

Tehran Stock Exchange

The Regulations on Securities Listing

In applying the provisions of article 30 of the Securities Market Act of the Islamic Republic of Iran enacted by the Parliament (Islamic Consultative Assembly) in November 2005 and in view of article 16 of the Executive Bylaw thereof approved on June 24, 2007 by the Council of Ministers, the existing rules comprising 61 articles, 20 notes and 5 appendices, were proposed by the Tehran Stock Exchange and approved by the board of directors of the Securities and Exchange Organization on Dec. 22, 2007 and would take effect one month after the date of approval.

Chapter One- General

Section one: Definitions

Article 1- The terms defined in article 1 of the Securities Market Act and in the Statute of the Stock Exchange have also been used herein with the same meanings. Other terms are defined as follows:

1. **Listing** means adaptation of securities condition and its issuer to the provisions set out in these rules to provide the possibility of trading in securities on the Stock Exchange.
2. **Applicant** means a legal entity that submits an application for listing of its securities on the Stock Exchange.
3. **Stock Exchange Official List** means an official document which is drawn up by the Stock Exchange to establish tradable securities, traded securities and their prices separately in the primary and secondary markets so as to be notified to the general public.
4. **Suspension of Listing** means temporary halt of trading in securities entered in the Stock Exchange official list arising out of the violation of the provisions herein.
5. **Cancellation of Listing** means the absolute delisting of the securities from the Stock Exchange official list.
6. **Listing Board** means a board which is formed as described in article 2 of the existing rules.

7. **Listing Advisor** means a person who acts as a major intermediary between the applicant and Stock Exchange, and is represented by the applicant to perform all or a part of its functions as regards the listing procedures on the Stock Exchange.
8. **Prospectus:** means a series of information that the Exchange shall have to disseminate on its website for the general public when securities are posted in the Stock Exchange official list. The sample format of this report shall be approved by the Stock Exchange Board of Directors.

Section two: Listing Board

Article 2- The Listing Board is composed of 5 members and a secretary as follows:

1. The Organization's chairman of the board of directors or a board member represented by him;
2. The Stock Exchange chairman of the board of directors or a board member represented by him;
3. An expert in accounting, auditing or finance being familiar with industry as proposed by the Board of Directors of the Association for Brokers and approved by the Organization Board of Directors;
4. An expert in accounting, auditing or finance being familiar with industry as appointed by the Organization board of directors;
5. An expert in accounting, auditing or finance being familiar with industry as appointed by the Stock Exchange board of directors;
6. Stock Exchange managing director acting as secretary of the Listing Board without the right of vote or one of the Stock Exchange officers represented by him;

Note (1): The Organization's chairman of the board of directors or his representative shall act as chairman of the listing board.

Note (2): The office term of the persons referred to in paragraphs 3 to 5 of this article shall be two years for each term and their reappointment shall meet no impediment for a maximum of 3 consecutive terms.

Note (3): The persons referred to in paragraphs 4 and 5 of this article, may at the discretion of the appointing authority and the person referred to in paragraph 3 of this article, may at the discretion of the proposing authority or the Organization, be changed before termination of their office-terms in compliance with the formalities described in paragraph 3 of this article.

Note (4): The Listing Board, where necessary, is entitled to invite other experts as well as representatives of the applicant companies for listing to attend the meetings without having the right to vote.

Article 3- The meetings of the listing board are held when a minimum of three members, with the inclusion of the Organization chairman or his representative as a member, are present. Resolutions shall be valid when they are taken by the concurrent votes of at least three members, whereby one of them shall be the Organization chairman or his representative.

Chapter Two- Securities Listing Requirements

Section one: Markets

Article 4- The Tehran Stock Exchange (TSE) consists of the primary market and the secondary market. The primary market is composed of two main and secondary boards. The ordinary shares (common stocks) are listed on the Stock Exchange merely in one of the primary market or secondary market boards. Where the applicant has satisfied the general conditions for listing ordinary shares, it shall have to submit its application to the Stock Exchange for the main board or secondary board in the primary market or in the secondary market with respect to the specific shares listing requirements for each of the two markets.

Section two: The Listing of Ordinary Shares (Common Stocks)

A- General Conditions

Article 5- The ordinary shares shall fulfill the following conditions for listing in each of the markets herein:

1. Shares should have been registered with the Organization.
Note: Non-registration of ordinary shares with the Organization shall not prevent these shares from being admitted by the Stock Exchange. However, such shares may not be entered in the Exchange official list prior to their registration with the Organization.
2. There shall exist no effective lawful restriction for transfer of shares or exercise of voting right by shareholders.
3. Shares should be registered ones with voting right.
4. The entire face value of shares should have been paid.

B- Specific requirements for ordinary shares listing in the main board of the primary market

Article 6- The applicant for listing ordinary shares in the main board of the primary market shall meet the following conditions:

1. The company should be a public-joint stock entity with the registered capital of at least two hundred billion Rials.
2. All of the company capital should have been divided into ordinary shares without granting any special privilege to some shareholders.

Note: The shares of companies whose portion of their shares enjoys specific conditions may be admitted upon approval of the Listing Board pursuant to related procedures.

3. At least 20 percent of the company's registered shares should be floating with a minimum number of 1000 shareholders.

Note: Any of the following instances which totally equal or exceed 5 percent of an entity's total shares, shall not be considered floating shares.

A- Shares retained by each one of the shareholders;

B- Shares owned by family shareholders (blood relatives of the first and second categories);

C- Shares owned by co-group juridical persons with direct or indirect ownership;

4. The company should have the minimum three years of track record in the related industry during which the area of activities has not been changed. Accordingly, at least six months should have passed from the date of the office-term of at least two of the company's present directors.

Note: The Listing Board is entitled to accept the previous track records of the applicants that have been formed as a result of mergers or restructuring provided that such activities are consistent with their current activities. However, the applicant should at least have one year of business record in its current structure.

5. The company should have been profitable for the three consecutive fiscal years ending its listing with a minimum of two full financial periods. There should also be a bright perspective of the company's sustainable profitability and operations in the related industry.
6. The company should not have any retained losses.
7. The shareholders' equity to total assets ratio should be thirty percent (30%) on the basis of the last audited annual financial statements. As to the applicants that are subject to article 8 of these rules, such ratio is determined in accordance with the standards governing the applicant's status.
8. The applicant's articles of association should have been drafted in accordance with the sample constitution approved by the Organization board of directors as well as the requirements and terms prescribed by the Organization and other authorities of competent jurisdiction.
9. The company's operating profit during the two fiscal years ending its listing should be of high quality and the total net cash flows from its operating activities should be positive during the given periods.

10. The auditor's report on the financial statements for the two fiscal periods ending the listing should not reflect any rejection or absence of comment. In the event that the auditor makes a conditional statement, he should exclude the items concerning the conditions arising from non-performance of substantial adjustments in the applicant's revenues, expenses, profits, losses, liabilities and obligations.
11. There should not exist any legal actions for or against the company, having material effect on the financial statements.
12. The company, as confirmed by the auditor, should have an accounting information system (including financial accounting and cost accounting) which is appropriate to its operations and suited to the requirements for seeking Exchange listing (including ability to gather and disclose timely and reliable financial information).

Article 7- The board members, the managing director and directors of the applicant should not have any records of absolute criminal conviction or material offences pursuant to the rules and regulations governing the securities market or of any professional misconduct.

Article 8- Where the establishment and operation of the applicant are subject to compliance with specific rules and standards or obtaining legal permits, the applicant shall have to abide by such rules and regulations in addition to adherence to the provisions herein.

Article 9- Any type of transfer, excluding involuntary transfer, with regard to more than 50 percent of shares belonging to major shareholders before the end of the second year of listing, shall be subject to the written statement by the Stock Exchange and approval of the Listing Board.

C- Specific requirements for ordinary shares listing in the secondary board of the primary market

Article 10- The applicant seeking ordinary shares listing in the secondary board of the primary market, shall adhere to the specific conditions set forth in the main board of the primary market and provisions herein except for the following circumstances:

1. The company should be a public-joint stock entity with the registered capital of at least one hundred billion Rials.
2. The percentage of floating shares and the number of shareholders should not be lower than 15 percent of the registered capital and 750 individuals respectively.
3. The shareholders' equity to the total assets ratio should at least be twenty percent (20%) on the basis of the last audited annual financial statements.
4. The company should have been profitable during the two fiscal years ending its listing and further have a bright perspective of the company's sustainable profitability and operations in the related industry.

D- Specific requirements for ordinary shares listing in the secondary market

Article 11- The applicant seeking ordinary shares listing in the secondary market shall adhere to the specific conditions set forth in the main board of the primary market and provisions herein except for the following circumstances:

1. The company should be a public-joint stock entity with the registered capital of at least thirty billion Rials.
2. The percentage of floating shares and the number of shareholders should not be lower than 10 percent of the registered capital and 250 individuals respectively.
3. The shareholders' equity to the total assets ratio should at least be 15 percent on the basis of the last audited annual financial statements.
4. The company should have been profitable during the one fiscal year ending its listing and further have a bright perspective of the company's sustainable profitability and operations in the related industry.
5. There should at least be one market maker.

Note: The maximum period of securities trading in this market after listing shall be three years for the companies with over one hundred billion Rials of capital sum.

G- Requirements for transfer of listed shares between markets and boards

Article 12- Based on the information available at the end of Esfand (the Iranian calendar ending March 20) of each year, the Stock Exchange shall have to transfer the companies listed in the secondary board of primary market to the main board of primary market upon approval of the Listing Board until the end of Ordibehesht (the Iranian calendar ending May 21) of the following year at the latest if the conditions for the main board of primary market as well as the terms set forth hereunder have been met:

1. The passage of minimum one year from the date of listing them in the secondary board of primary market.
2. The minimum trading days of the company should not be less than 35 percent of the total trading days in a year and, further, without taking account of the bulk deals at least 4.5 percent of the company's registered shares should have been traded during the given period.

Article 13- Based on the information available at the end of Esfand (the Iranian calendar, ending March 20) of each year, the Stock Exchange shall have to transfer the companies listed in the secondary market to the secondary board of primary market upon approval of the Listing Board until the end of Ordibehesht (the Iranian calendar ending May 21) of the following year at the latest if the conditions for the secondary board of primary market as well as the terms set forth hereunder have been met:

1. The passage of minimum one year from the date of listing them in the secondary market.
2. The minimum trading days of the company should not be less than 35 percent of the total trading days in a year and, further, without computing the bulk deals at least 3 percent of the company's registered shares should have been traded during the given period.

Article 14- Based on the information available at the end of Esfand (the Iranian calendar, March 20) of each year, the Stock Exchange shall have to transfer the companies listed in the main board of primary market, failing to have met the conditions laid down for this board, to the secondary board of primary market upon approval of the Listing Board until the end of Ordibehesht (the Iranian calendar, May 21) of the following year at the latest.

Article 15- Based on the information available at the end of Esfand (the Iranian calendar, March 20) of each year, the Stock Exchange shall have to transfer the companies listed in the secondary board of primary market, failing to have met the conditions laid down for this board, to the secondary market upon approval of the Listing Board until the end of Ordibehesht (the Iranian calendar, May 21) of the following year at the latest.

Section three: Participation Certificates Listing

Article 16- The following musharaka sukuk shall be qualified for listing when they meet the required conditions:

1. The musharaka sukuk issued by the government, state corporations, (under article 3 of the Law on the Method of Issuing Participation Certificates as specified in the annual budget figures), Central Bank (CBI) and Municipalities.
2. The musharaka sukuk issued by the companies registered with the Organization.

Article 17- The musharaka sukuk listed on the Stock Exchange should be registered and have an appropriate credit rating as assigned by the Listing Board. In order to judge the appropriateness of the credit rating of the listing applicant's Participation Certificates, the Listing Board may take into account the services rendered by the respective financial institutions which have obtained their permits from the Organization.

Note: The Participation Certificates issued by the Ministries and governmental Organizations as well as the Central Bank of the Islamic Republic of Iran shall need no credit rating for listing on the Stock Exchange.

Article 18- The nominal value of the Participation Certificates of the listing applicant shall not be less than 100 billion Rials per issue.

Article 19- The interval between the listing until the maturity of Participation Certificates should at least be two years.

Note: The interval concerning the subject of the note under article 17 may be curtailed to 6 months at the discretion of the Listing Board.

Article 20- The market and trading board of the listed Participation Certificates are determined on the basis of their credit ratings by the Listing Board. The Stock Exchange may allocate an independent market or board to the listed debt securities trades, inter alia, musharaka sukuk.

Article 21- The second-hand transactions of the listed Participation Certificates shall be exclusively carried out on the Stock Exchange. The Listing Board shall have to ensure that this provision is fulfilled when the Participation Certificates are admitted.

Chapter Three- Securities Listing Procedures

Section one: Listing Advisor

Article 22- All applications for securities listing along with the necessary documentation subject of article 25 of these rules, shall be submitted to the Stock Exchange by the listing advisor so as to be registered with the Stock Exchange when it is ascertained that the documentation has been completed.

Article 23- Only the brokerage firms holding the permit as accredited broker and investment banks can act as listing advisors.

Article 24- The listing advisor shall undertake the following responsibilities and duties:

1. To provide counseling services to the applicant regarding the listing procedures.
2. To measure the issuer's level of readiness for listing.
3. To supply the required information and documents to the Stock Exchange on behalf of the issuer during the listing process.
4. To monitor observance of listing rules by the issuer during the listing process;
5. To make the initial public offerings of listed securities or provide counseling services to the issuer so as to assign a broker for offering securities.

Note (1): The listing advisor shall have to examine all documents and information submitted by the issuer in a manner to ensure that all such documents are complete and have been signed by the holders of authorized signatures and sealed by the issuer.

Note (2): The listing advisor shall, in tandem with completing the listing documents for submission to the Stock Exchange, present a letter to the Stock Exchange, and certify that all necessary legal formalities until the time of application delivery to the Stock Exchange have been fulfilled by the issuer.

Note (3): The relationships between the listing advisor and issuer as well as the scope of the responsibilities and duties of each party have been defined in a mutual contract which is made on the basis of the Stock Exchange format and a copy thereof shall be forwarded to the Stock Exchange.

Section two: Documentation to be examined for the securities listing application

Article 25- The listing applicant shall submit his application form to the Stock Exchange via the listing advisor along with the following documents prepared in the forms prescribed by the Stock Exchange and based on the intended board:

1. The listing questionnaire;
2. Prospectus;
3. Receipt of listing fee payment;
4. The annual financial statements of at least three fiscal periods ending the date of listing with a minimum of two periods being equal to one year along with the legal inspector's and auditor's report at the discretion of the Stock Exchange;
5. Submission of the last mid-period financial statements including the audited biannual financials and quarterly financials;
6. The forecast reports on the performance for the audited current fiscal year and the projected fiscal year along with reasonable comments or excluding items of the auditor's material conditions as regards the stated information;
7. The board of director's report to the ordinary and extra-ordinary general meetings at least for the two recent fiscal years;
8. The minutes of the general meetings at least for the two recent fiscal years as well as the State Gazettes (official newspapers) containing relevant notices and announcements if required by law;
9. The business plan for at least the three subsequent years on the basis of the Stock Exchange formats;
10. The last registered articles of association in accordance with the sample constitution of the listed companies approved by the Organization board of directors in which all previous modifications approved by the extraordinary general meetings have been incorporated;
11. Any amendments in the articles of association during the recent two fiscal years printed in the State Gazette and notices pertaining to the foundation and registration of the company;
12. The list and particulars of those who have inside information on the status of the company, subject of the Note 1 of article 46 of the Securities Market Act on the basis of the forms prescribed by the Organization;
13. A copy of the last receipt in settlement of income tax payment and tax assessment papers for the past five years;
14. The approval of the shareholders' ordinary general meeting indicating the consent to the securities listing on the Stock Exchange;

15. The auditor's confirmation of the adequacy of the company's internal control systems to ensure that such a system can protect the rights and interests of shareholders on an equal basis;
16. The last approved organization chart along with a brief account of the human resource development,
17. Other material information at the discretion of the issuer or at request of the Listing Board.

Note: It should be noted in the application form that the applicant has submitted its application to the Stock Exchange, being fully aware of the listing requirements and agreeing to the obligations thereon.

Article 26- The applicant's parent company and consolidated financial statements should have been prepared in accordance with the rules of law, accounting and financial reporting standards as well as the statutory regulations and bylaws communicated by the Organization. Accordingly, at the time of submitting the listing application form and during the last financial statement prior to the submission of application form, the company's auditor should have been appointed from among the auditors trusted by the Organization.

Article 27- The company shall have to notify the Stock Exchange of the material changes in the information so supplied including amendments in the articles of association and change of auditors, directors, insiders, principal shareholders as well as modifications in the fiscal year during the course of examining the application for listing. Failing to do this, the Listing Board may, upon the report given by the Stock Exchange stop the securities listing of the applicant at any stage of processing.

Section three: Examination of the application for listing securities

Article 28- The Stock Exchange shall, within a maximum period of 45 days after completing the documents, send its expert report containing the opinion on the issuer's eligibility or non-eligibility for admission along with the necessary evidence to the Listing Board. The framework of the said expert report shall be laid out upon the proposal of the Stock Exchange and approval of the Listing Board.

Article 29- The Listing Board shall, within a maximum period of 45 days after receipt of the report and necessary evidence from the Stock Exchange, notify the applicant via the Stock Exchange of its written comment stating the reasons for approval or rejection of securities. If the application is rejected, the applicant may raise his objection to the secretariat of the Organization board of directors within a maximum period of 10 days after the Listing Board's decision has been served. The verdict given by the Organization board regarding the review of the matter or endorsement of the Listing Board's decision shall be binding for the applicant, Listing Board and Stock Exchange.

Article 30- If the Organization board of directors approves, the applicant's request shall be reexamined at the first meeting held by the Listing Board.

Article 31- Where the applicant's request is dismissed by the Listing Board for the first time or after enforcement of the revised decision made by the Organization board of directors, it shall be possible to reconsider the applicant's request by the Listing Board at least after six months and upon performance of all procedures.

Article 32- Listing on any one of the main or secondary boards in the primary market or in the secondary market shall be subject to the satisfaction of all conditions stated in the present rules and the Listing Board shall not be authorized to conditionally admit the applicant to the Stock Exchange.

Note: The Listing Board shall be entitled to accord an opportunity to the applicant companies to meet the conditions set out in paragraph 3 of article 6, paragraph 2 of article 10 or paragraph 2 of article 11, for the maximum period of six months after entering the companies name in the official list.

Section four: Posting and Offering the Listed Securities

Article 33- Entering and offering the listed securities on the Exchange official list shall be subject to the fulfillment of all conditions set out by the Listing Board. Failure to satisfy such conditions within 6 months shall lead to the cancellation of listing procedures.

Article 34- The offering of listed shares shall take place within the minimum 10 days and maximum 3 months after the date of entering in the Exchange official list. In case the shares are not offered within 3 months, their listing shall be cancelled and relisting these shares shall have to undergo the required procedures.

Chapter Four- Continuity of Securities Listing

Article 35- Company whose shares have been listed on the Stock Exchange shall have to abide by the corporate governance guidelines endorsed by the Organization board of directors and ensure the compliance of company operations with the corporate standards, goals and relevant rules and regulations.

Article 36- The issuer of the listed securities shall have to comply with respective rules including the requirements set forth herein as well as the criteria for issuers' information disclosure approved by the Organization.

Article 37- In order to facilitate the performance of shareholders' affairs, the issuer shall, within one year at the latest after entry of its securities on the Exchange official list, have to delegate its corporate duties including distribution of dividends to the Central Securities Depository and Settlement Company if the latter agrees to do so.

Note: The issuers, whose securities have been posted in the Exchange official list prior to the approval of the present rules, shall have to enforce the provisions of this article within a maximum period of two years after these rules have become effective.

Chapter Five- Suspension and Cancellation of Securities Listing

Section one: Suspension of Securities Listing

Article 38- In the event of issuer's failure to fulfill its obligations, the Stock Exchange, while protecting the rights of shareholders, shall be authorized to suspend the listing of the listed securities for a maximum period of three months in accordance with articles 35 and 36 of the existing rules. The suspension of listed securities for a period of more than 3 months shall be subject to approval of the Listing Board. Under any circumstances, the suspension period under this article shall be for six months at the latest.

Article 39- In the event of the issuer's failure to fulfill its obligations, the Organization shall be authorized to instruct the Stock Exchange to suspend the listed securities subject to articles 35 and 36 of the present rules. The Organization may exercise its discretion to determine the period of suspension under this article.

Article 40- Removing the suspension of securities shall be subject to elimination of the reasons stated, as the case may be, by the Organization, Listing Board or the Stock Exchange.

Note (1): With respect to the instances for continuity of listing suspension at the discretion of the Listing Board subject of article 38 of these rules, if the reasons stated by the Listing Board are eliminated by the issuer, the Stock Exchange shall directly take action to remove the suspension and then report the case to the Organization and the Listing Board, reflecting the reasons for suspension removal.

Note (2): With respect to the instances for continuity of listing suspension at the discretion of the Organization subject of article 39 of these rules, the suspension removal shall be notified to the Stock Exchange by the Organization.

Section two: Cancellation of Securities Listing

Article 41- The listing of securities may be cancelled whenever any one of the following instances occurs:

1. Failure of obligations fulfillment by the issuer regarding the full and timely disclosure of information subject to article 36 of these rules after the lapse of six months from the suspension date announced by the Organization or the Listing Board;
2. In the instances where in accordance with paragraphs 1 and 7 of article 6, paragraphs 1 and 3 of article 10 and paragraphs 1 and 3 of articles 11, 7 and 8 of the present rules, the conditions for listing continuity are non-existent;
3. In the instances where the provisions of paragraph 3 of article 6 or paragraph 2 of article 10 or paragraph 2 of article 11 have not been complied with for over six months;

4. In the case of Issuer's dissolution or bankruptcy;
5. In the event that the provision of article 141 of the Commercial Code Bill applies to the issuer and within a period of two years, the issuer's action has not dissociated the company from the Jurisdiction of article 141 of the Commercial Code Bill;
6. The maturity date of securities;
7. The company's performance has resulted in loss during the two successive fiscal periods and the outcome of the company's subsequent biannual operations does not yield any profit based on the audited mid-period financial statements in view of the items stipulated in the auditor's report;
8. The auditor's rejection comment or absence of comment regarding the issuer's financial statements,
9. Non-adherence to the specific listing standards subject of article 59 of these rules.

Article 42- Should any one of the instances referred to in article 41 occur, the Stock Exchange shall notify the case to the issuer while submitting a report to the Listing Board. The issuer shall have to provide an explanation to the Listing Board within thirty days. When the Listing Board ascertains that the issuer will have the ability to remove the grounds which resulted in the listing cancellation, it may give the issuer a specified time-limit, as the case may be, to do so.

Article 43- The Listing Board may suspend the listing of listed securities during the period that the time-limit is set for the issuer to obviate the grounds for cancellation.

Article 44- If the grounds for the listing cancellation are removed within the specified time-limit, the issuer shall have to submit a report containing its measures and other required information to the Stock Exchange.

Article 45- In the event that the grounds for listing cancellation have not been removed within the specified time-limit, the securities shall definitely be delisted upon the approval of the Listing Board. Prior to cancellation of securities listing, the Listing Board shall be authorized to specify a maximum time-limit for one year at the latest to trade in such securities.

Article 46- The Stock Exchange shall, in a report stating the reasons thereof, notify the cancellation of securities listing to the issuer and the Organization within the period of one week at the latest from the approval date. The issuer may raise and file its objection with the secretariat of the Organization's board of directors within the period of ten days at the latest after the Listing Board's decision has been served. The verdict passed by the Organization board of directors regarding the review of the matter or endorsement of the Listing Board's decision shall be binding for the Listing Board, the Stock Exchange and the issuer.

Article 47- The relisting of the securities whose listing on the Stock Exchange has been cancelled shall be possible upon submission of application and gaining the listing qualifications after the lapse of two years from the date of listing cancellation.

Section three: Cancellation of Securities Listing at the Issuer's Application

Article 48- The issuer shall have to submit the Organization and the Stock Exchange its application for cancellation of securities listing confirmed by the shareholders' ordinary general meeting along with the minutes signed by this general meeting.

Article 49- The shareholders possessing over two-thirds of the company's shares, upon completion of the formalities provided in article 48 and notifying their intention to the Organization, Stock Exchange and the general public of calling in the company's shares and withdrawing from the Stock Exchange, shall have to:

1. Take possession of the minimum 80 percent of the listed company's shares within three months at the latest after the date of notifying the matter.
2. Take possession of the minimum 10 percent of the listed company's shares within one month, in excess of the 80 percent referred to in paragraph 1 above, at least with the weighted average of purchase price for the foregoing three-month period upon the lapse of the said time-limit.
3. Purchase within one month all shares offered by the remaining shareholders with the weighted average of the purchase price for the past four months upon the lapse of the time-limit specified in paragraphs 1 and 2 above.

Article 50- The shareholders who have the intention of withdrawing the company from the Stock Exchange shall, at the end of the buying period, have to provide the Organization and the Stock Exchange with the information relating to the level of their holdings and purchase of securities during the five-month period along with confirmation of the Central Securities Depository and Settlement Company.

Article 51- The Listing Board shall, upon ensuring the completion of the foregoing process and on the basis of the Exchange report, notify the issuer and the Stock Exchange of the exact date of the listing cancellation. The Stock Exchange shall have to inform the Organization and the general public of the listing cancellation.

Article 52- The securities which have been cancelled at the issuer's request shall not be eligible for relisting on the Stock Exchange until three years after the date of listing cancellation.

Chapter Six- Miscellaneous Provisions

Section one: Fees

Article 53- The Stock Exchange shall receive from the applicant and issuers of listed securities the following fees:

1. The listing fees which are received along with the application for listing and completion of initial documentation.
2. The entry fees which are annually received on the basis of the paid-in capital.

Note: The listing applicant and issuer whose securities have been listed on the Stock Exchange shall have to pay the foregoing fees, as the case may be, on the basis of the Stock Exchange Board's approval and up to the maximum limits determined by the Organization's board of directors.

Section two: Other regulations

Article 54- The Stock Exchange shall have to take action for categorization of the existing listed companies by the end of Ordibehesht (the Iranian calendar ending May 21) in accordance with the provisions of the present rules upon entry into force.

Article 55- In addition to ordinary shares (common stocks) and musharaka sukuk, the listing of other securities including foreign securities shall also be possible on the Stock Exchange in compliance with the rules adopted by the authorities of competent jurisdiction.

Article 56- The companies which had been listed on the Stock Exchange before these rules became effective, shall be deemed to have been listed on the Stock Exchange. However, from the date of entry into force of these rules, all of the provisions thereof, apart from the amount of capital subject of paragraph 1 of articles 6, 10 and 11, shall apply.

Note: The time-frame for obtaining qualifications of capital sum subject of paragraph 1 of articles 6, 10 and 11 shall be proposed by the Stock Exchange and approved by the Listing Board.

Article 57- All issuers and their officers shall have to abide by the securities market regulations, including, the provisions of the present rules so long as their securities will stay listed on the Stock Exchange.

Article 58- Where any provision of the present rules is violated by the parties concerned, the Stock Exchange shall have to make investigation into their offences or, as the case may be, report the violations to the authorities of competent jurisdiction.

Article 59- The following standards are integral parts of the existing rules, whereby their observance, in addition to the provisions herein, are mandatory:

1. Specific listing requirements for the shares of Banks and Non-Banking Credit Institutions (Appendix 1),
2. Specific listing requirements for the shares of Insurance Companies (Appendix 2),
3. Specific listing requirements for the shares of Leasing Companies (Appendix 3),

4. Specific listing requirements for the shares of Investment and Holding Companies (Appendix 4), and
5. Specific listing requirements for the shares of State Corporations (Appendix 5),

Article 60- Where necessary, the existing rules shall be amended as follows:

1. Upon the proposal made by the Stock Exchange board of directors or the Listing Board and approval of the Organization board of directors.
2. Upon the proposal made by the chairman of the Organization and approval of the Organization board of directors.

Article 61- From the date of entry into force of the present rules, the bylaws stated hereunder as well as all the standards and regulations incompatible with these rules are repealed:

1. The Bylaw on the listing Standards and Requirements for shares on the Stock Exchange approved by the Securities and Exchange High Council on Aug. 8, 2005;
2. The Bylaw on the listing Rules and Requirements for the shares of Banks and Non-banking Credit Institutions on the Stock Exchange approved by the Securities and Exchange High Council on May 27, 2002;
3. The Bylaw on the listing Rules and Requirements for the shares of Insurance Companies on the Tehran Stock Exchange approved by the Securities and Exchange High Council on Feb. 24, 2003;
4. The Bylaw on the listing Rules and Requirements for shares of Leasing Companies (involved in long-term hire purchases) on the Tehran Stock Exchange approved by the Securities and Exchange High Council on Feb. 5, 2004;
5. The Classification Standards of Listed Investment Companies and listing applicants on the Tehran Stock Exchange approved by the Securities and Exchange High Council on Sept. 7, 2003;
6. Specific Listing Requirements for the companies mainly engaged in information services approved by the Securities and Exchange High Council on Feb. 20, 1995;
7. The Listing Requirements for the securities of companies involved in exchange-related services approved on Dec. 29, 2003;
8. The Standards for examining the application of listing shares of companies on the Stock Exchange approved by the Securities and Exchange High Council on Mar. 8, 1999;

9. The Standards for receiving fees to enter the securities of newly-established companies on the Stock Exchange approved by the Securities and Exchange High Council on Jan. 22, 1997;
10. The Listing Rules of Government shares on the Stock Exchange in the course of privatization process approved by the Securities and Exchange High Council on Dec. 17, 2003;
11. The Executive Bylaw of the Securities Listing Board approved by the Securities and Exchange High Council on Aug. 29, 1965;
12. The Listing Requirements for the Musharaka Sukuk subject of paragraph B of Note 85 of the Act on the Second Economic, Social and Cultural Development Plan approved by the Securities and Exchange High Council on Aug. 7, 1995;
13. The Listing Requirements for the musharaka sukuk (Certificates of Deposit) of private companies and banks on the Tehran Stock Exchange approved by the Securities and Exchange High Council on Aug. 13, 2001;
14. The Listing Requirements for the Third-Generation Companies approved by the Securities and Exchange High Council on Jan. 8, 2006;
15. The Listing Rules for the musharaka sukuk of the companies listed on the Tehran Stock Exchange based on the Executive Bylaw, article 17 of the law regulating parts of the State Industries Reconstruction and Facilitation Rules and Amending article 113 of the Third Plan Act approved by the Securities and Exchange High Council on Dec. 28, 2004.

Appendix (1): Specific Listing Requirements for the Shares of Banks and Non-Banking Credit Institutions

Article 1- The banks and non-banking credit institutions authorized to operate by the Central Bank (CBI) of the Islamic Republic of Iran and hereinafter referred to as "**Bank and Institution**" may be listed on the Stock Exchange in view of the specific conditions laid down below:

Article 2- The bank or the institution shall have to operate in compliance with the prevalent rules and standards including the appropriate financial structure for banking industry as approved by the Central Bank (CBI).

Article 3- The bank or the institution shall have to present its comprehensive operational plan containing the bank's objectives, target markets for financing and allocation of consumption, outlines of management control system, policies and solutions predicted to deal with various types of risks (risk management), organizational structure, regulatory supervision framework, composition of proper assets, manner of recovering contingent losses as well as the estimated financial statements for at least the three subsequent years of activities and further shall undertake to implement such program.

Article 4- The transfer of the bank's or institution's shares shall be executed in a manner so that a shareholder could never have more than ten percent (10%) holding in shares.

Note: The holding of more than ten percent (10%) in the bank's or institution's shares shall be subject to approval of the Central Bank (CBI) of the Islamic Republic of Iran and with the information of Stock Exchange.

Appendix (2): Specific Listing Requirements for the Shares of Insurance Companies

Article 1- The shares held by the government and state corporations, shall not exceed ten percent (10%) of the insurance company capital in total.

Article 2- The natural persons and non-governmental legal entities shall be entitled to hold up to ten percent (10%) of the insurance company shares in the maximum.

Article 3- The insurance company shall not be entitled to purchase more than five percent (5%) of the shares of other insurance companies listed on the Stock Exchange.

Note: The purchase of the shares of a listed insurance company aimed at merger shall be possible only after presentation of a merger plan by the investing insurance company to the Stock Exchange and obtaining permission.

Article 4- The investment of Insurance Companies in the shares of the listed companies shall be made in accordance with the provisions of "the Regulations on the Investment in Insurance Enterprises" approved by the Insurance Supreme Council.

Article 5- At the time of listing, the insurance company shall have to provide a comprehensive operational plan containing the objectives, target markets, reinsurance arrangements and the way of accomplishing the defined goals at least for the three subsequent years.

Appendix (3): Specific Listing Requirements for the Shares of Leasing Companies

Article 1- At least one-third of the company shares shall be held by banks or listed companies for which purpose a leasing company is established to grant loans for the sale of their products.

Article 2- The company shall have to stand in a good condition in terms of capital adequacy and the composition of loans granted.

Appendix (4): Specific Listing Requirements for the Shares of Investment and Holding Companies

Article 1- The companies which use their available financial resources to exclusively invest in securities and banking deposits and attempt to mobilize and use the resources so required, fall under two groups:

1. **Investment Company:** is a company whose goal, by investing in securities, is not to exercise management in investee companies.
2. **Holding Company:** is a company that, by investing in the investee company to gain profit, obtains such a degree of voting power to elect the board of directors and/or play an effective role in appointing the board members so as to exercise control over the company operations.

Article 2- Allocation of resources in the investment companies shall be executed in view of the following restrictions:

1. At the time of listing and as long as the name of the company remains entered on the Stock Exchange official list, at least eighty percent (80%) of the company's long-term financial resources (total long-term liabilities and shareholders' equity) shall be allocated to the investment in the shares of listed companies, musharaka sukuk and banking deposits.
2. These companies shall not invest over ten percent (10%) of their resources in buying shares of a company. Additionally, investment in each company shall not exceed ten percent (10%) of the capital sum of the investee company.

Note: The investor's companies shall, in case their investments in investee companies reach the said limit, report the case to the Organization and the Stock Exchange.

Article 3- In holding companies, at the time of listing and as long as their names remain entered on the Stock Exchange official list, at least eighty percent (80%) of the company's long-term financial resources (total long-term liabilities and shareholders' equity) shall be allocated to investment in business enterprises, musharaka sukuk and banking deposits.

Article 4- The purchase of movable and immovable properties which are solely used for routine affairs but not for sale, within the range of reasonable needs, shall meet no impediment and such companies shall not be authorized to get involved in buying and selling goods and commodities for profit.

Appendix (5): Specific Listing Requirements for the Shares of State Corporations and Provincial Investment Companies

Article 1- With respect to the state corporations as stipulated that their shares should be disposed of through the Stock Exchange in the course of the privatization process and also concerning the provincial investment companies where their potential profitability has been confirmed by the Listing Board, it shall not be mandatory to satisfy the conditions set down for profitability period.