

OTCQB Fact Sheet

The OTCQB Venture Market offers public companies a strong baseline of transparency and trading to inform and engage investors. OTCQB's streamlined rules and regulations provide the benefits of being publicly traded at less than a quarter of the cost of a national stock exchange listing. As America's Venture Market, OTCQB offers efficient public trading for companies to start building shareholder value today and develop into tomorrow's leaders.

MARKET REQUIREMENTS

To be eligible for OTCQB, companies must:

- Meet a minimum bid price test of \$0.01 and not be subject to bankruptcy or reorganization proceedings
- U.S. companies must be registered and current in their reporting to the SEC or banking regulators; International Companies must be either SEC reporting or listed on a Qualified Foreign Stock Exchange and follow the International Reporting Standard
- Post financial reports and material news on www.otcmarkets.com (*for Non-SEC Reporting companies that do not file disclosures on EDGAR*)
- Submit a Letter of Introduction from a firm qualified to sponsor companies on OTCQX (*International Reporting companies only*)
- Submit an OTCQB Annual Certification confirming the Company Profile displayed on www.otcmarkets.com is current and complete and providing additional information on officers, directors, and controlling shareholders

PREMIUM SERVICES

OTCQB includes the following premium market services:

- OTC Disclosure & News Service enables companies to share reports, news, videos, investor presentations and more
- Real-Time Level 2 Quotes available for free to all investors on www.otcmarkets.com and on a company's IR website (via API link, as requested)
- Morningstar Quantitative Equity Ratings are displayed on www.otcmarkets.com, providing an independent view of a company's performance from a leading provider of investment research
- OTCIQ Quote & Trade History Dashboard
- Dedicated Support Line

FEES

Application Fee. One-time fee of \$2,500

Annual Fee. \$10,000 per year

HOW TO APPLY

Applications and Agreements. <http://www.otcmarkets.com/services/companies/otcqb/apply>

OTCQB Standards. <http://www.otcmarkets.com/content/doc/otcqb/standards.pdf>

REQUIREMENTS BY REPORTING STANDARD

SEC REPORTING COMPANIES

Initial Requirements

- Meet an initial bid price test of \$0.01 as of the close of business for each of the previous 30 calendar days
- Companies may not be subject to bankruptcy or reorganization proceedings
- Complete and submit OTCQB Application and applicable fees
- Be current in all periodic reporting requirements on EDGAR (or for companies not required to file on EDGAR, post SEC disclosure on the OTC Markets website)
- Post on the OTC Markets website:
 - OTCQB Initial Certification (see below for details on Certification requirements)

Ongoing Requirements

- Meet an ongoing minimum bid price test of \$0.01 as of the close of business for at least one of every 30 calendar days
- Companies may not be subject to bankruptcy or reorganization proceedings
- Post current SEC disclosure on EDGAR
- Post on the OTC Markets website:
 - OTCQB Annual Certification

BANK REPORTING COMPANIES

Initial Requirements

- Meet an initial bid price test of \$0.01 as of the close of business for each of the previous 30 calendar days
- Companies may not be subject to bankruptcy or reorganization proceedings
- Complete and submit OTCQB Application and applicable fees
- Be current in all periodic reporting requirements their regulator
- Post on the OTC Markets website:
 - Previous two years' disclosure that was filed with the company's bank regulator (except that information deemed non-public does not need to be posted)
 - OTCQB Initial Certification (see below for details on Certification requirements)

Ongoing Requirements

- Meet an ongoing minimum bid price test of \$0.01 as of the close of business for at least one of every 30 calendar days
- Companies may not be subject to bankruptcy or reorganization proceedings
- Post on the OTC Markets website:
 - Disclosure that is filed with the company's bank regulator (except that information deemed non-public does not need to be posted)
 - OTCQB Annual Certification

INTERNATIONAL REPORTING COMPANIES**Initial Requirements**

- Meet an initial bid price test of \$0.01 as of the close of business for each of the previous 30 calendar days
- Companies may not be subject to bankruptcy or reorganization proceedings
- Complete and submit OTCQB Application and applicable fees
- Be compliant with SEC Rule 12g3-2(b) and be listed on a [Qualified Foreign Exchange](#)
- Submit a “Letter of Introduction” from a qualified OTCQX Sponsor which states the Sponsor has a reasonable belief that the Company is in compliance with 12g3-2(b), is listed on a Qualified Foreign Exchange, and has posted required disclosure on OTC Markets website
- Post on the OTC Markets website:
 - Previous two years’ of disclosure required under 12g3-2(b) in English (except press releases)
 - OTCQB Initial Certification (see below details on Certification requirements)

Ongoing Requirements

- Meet an ongoing minimum bid price test of \$0.01 as of the close of business for at least one of every 30 calendar days
- Companies may not be subject to bankruptcy or reorganization proceedings
- Post on the OTC Markets website:
 - Disclosure required under 12g3-2(b) in English, including Quarterly Reports and audited Annual Reports (except press releases)
 - OTCQB Annual Certification

OTCQB ANNUAL CERTIFICATION

Each OTCQB company must post initial and annual certification on the OTC Markets website, signed by the CEO and/or the CFO which states the following:

- The company’s reporting standard (e.g. SEC Reporting, Bank Reporting, or International Reporting) and briefly describe the registration status of the company
- That the company is current in its reporting obligations to its regulator and such information has been posted either on EDGAR or the OTC Markets website
- Indicates the Law Firm and/or Attorneys involved in helping the company prepare its Annual Report or 10-K
- Confirms that the company profile on the OTC Markets website is current and complete
- Confirms the total shares outstanding and in the public float as of the most recent fiscal year end
- Names and shareholdings of all officers and directors, as well as beneficial shareholders who hold more than 5% of outstanding shares