

[Reference Prices](#)

The cases in which the Amman Stock Exchange (ASE) calculates reference prices for companies' shares, and the calculation methodologies:

1. Increasing a company's capital by private placement:

By the end of the fifteenth day following the Jordan Securities Commission (JSC) Board's approval date on registering a company's capital increase shares; the ASE -pursuant to the Instructions of Dealing with Subscription Rights issued by the (JSC)- calculates reference prices for the company's share and for its subscription right as following :

Reference price of the company's share =

$$\frac{(\text{The company's capital before increase} \times \text{Closing price}) + \text{*Issuance proceeds}}{\text{The new company's capital after the increase}}$$

* Issuance proceeds = (The number of capital increase shares × Issuance price)

Reference price for the subscription right =

Reference price of the company's share - Issuance price

2. Increasing a company's capital by stock dividends:

By the end of the fifteenth day following the Jordan Securities Commission (JSC) Board's approval date on registering a company's capital increase shares; the ASE calculates reference price for the company's share as following:

Reference price of the share =
$$\frac{\text{The company's capital before increase} \times \text{Closing price}}{\text{The company's capital after increase}}$$

3. Decreasing a company's capital by redeeming accumulated losses or issuance discount:

Reference price of the share =
$$\frac{\text{The company's capital before decrease} \times \text{Closing price}}{\text{The company's capital after the decrease}}$$

4. Decreasing a company's capital by returning back part of the capital to shareholders as cash:

Reference price of the share =

(The company's capital before decrease × Closing price) - Cash returned to shareholders

The company's capital after the decrease

5. A Stock split case :

Reference price of the stock = $\frac{\text{Closing price}}{\text{The par value of the stock before the split}}$

The par value of the stock before the split