. Securities eligible for listing on the Middle East New Exchange are shares of public shareholding companies. The Exchange shall have the discretion to include the listing of other securities.

IV. Issuers Admission Requirements

1. The issuer shall be duly incorporated and permitted legally to offer its securities to the public according to the existing laws and regulations of its country of incorporation.
2. Issuers shall be required to fulfill the following conditions:
 - a. Shareholder equity of at least 50% of paid in capital.
 - ?? Compliance shall be determined in accordance with IAS or US GAAP.
 - ?? Compliance shall be determined based on the issuer's most recent audited financial statements. However, the Exchange management may take under consideration more recent un-audited financial information.
 - b. Capital and reserves of at least US\$ 700,000 shall be required of each issuer.
 - ?? Capital and reserves shall be determined in accordance with IAS or US GAAP.
 - ?? Capital and reserves shall be based on the issuer's most recent audited financial statements. However, Exchange management may take under consideration more recent un-audited financial information.
3. Exchange management shall determine the listing and other fees each issuer shall pay.
4. Exchange management shall determine that each issuer has satisfied all requirements and rules.
5. Each issuer shall in writing and in a form acceptable to the Exchange management (Listing Agreement) accept to comply with the Exchange's legal framework.
6. Exchange management shall have the sole determination and discretion that no facts or circumstances exist relating directly or indirectly to an issuer that would adversely affect the fair, efficient, liquid and transparent dealings in the securities of the issuer admitted for listing on the Middle East New Exchange.

7. The issuer shall commit to list all securities of a class on the Exchange and to list all classes of voting securities on the Exchange. Dual listing situations shall have their own rules and requirements.

V. Securities Admission Requirements

The following requirements shall apply to each class of securities seeking admission to listing on the Middle East New Exchange:

1. The listed security shall be freely transferable within the issuer's country of incorporation and fully paid.
2. Exchange management shall have the sole discretion on the adequate number of investors for the class of securities for which admission to listing on the Exchange is sought.
 - ?? Exchange management may require information from the issuer, prior to the admission date, regarding the likely distribution of the securities. The number of investors that the Exchange management deems sufficient shall depend on the individual characteristics of the proposed listing and shall be determined after discussions with the issuer.
3. Exchange management's determination of the sufficient percentage of free float shall depend on the individual characteristics of the proposed listing and shall be determined after discussion with the issuer.
4. Each issuer shall ensure that all of its board members and senior executives undertake, prior to the time of admission to listing on the Middle East New Exchange, unless otherwise agreed to by Exchange management, not to dispose of any of their securities of the class for which admission to listing is being sought for at least six months from the first day of listing.
5. Each issuer shall ensure that each shareholder having at the time of admission to listing on the Middle East New Exchange, unless otherwise agreed to by Exchange management, more than 10% of the outstanding securities of the relevant class, undertakes not to dispose of more than 20% of its holding for two years from the first day of listing on the Exchange, with a maximum of 10% per year.

VI. Filings with the Exchange

1. The following documents shall be filed by each issuer with the Exchange:
 - i. application for admission and admission agreement as required by Exchange management;
 - ii. issuer's articles of association or equivalent;
 - iii. issuer's registration, or any other registration of the issuer under its jurisdiction of incorporation or establishment;
 - iv. issuer's financial statements for the three most recent financial years (or the for the life of the issuer and its predecessors, if less than three years);
 - v. a statement from the regulatory authorities under whose jurisdiction the issuer falls stating that said regulator/s has no objection to the issuer listing its securities on the Middle East New Exchange;
 - vi. prospectus as required by Exchange management; and
 - vii. authorized signatory powers.
2. An issuer shall also file with the Exchange, upon request of Exchange management, copies of the following documents:
 - i. the underwriting and distribution agreements relating to any offering being conducted simultaneously with application for admission to listing on the Middle East New Exchange; and,
 - ii. legal opinions, auditors' comfort letters or other documents, certificates or agreements relating to the issue of the relevant securities.
3. An issuer seeking admission to listing on the Middle East New Exchange shall comply with the prospectus requirements of the Exchange. (Please see "Prospectus Requirements").

VII. Suspension of Trading and De-listing

1. Exchange management may suspend from trading or de-list securities at its own discretion and guided by the need to create a fair, efficient, liquid, and transparent market in the securities of listed companies. Exchange management shall exercise such authority as appropriate even though securities may meet all the official rules for admission, listing and continuing listing. Exchange management shall have the goal of maintaining investor confidence as the guiding light in such circumstances.
2. Exchange management may suspend the trading of securities under the following circumstances:
 - a. if an issuer's independent auditors issue a disclaimer opinion on issuer's financial statements;
 - b. if an issuer does not file Exchange-required financial statements in a timely manner;
 - c. if an issuer no longer complies with the corporate governance principles and procedures of the Exchange;
 - d. if the issuer ceases to carry out its activities for a period of more than one month;
 - e. if the issuer does not pay due fees to the Exchange;
 - f. if the issuer fails to meet its obligations under its listing agreement with the Exchange; and,
 - g. if Exchange management determines that the public interest requires such action to be taken.
3. Exchange management may de-list a security under the following circumstances:
 - a. if the issuer voluntarily files to de-list pursuant to a general assembly resolution;
 - b. if the extraordinary general meeting passed a resolution to reduce the issuer's capital below the amounts required for continued listing;
 - c. if the securities remain suspended from trading for six months or more;

- d. if an issuer files for bankruptcy or bankruptcy protection or is dissolved or liquidated;
- e. if the main activities of the issuer change significantly and in a manner that in the opinion of Exchange management warrants a new listing; and
- f. if the corporate entity of the issuer is terminated through a merger with another company or companies which causes the issuer's original identity to be terminated.

CONTINUING LISTING RULES

I. General

1. Exchange management shall have discretionary authority with respect to the continuing listing of securities. To ensure a fair, efficient, liquid, and transparent market in the listed securities, Exchange management shall exercise such authority as appropriate.
2. For the continuing listing of securities on the Exchange, issuers shall comply with the listing rules and other requirements set by Exchange management.
3. An issuer must notify the Exchange if it believes that it may be unable to comply with one or more of the requirements. Exchange management shall have discretion on a case-by-case basis, upon receipt of such notice, to grant exemptions.

II. Continuing Listing - Issuer Requirements

Each issuer must continue to satisfy the listing requirements set by the Exchange.

III. Continuing Listing - Securities Requirements

Securities must continue to satisfy the listing requirements set by the Exchange. Additionally, securities shall not be suspended from trading, quotation or listing on any other market.

DISCLOSURE REQUIREMENTS

I. General Considerations

The issuer shall publish, file or present all information related to disclosure issues in accordance with the rules and instructions of the Exchange, unless otherwise agreed by Exchange management.

II. Accounting Standards

Financial information contained in a prospectus, filing, or any other report prepared in accordance with the rules and requirements of the Exchange shall be in accordance with the following accounting standards:

- (a) IAS; or,
- (b) US GAAP.

III. Consolidation Policy

At the discretion of Exchange management, the issuer may choose its consolidation policy in accordance with the accounting standards adopted by issuer.

IV. Auditing Standards

The audited financial information contained in the prospectus, filing, or any report shall have been audited in accordance with the International Standards on Auditing (ISA) as set forth by the International Federation of Accountants Committee (IFAC), or in accordance with an equivalent set of auditing standards adopted or approved by Exchange management. All auditors must comply with the conditions set forth by the Exchange.

V. Currency of Financial Information

Financial information must be presented in US dollars.

VI. Prospectus Filing

1. An issuer seeking, with or without a secondary public offering, a listing on the Middle East New Exchange must file a prospectus with Exchange management together with additional information that Exchange management, through its rules and regulations or instructions, shall require. Said additional information shall include:

the issuer's most recent annual report in accordance with Exchange rules;

any subsequent semi annual and quarterly reports in accordance with Exchange rules; and,

all published price sensitive information not contained in the reports under a and b above.

2. Exchange management shall determine the circumstances that do not warrant the filing of a prospectus.
3. If the issuer has prepared a prospectus that has been approved by its a competent authority in its country of incorporation or by another competent authority, Exchange management may choose to allow the issuer to file such prospectus in connection with its application for listing of additional securities on the Exchange, together with any addendum that may be required to include in the prospectus according to Exchange rules.
4. Exchange management may also provide for disclosure by means other than a prospectus where the protection of public investors is ensured if:
 - i. the limited number of investors to whom the offer is made have the capacity to evaluate and to bear the investment risks involved; and/or
 - ii. the money being raised by the offer is limited.

VII. Documents Filing

1. Each issuer shall file with the Exchange and publish the following documents as per instructions by Exchange management:

- a. an annual report, including financial statements certified by an independent auditor within 90 days of the end of its fiscal year;
 - b. a semi annual report, including audited financial statements within 45 days of the end of the first six months of its fiscal year;
 - c. a quarterly report within 45 days of the end of the quarter;
 - d. a report of the election of a board of directors or a change in the composition or identity of the board of directors immediately after such actions have been taken or next day before the start of the trading session and in accordance with Exchange procedures; and,
 - e. a report of any non-routine event likely to have material effect on the business and success of the issuer immediately after such event has taken place or next day before the start of the trading session and in accordance with Exchange procedures.
2. In addition, each issuer shall also file with the Exchange the following:
- a. all revisions and amendments of its articles of association and incorporation documents;
 - b. all reports, press releases and other publications made available or disclosed to the public or distributed to its shareholders; and,
 - c. all documents filed by the issuer with its regulators and financial markets regulators, including but not limited to the following:
 - ?? a copy of any agreement(s) made with the underwriter
 - ?? a copy of the opinion(s) of counsel with respect to the legality of the issue
 - ?? a copy of all material contracts but not to include those that would impair the value of the contract or the protection of investors and as instructed by Exchange management pursuant to it being notified earlier
 - ?? copies of the issuer's agreements with an independent transfer agent and registrar for its securities
3. Each issuer shall file with the Exchange and disclose to the public, as per Exchange instructions, not later than 30 days following the end of each

fiscal year, a schedule containing the anticipated dates during the current fiscal year for each of the following events:

- a. the preliminary announcement of quarterly and annual results;
 - b. the filing of quarterly, semi annual and the annual reports required by the Exchange;
 - c. a declaration of payment of dividends, if applicable; and
 - d. the annual shareholders' meeting and any other shareholders' meeting, if applicable.
4. Each issuer shall file with the Exchange notifications of the following immediately after issuer's board of directors' approval:
- i. the request for admission to listing additional securities of any class of listed securities on the Exchange, no later than 10 days prior to the desired admission date;
 - ii. the adoption of, or the amendment to, any stock option, employee stock purchase or other stock remuneration plan relating to any class of securities, within 10 days after the approval of such adoption or amendment;
 - iii. a material change in the number of outstanding securities of any class of securities, within 10 days after the occurrence of such change;
 - iv. the declaration of any corporate actions such as dividends and stock splits or others to the holders of any class of securities no later than 10 days prior to the implementation of any such actions;
 - v. the change of the corporate name of the issuer, no later than 10 days prior to the effective date of such a change.
5. Each Issuer shall file with the Exchange written notification of the following events, immediately after the occurrence of such event:
- a. any change in its transfer agent or registrar; and,
 - b. any change in the address of its principal executive offices.

VIII. Price Sensitive Information

1. Each issuer shall disclose immediately all price sensitive information to the public and to the Exchange and shall, prior to disclosure, notify and provide details of each proposed disclosure to Exchange management, unless otherwise agreed to by the latter. Exchange management has the right to request the issuer to disclose such information at any time, whenever it deems appropriate.

2. Events, changes, decisions and information which would reasonably be expected to constitute price sensitive information include, without limitation, material changes or developments relating, directly or indirectly, to the issuer's corporate organization, commercial operations, major shareholders and other events occurring outside the ordinary course of the issuer's business. The following is a non-exclusive list of events that may constitute price sensitive information:

?? any appointment, removal or resignation of a board of directors member or senior executive, or any significant change in the functions or responsibilities of a board of directors member or senior executive including, among others, members of the remuneration committee or the audit committee;

any change in the characteristics or the nature of its business; or

?? preliminary financial statements;

?? decisions made at shareholders' meetings;

?? a merger, acquisition, joint venture or similar transaction;

?? the declaration of a split or a dividend relating to a class of the issuer's securities;

?? the acquisition or loss of a significant contract;

?? the introduction of a significant new product;

?? a change in management, auditors or shareholder control;

?? a call of financial instruments for redemption;

?? the public or private sale of a material asset;

?? a material change in capital investment plans;

?? a material labor dispute;

- ?? the establishment of a program of purchase by the issuer of its own securities;
- ?? a take-over offer made by the issuer in respect of the securities of another company, whether or not the company's securities are traded on the Exchange; and,

3. Under unusual circumstances and subject to the prior consent of Exchange management, the issuer may not be required to make public disclosure of price sensitive information. However, the issuer remains obligated to disclose this information to the Exchange, together with a request for confidential treatment.

4. Any price sensitive information disclosed by an issuer to any individual or any group of recipients (analysts, financial institutions, shareholders, journalists, a geographically defined group of recipients, etc.) shall also be disclosed prior to or simultaneously to the public and to the Exchange.

5. The minimum information that should be disclosed by an issuer to the public in the case of a substantial transaction, a sensitive transaction or a share capital transaction are the following:

- a. the characteristics of the transaction, including the name of any company or business involved in it;
- b. a description of the business using the items which are the subject of the transaction;
- c. the price paid or received by the issuer, and how an obligation for payment is to be satisfied;
- d. the value of the items which are the subject of the transaction;
- e. the profits attributable to the items which are the subject of the transaction;
- f. the effect of the transaction on the issuer, including any benefits or drawbacks which are expected to accrue to the issuer as a result of the transaction;
- g. in case of an acquisition by the issuer, the details of any service contracts with board members of the company or business being acquired;
- h. in the case of a disposal by the issuer, the use of proceeds;

- i. in the case of a disposal by the issuer, if securities are to form part of the consideration received, a statement as to whether such financial instruments are to be sold or retained; and,
 - j. the authorized and issued share capital of the issuer after the completion of the transaction.
6. An issuer should notify the Exchange regarding information that would reasonably be expected to constitute price sensitive information at least 30 minutes prior to the release of such information to the public, with an indication of the embargo time, if applicable.
7. Issuers are responsible for any leakage of information prior to that information being made public. Further, providing information to a third party under "embargo" makes the recipient an "insider," and thus may make the recipient and disclosing party subject to insider trading regulation. For that reason, it is strongly recommended that issuers execute confidentiality agreements with the recipients of price sensitive information.
8. If unusual market activity or rumors indicate that information on impending developments has become known to investors, a clear public announcement may be requested by the Exchange concerning such developments. Such announcement may be requested even though the matter has not been presented to the issuer's board of directors for consideration and the issuer is to fully cooperate with the Exchange in this matter. It may also be appropriate, in certain circumstances, for the issuer to deny promptly and publicly any false or inaccurate rumors that are likely to have, or have had, an effect on the trading in its securities listed on the Exchange or would be likely to have an influence on investment decisions.

IX. Periodic Information

1. Each issuer shall file with the Exchange and make available to its own shareholders and the public an annual report, including audited financial statements, within 90 days after the end of the issuer's fiscal year. The annual report shall contain information as specified by the Exchange and shall include all material information regarding the issuer and its affiliates.
2. Each issuer shall file with the Exchange and make available to its own shareholders and the public semi annual reports and quarterly reports for the first and third quarters of the issuer's fiscal year, within 45 days after the end of the relevant quarter. Said reports shall provide all material information regarding the issuer and its affiliates as specified by the Exchange. Semi annual reports are to be auditor-reviewed.

3. Each issuer shall undertake to disclose in a timely manner all material information that arises between regular reports.
4. Each issuer shall simultaneously report the information to all shareholders in order to ensure equitable treatment and in a manner prescribed by the Exchange.

X. Significant Shareholders

1. An issuer shall ensure, whether by reason of existing laws and regulations in the issuer's country of incorporation, a provision of its articles of association or otherwise, that any natural or legal person who acquires or disposes of, directly or indirectly, securities of the issuer is obliged to notify the issuer on a form prescribed by the Exchange within 5 business days from the date of such acquisition or disposal of the total number of securities held by such person following such acquisition or disposal, in all cases where the proportion of securities held directly or indirectly by such person following the transaction exceeds the threshold of 10% of all outstanding securities of the issuer. Each 1% incremental increase in ownership above the 10 percent threshold shall also be reported accordingly.
2. An issuer shall within three business days following receipt of a declaration as prescribed by these articles notify the Exchange on a form prescribed by the Exchange and disclose to the public in a manner prescribed by the Exchange an updated schedule setting forth per class of the issuer's securities, the person, entity or group of persons or entities known to the issuer to hold at least 10% or more of the securities of each class and the number and percentage of securities held by such person, entity or group of persons or entities. Each one percent incremental increase in ownership above the 10% threshold shall also be reported accordingly.
3. Exchange management may at its discretion exempt certain issuers and or holders of certain securities from this obligation.

CORPORATE GOVERNANCE REQUIREMENTS

The issuer shall ensure that all the holders of its securities are treated in an equitable and fair manner and that they are provided with an adequate opportunity to consider in advance and vote, if permitted, upon major changes in the issuer's business operations and matters of importance concerning the issuer's management and constitution. To this end, each issuer shall, in addition to the existing laws and regulations of its country of incorporation, comply with the following requirements:

I. Annual Shareholders' Meeting

1. The issuer shall hold an annual shareholders' meeting and provide notice of such meeting to its shareholders and to Exchange management at least 30 days prior to the date of the meeting. The issuer shall also notify its shareholders and the Exchange in the same manner of any other shareholders' meeting.
2. The Exchange shall maintain a central record of all notifications of shareholders' meetings, which shall be available to the general public.
3. Issuers should use the most appropriate means of communication in order to guarantee the broadest dissemination of the proxy-related information, including but not limited to:
 - a. the dissemination of such information through and by the intermediary of the depository;
 - b. the publication of an announcement in the international financial press; and,
 - c. the posting of an announcement through the Exchange on the Exchange's website.
4. Notwithstanding the above, the issuer shall ensure the ability of shareholders to submit questions in advance and to obtain answers from management and board members. Issuers may seek legal advice regarding the scope of domestic requirements in this regard, particularly as they relate to the ability of shareholder-proposed resolutions to be placed on the agenda and what level of support this needs from those holding a specified number of shares.

II. Solicitation of Proxies

1. The issuer shall solicit proxies or make proxy forms available for all meetings of shareholders and it shall provide copies of such proxy solicitations and forms to the Exchange at least 30 days prior to the meeting.
2. The solicitation of proxies or the issuance of proxy forms require issuers to provide:
 - a. Notice of any ordinary or extraordinary shareholders meeting to the public, including the time and place at which the meeting will be held;
 - b. A description of the procedure that should be followed by the shareholders to attend (in person or represented by a third party) the shareholders meeting; and,
 - c. A description of the procedure that should be followed by the shareholders to vote their securities.
3. Issuer shall work with custodians to remove provisions that automatically enable custodians to cast the votes of shareholders. Custodian instead should be required to provide shareholders with information concerning their options in the use of their voting rights to the effect that if no instruction to the contrary is received, the custodian cannot vote the shares.
4. Notwithstanding the above, issuers shall comply with any applicable domestic laws and regulations in their respective countries of incorporation relating to the solicitation of proxies or the issuance of proxy forms and the channels of communication to be used in this respect. Issuers may seek legal advice regarding the scope of such domestic requirements.

III. Minimum of Two Independent Directors

The issuer shall have at least two independent directors on its board of directors. (Please see "Definitions").

IV. Independent Remuneration Committee

The issuer shall have a remuneration committee, a majority of the members of which, including the chairman of the committee, shall be independent board of directors members.

V. Independent Audit Committee

The issuer shall have an audit committee, a majority of the members of which, including the chairman of the committee, shall be independent board of directors members.

VI. Review of Conflict of Interest Situations

The issuer shall conduct an appropriate review of any related party transactions on an ongoing basis and, where appropriate, shall secure the opinion of the audit committee or a comparable body for the review of potential conflict of interest situations. The issuer shall guard against persons having close relationships to the issuer exploit those relationships to the detriment of the issuer and its investors.

VII. Shareholder Approval for Certain Capital Transactions

1. No transaction involving an amount in excess of 20% of the issuer's capital may be made unless a majority of the shares outstanding has been voted in favor of the transaction.
2. No class of shares carrying a vote may be issued unless first approved by vote of a majority of the shares of each class of voting shares.

VIII. Approval of Sensitive Transactions

Sensitive Transactions shall be completed only after all the characteristics of such transactions and their immediate and potential consequences have been fully considered and approved by the vote of a majority of the shares outstanding of the issuer. The issuer shall disclose such transactions to its shareholders at the next shareholders' meeting. These include such transactions as changing the voting rights of different classes of securities.

IX. Disclosure of Board Member's Relationships with Issuer's Senior Executives

A list of all contracts or arrangements between the issuer and any member of its board of directors or officers shall be made available at the registered office of the issuer and at the place of the annual shareholders' meeting for at least 15 minutes prior to and during the meeting. The list shall disclose as a minimum the following:

- a. the name of each party;
- b. the date of each contract, the unexpired term and details of any stated notice periods;
- c. the aggregate remuneration of members of the board of directors and senior executives including salary and other benefits, whether received from the issuer itself or its subsidiaries;
- d. any commission or profit-sharing arrangements;
- e. any provisions for compensations payable upon retirement or early termination of the contracts, which could result in the payment of sums exceeding those normally applicable under such circumstances; and,
- f. any other matters necessary to enable investors to estimate the possible liability of the issuer upon early termination of the contracts.

How to Become a Public Shareholding Company in Jordan?

A Guide for Limited Liability Companies

And

Limited Partnerships

<p>1. Application Procedures</p>	<p>Application to the Controller of Companies must include the following:</p> <ol style="list-style-type: none"> 1. A resolution of the general assembly of the company approving the transformation to a public shareholding company. 2. The reasons and justification for the transformation based on an economic and financial study of the company's status. 3. Annual balance sheets <u>for the last three consecutive years preceding the application for transformation, provided that the average annual net profit not be less than 10% of the company's paid up capital.</u> 4. A statement that the company's capital is paid up in full. 5. A statement by the company containing a preliminary assessment of the value of its assets and liabilities.
<p>2. Approval Procedures</p>	<p>Approval must be granted by the Minister of Industry and Trade.</p> <p>The Minister may, upon the recommendation of the Controller of the Companies, approve the transformation of the limited liability company or the limited partnership to a public shareholding company within 30 days from the date of submitting the application and after completing the following</p>

	<p>procedures:</p> <p>a) Valuation of the assets and liabilities of the company wishing to be transformed by a committee of experts and specialized persons. The committee shall be formed by the Minister, provided that one member of the committee is a licensed auditor. The Minister shall determine the remuneration of the committee, at the expense of the company.</p> <p>b) Written creditors approval of the transformation.</p>
<p>3.</p> <p>Financial Requirements</p>	<p>Minimum capital requirements:</p> <p>If the capital resulting from the valuation is less than the lower limit of a public shareholding company's capital (less than JD500,000), the company should raise its capital to at least that the lower limit.</p>
<p>4.</p> <p>Transfer Announcement to the Public</p>	<p>The Controller shall announce the Minister's approval of the transformation into a public shareholding company in at least two daily local newspapers and on two consecutive days, at the expense of the company.</p>
<p>5.</p> <p>Objection Procedures</p>	<p>Any concerned person may object to the Minister against the transformation resolution within thirty days from the date of publishing the last transformation announcement. Should the submitted objections, or any one of them, not be settled within 30 days from the date of submitting the last objection, then an objector may contest the resolution of the Minister at the High Court of Justice within 30 days from the expiry date of that period, provided that this contest shall not suspend the transformation procedures unless the court decides otherwise.</p>
<p>6.</p> <p>Continuing Obligations of Transformed Company</p>	<p>The transformation of any company into another shall not necessitate the emergence of a new legal entity, but the company shall preserve its legal entity and shall preserve all its rights and shall be liable for all its obligations prior to the transformation. The responsibility of the general partner (founder) for the company's debts and obligations prior to the transformation date shall remain valid.</p>

Rules and Procedures for Initial Public Offerings (IPO) in Jordan

The rules and procedures below apply to the following type of companies seeking an Initial Public Offering:

1. Establishing a new public shareholding company
2. Transferring from a limited liability company or limited partnership into a public shareholding company

<p>1.</p> <p>Financial Requirements</p>	<p>Authorized Capital</p> <ol style="list-style-type: none"> 1. Must be fixed in Jordanian Dinars 2. Nominal shares valued at JD1 each. 3. Authorized capital must be ? JD500,000 4. Subscribed for capital must be ? JD100,000 or 20% of authorized capital, whichever is greater.
<p>2.</p> <p>Underwriting Requirements</p>	<p>Upon signing the Articles of Association and Memorandum of Association of a public shareholding company, the founders thereof should underwrite the entire value of the shares subscribed for by them and shall provide the Controller of the Companies with such evidence.</p>
<p>3.</p> <p>Founder Shareholding Requirements</p>	<p>The percentage of shares subscribed for by founders if they were banks, financial institutions and insurance companies shall not exceed 50% of the authorized capital and the number of founders therein shall not be less than 50 persons. Upon a company's formation, the founders' shareholdings shall not exceed 75% of the subscribed for capital. The founders committee should offer the remaining shares for subscription as shall be permitted by the provisions of Jordan's Securities Law.</p>
<p>4.</p> <p>Founder Restrictions (Lock-Up Period)</p>	<p>The founders of a public shareholding company are prohibited from subscribing in the shares offered for subscription at the formation stage. However, they may underwrite the remaining shares after the lapse of three days from closing the subscription.</p> <p>The founders must abide by a two-year lock-up period.</p>
<p>5.</p> <p>Public and Private</p>	<p>Issuers of securities shall have the right, after completion of the securities registration procedures with the JSC, to issue such securities in one of the two following ways:</p>

Subscriptions	<ol style="list-style-type: none"> 1. Public Subscriptions; or, 2. Private Subscription¹
5.1.1 Prospectus Requirements (for Public Subscriptions)	<p>A company [issuer] wishing to issue securities must submit an application with a prospectus to the Jordan Securities Commission (JSC) requesting therein the registration of the securities.</p> <p>Public subscription of securities shall be active through the prospectus and by means of a notice the contents of which, and the statements and information included therein, shall have to be approved by the JSC. The notice must be published at least twice in two daily local newspapers, and at least seven days prior to the date fixed for the commencement of subscription or sale of the securities.</p>
5.1.2 Prospectus Validity	<ol style="list-style-type: none"> 1. The prospectus shall be deemed effective after 30 days from the date of it's filing with the JSC – unless the JSC Board of Commissioners (the Board) approves or rejects its validity during this period. The Board shall have the right to prescribe the period during which the prospectus will be deemed valid and operative. 2. The Company [issuer] must inform the JSC of any changes in the statements contained in the prospectus as soon as any changes are made.
5.1.3 Methods of Public Subscription	<p>Public subscription shall be made by one of the following two methods:</p> <ol style="list-style-type: none"> 1. Subscription to the public through banks and the licensed financial companies according to the following procedures: 2. Public sale of securities shall take place at the Amman Stock Exchange, according to the following procedures: 3. The application of point 2 of this article shall be suspended in as far as companies under formation are concerned until the JSC Board of Commissioners passes a resolution in this regard.
5.1.4 Minimum Number of Shares (For Public Subscription)	<p>The minimum number of shares in the subscription form shall be in the range of 50 to 250 shares, according to the issuing company's decision, provided the number is confirmed in the prospectus.</p>
5.2 Private Subscription	<ol style="list-style-type: none"> 1. Private subscription of securities shall be made through the direct sale to all or one of the following parties: <ul style="list-style-type: none"> ?? The shareholders of the company as they are at the end of the tenth day, from the date of the Commissions' agreement to the registration of the concerned Securities.

¹ Private subscription is not valid for newly found companies making a first-time offering

	<p>?? Certain investors including strategic investors or underwriters.</p> <p>?? Investors, against offers in kind.</p> <p>2. Any Company [issuer] wishing to issue securities through private subscription, as shown in point 1, must obtain the approval of an Extraordinary General Assembly meeting with a majority of 75% of the votes represented in the meeting, regarding the following matters:</p> <ul style="list-style-type: none"> ?? Potential investors and their nature ?? Type of security to be issued ?? Maximum number of securities to be issued ?? Lowest price of issue ?? Lowest price of conversion, if any ?? Span of time proposed for the issuance ?? Any other important factors of the security to be issued ?? Any other terms or obligations, which shall be borne by the company [issuer] as a result of the issuance of the concerned security
<p>5.3</p> <p>Over Subscription</p>	<p>If the number of Securities subscribed far exceeds the number placed for public sale, then the issuer shall have to assign the securities to the subscribers, each according to the ratio which they subscribed for, after having distributed the minimum limit to them equally.</p>
<p>6.</p> <p>Financial Requirements (...continued)</p>	<p>Issuing non-subscribed for shares...</p> <p>The company's board of directors may issue non-subscribed shares of the authorized capital as required by the company's interest and at the value which is deemed proper by the board whether such value is equivalent to or higher or lower than the nominal value of the shares provided that such shares shall be issued in accordance with the provisions of applicable laws and legislation.</p>
<p>7.</p> <p>Financial Requirements (...continued)</p>	<p>Non-subscribed shares:</p> <ol style="list-style-type: none"> 1. Non-subscribed shares must be paid within 3 years of company's formation or the increase of capital 2. In the case of payment default of non-subscribed shares: <ul style="list-style-type: none"> ?? If the subscribed for capital is > JD 500,000 at the termination of the period, the authorized capital

	<p>shall become the subscribed for capital</p> <p>?? If the subscribed for capital is < JD 500,000 at the termination of the period, the Controller shall have the right to warn the company to pay necessary amount that subscribed for capital shall become JD 500,000 within 30 days of the date of notice. Should the company default; the Controller shall have the right to request the court to liquidate the company.</p>
<p>8. Non-Underwritten Shares</p>	<p>In all cases, if all shares offered for subscription are not underwritten, the company may be registered with the number of shares subscribed for provided that the shares subscribed for shall not be less than the minimum authorized capital limit. And If all the Securities offered are not covered during the periods specified in the prospectus, the Securities not so covered should be considered as registered with the JSC. The issuer shall have the right to re-place them for issuance through an amended prospectus – to be approved by the JSC</p>
<p>9. Refunds of Over-Subscribed Shares</p>	<p>The company shall be held responsible for refunding the amount in excess of the value of the public shareholding company’s shares offered for subscription to subscribers within a maximum period of thirty (30) days from the closing date of the said public subscription or determining the allocation of shares, whichever is earlier. Should the company fail to do so for any reason, then those entitled to such amounts shall receive an interest thereon to be computed as from the beginning of the month immediately following the 30 days stipulated in this paragraph. This interest shall be equal to the highest interest rate prevailing between the Jordanian banks on time deposits during that month.</p>
<p>10. Disclosure to the JSC</p>	<p>Upon completion of all procedures for the issuance and the assignment of Securities, the company shall have to inform the JSC in writing of the number of Securities that have been covered, their value, and the categories of their distribution.</p>
<p>11. Public Notification</p>	<p>The Company shall, without delay, publish a notice about resolutions pertaining to the issuance of Securities, including those of the Board of Directors, the General Assembly, as well as the concerned official agencies – in two daily newspapers. It shall deposit a copy of these resolutions with the JSC, as soon as they are taken.</p>

Increasing the Capital of an Existing Public Shareholding Company

Increasing capital	A public shareholding company may increase its authorized share capital with the approval of its Extraordinary General Assembly if such capital has been subscribed for in full, provided that the approval shall contain the method of underwriting the increase.
Methods	<p>The public shareholding company may increase its capital by one of the following methods or by any other method determined by the company's general assembly:</p> <ul style="list-style-type: none"> ?? Offering the increased shares by public or private subscription; ?? Adding the voluntary reserve or the accumulated deferred profits or both or premium of issuance to the company's capital; ?? Capitalizing the debts due by the company, or part thereof provided the written approval of the creditors is obtained; and ?? Transferring the corporate bonds to shares.
Procedures	<ol style="list-style-type: none"> 1) A company wishes to increase its capital by offering shares for public or private subscription shall have the same procedures for public and private subscriptions (Mentioned in point no. 5.). 2) A company which wishes to increase its capital through incorporating the voluntary reserve or the accumulated deferred profits, or the premium of issuance or capitalization of debts, or any part thereof, must apply to the JSC for the registration of the Securities to be issued within three days of the approval of the Minister of Industry and Trade. This shall be accompanied by an Extraordinary resolution of the General Assembly of the issuing company. 3) The shares issued through the incorporation of the voluntary reserve, or the accumulated deferred profits or the premium of issuance shall be distributed to the shareholders, according to their respective equity shares, by the end of the 10th day after registration of the concerned Securities with the JSC.

Presentation to Potential Companies for Listing on ME-NEX**1. Sunday February 10, 2002***Maktoob Company*

Mr. Samih Toukan ... CEO

Mr. Hussan Khoury ... President

2. Tuesday February 12, 2002*Zeine Technological Applications*

Mr. Hatem Zeine ... President

Mr. Basim Saleh ... Business Development Manager

3. Wednesday February 13, 2002*United Business Machine*

Mr. Mustafa Ragibani ... Chairman

4. Tuesday February 14, 2002*Globitel Computer Telephony Solution*

Mr. Samer Halawa ... Executive Manager

Mr. Sharif ANabulsi ... General Manager

5. Tuesday February 19, 2002*Future Application Computer Technology*

Mr. Mabil As'ad ... Vice Chairman & General Manager

6. Thursday February 28, 2002*Back Office Support Services.*

Mr. Maher Mouasher ... Managing Director

7. Thursday February 28, 2002*Computer & Engineering Burea (CEB)*

Mr. Khaled Kilani ... Chairman

8. Tuesday March 5, 2002*Eskadenia Software Solution*

Mr. Mael Salah ... Managing Director

9. Tuesday March 5, 2002*Ideal Soft*

Mr. Karim Kawar ... Chairman

10. Wednesday March 6, 2002*AccessMe*

Mr. Samer Judeh ... Senior Vice President

11. Sunday March 10, 2002*Tantash Information System Group*

Mr. Ahmad Tantash ... Chairman