

OTC Markets Group Market Data Policies

Version 4.0

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Change history

April 2021	Expert Market Addition – 4.0
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1 Introduction

This OTC Markets Group Market Data Policies document sets out to explain in plain language our market data policies. Distributors, Subscribers, Recipients and Users must comply with the terms of the OTC Markets Group Market Data Distribution Agreement (the “Distribution Agreement”) and the market data policies contained herein. OTC Markets Group has sole discretion to interpret these policies, and reserves the right to update these policies as needed.

2 User Classifications

2.1 Distributor

Firms receiving the Information over a data feed, including but not limited to internal and external distribution, real-time, delayed, or end of day, snapshot or streaming data, derived data, display data, non-display data, and all external use cases are considered Distributors by OTC Markets Group and must execute the Distribution Agreement prior to receipt of data.

Distributors are required to obtain a signed [OTC Markets Group Subscriber Agreement](#) prior to releasing data to their external recipients. The Distributor retains the signed OTC Markets Group Subscriber Agreement on file, and is required to produce it at OTC Markets Group’s request.

2.2 Subscriber

A customer of the Distributor who accesses the Information through the Distributor’s product where the Distributor controls the individual end user entitlements, and the end user display of the information. Subscribers can access the Information from market data vendors listed here <http://www.otcmarkets.com/services/market-data/market-data-vendors/overview>.

Subscribers are required to sign the OTC Markets Group Subscriber Agreement prior to receiving the Information from the Distributor. All redistribution of the Information, and/or use of real-time, delayed, end of day data, snapshot, streaming data, derived data, non-display data, or other OTC Markets Group data, other than those uses allowed in the OTC Markets Group Subscriber Agreement, are expressly prohibited. OTC Markets Group considers anyone who uses the Information for these purposes to be a Distributor and requires that each such entity executes the Distribution Agreement prior to receipt of data.

2.3 User

An employee or consultant of the Distributor that is provided access to the Information for internal business use. The term “User” excludes any person that sells, leases, furnishes or otherwise permits or provides access to the Information to any person that is not an employee or consultant of the Distributor.

3 Data and Licenses

All Level 1 licenses and associated fees are included in the Level 2 licenses and associated fees.

3.1 Display Data

Fee liable Information consisting of OTC Markets Level 1+, OTC Markets Level 2+, and OTC Markets Delayed Level 1+ Data where the data display product is controlled by the Distributor. Distributors must receive prior approval for each unique controlled product that contains the Information. After Distributor is granted approval to provide a controlled product, each Subscriber may be authorized by the Distributor without additional prior approval from OTC Markets Group.

Distributors are required to obtain a signed OTC Markets Group Subscriber Agreement prior to releasing data to their external recipients. The Distributor retains the signed OTC Markets Group Subscriber Agreement on file, and at the request of OTC Markets Group is required to produce it. See the definition of “Subscriber Agreement” in the Distribution Agreement.

3.2 Delayed Data

Fee liable Information consisting of OTC Markets Level 1+, on a 15-minute delayed basis, continuously updated from 6:00 AM to 5:00 PM Eastern Standard Time and used for display purposes. Note: OTC Markets Group does not offer delayed data for all products.

Distributors are required to obtain OTC Markets Group’s prior approval for any Recipients who access the Information on a data feed as OTC Markets Group considers them Distributors.

Distributors are not required to obtain Subscriber Agreements from recipients who access delayed data on a controlled product.

3.3 End of Day

Fee liable Information consisting of a snapshot of the Inside Market Quote taken at the close of regular trading hours, received from OTC Markets Group or data vendor, to be used for (i) Investment Accounting, (ii) valuation, (iii) settlement, clearing and custody, and (iv) information, research or analysis.

Distributors are required to execute an OTC Markets Group End of Day Addendum and obtain OTC Markets Group’s approval to distribute End of Day data.

3.4 Subscriber Data

Fee liable Information consisting of OTC Markets Level 1+ and/or Level 2+ used within Distributors controlled products.

3.5 Derived Data

Fee liable Information consisting of OTC Markets Level 1+ and/or Level 2+ in one or more applications or services that produce and distribute data derived from the Information, including applications or services that (i) produce derived pricing information, (ii) calculate Distributor’s own prices, (iii) create indices or (iv) generate other information or analysis derived from the Information; provided that such applications or services (a) are fully automated, (b) use the Information to produce data based on an algorithm without human intervention, (c) do not display the Information to any Recipient, and (d) without considerable

expense and effort, cannot be reverse engineered or otherwise used to reproduce the Information.

3.6 Non-Display

OTC Markets requires Distributors and Subscribers to submit an annual Non-Display Declaration (on or before January 31), identifying Non-Display use into the following three categories as defined in the Market Data Distribution Agreement: Category 1 Non-Display Trading Platform Usage (OTC Link Participant), Category 2 Non-Display Trading Platform Usage (Non-OTC Link Participant), Category 3 All Other Non-Display Usage.

Fee liable Information consisting of OTC Markets Level 1+ and/or Level 2+ in one or more applications or services for (i) operational, processing and order routing systems, (ii) monitoring, surveillance and best execution systems, (iii) price validation, (iv) analytical programs intended to identify purchase/sale or other trading decisions, (v) automated quote or order generation, (vi) black box market making, and (vii) other related activities; provided that such applications or services (a) are fully automated, (b) use the Information to deliver results based on an algorithm without human intervention and (c) do not display the Information to any Recipient.

Distributors are required to obtain OTC Markets Group prior approval for any Recipients who access the Information on a data feed as OTC Markets Group considers them Distributors.

Devices used in the transportation, dissemination, aggregation or other distribution of data are not necessarily fee liable, but the Distributor should be able to identify such devices that exist within the market data infrastructure and identify how many devices are used for distribution.

3.7 Broker-Dealer Enterprise License

A license for broker-dealers that includes OTC Markets Real-Time Display Usage (including Real-Time Reference Prices License), Non-Display Usage, Derived Data Usage, and Display Usage of Delayed Data available only to broker-dealers to distribute to Recipients Information consisting of OTC Markets Level 1+ and/or Level 2+ for a single monthly charge specified in the Attachments; provided, however, that (i) OTC Markets Level 1+ and OTC Markets Level 2+ Information may be distributed under such license only to Subscribers that maintain a securities brokerage (customer) account with the Distributor and (ii) none of such Subscribers may view OTC Markets Level 1+ or OTC Markets Level 2+ Information except as an integral part of the password protected display devices, password protected trading applications or password protected Internet sites of the Distributor.

3.8 Expert Market

The Expert Market is a tier of the OTC market for securities which are restricted from public quoting or trading. Restrictions may be based on issuer requirements, security attributes, investor accreditation and/or suitability risks.

Expert Market data may only be distributed to FINRA member firms, Qualified Institutional Buyers (QIBS) and accredited investors. Subscribers interested in Expert Market data will be required to confirm that they understand and agree to this restriction prior to approval.

4 Connectivity/Access Options

OTC Markets Group offers 3 connectivity/access options:

<https://www.otcmarkets.com/files/Connectivity-Guide-v6.1.pdf>

Direct Connection: Distributor who receives Information directly from OTC Markets Group

Extranet Connection: <https://www.otcmarkets.com/market-data/real-time-data-products/level-1-level-2-data-products>

Indirect Connection: Distributor who receives Information from another Distributor

Prior to any change to Distributor's use or delivery of the Information, Distributor is required to submit an updated Information Plan for OTC Markets Group approval.

5 Product Classifications

5.1 Controlled Access Product

A type of product containing the Information offered by a Distributor where the Distributor controls both the individual end user entitlements and the end user display of the Information.

5.2 Managed Data Feed Product

A type of data feed product containing the Information offered by a Distributor where the Distributor controls both the individual end user entitlements and the end user display of the Information.

Distributors offering a Managed Data option must: i) only authorize clients for Managed scenarios after prior approval is received from OTC Markets Group, ii) offer an integrated data solution with secured data transmissions and data usage monitoring capabilities, and iii) assume the liability for any unauthorized use of OTC Markets Group's data by Managed scenario recipients.

5.3 Hosted Data Feed Product

A type of data feed product containing the Information offered by a Distributor where the Distributor provides the network infrastructure and technical management of the data feed with the following restrictions. Distributors offering a Hosted Data feed option must: i) only authorize clients for Hosted scenarios after prior approval is received from OTC Markets Group, ii) offer an integrated data solution with secured data transmissions and data usage monitoring capabilities, and iii) assume the liability for any unauthorized use of OTC Markets Group's data by Hosted scenario

5.4 Uncontrolled Data Feed

A type of product consisting of a data feed that is received by Distributor, a Recipient or an Issuer in an uncontrolled format. A data feed is considered to be uncontrolled if OTC Markets

Group or the data vendor providing the Information, as applicable, does not control both the entitlements and the display of the Information.

6 Technical and Display Requirements

As a Distributor (internally or externally), you are required to implement our technical and display requirements: <https://www.otcmarkets.com/files/market-data-display-requirements.pdf>

7 Special Usage

7.1 Academic

OTC Markets Group may consider requests on a case by case basis. To be considered for an Academic Waiver the academic institution program sponsor should submit a written request on university letterhead and include the following information:

- Name and description of the academic program
- Company and contact name of the Data provider
- Approximate number of students and faculty that will benefit from the Information
- Brief description of how market data will be used in program

OTCM will not waive any of its other contractual or administration policies for academic institutions. Academic institutions must execute an OTC Markets Group Subscriber Agreement with their market data provider. Requests for academic waivers can be sent to marketdata@otcmarkets.com.

7.2 Development

Distributors may require real-time Information for a limited period of time during their development work.

Distributors performing development work may be eligible for an exemption from payment of the monthly OTC Markets Group market data subscriber license fees for up to three months. Subscriber fees are payable at the earlier of (i) the end of the initial three-month period or (ii) when the data is provided to either internal or external Recipients. Distributors with zero Recipients after three months are to report at least one Recipient for each data product received. In the event that Distributor has not completed development, or reports 1 or fewer Recipients for a period of six (6) months, OTC Markets Group may, in its sole discretion suspend Distributor's access to the Information.

7.3 Disaster Recovery

Once approved by OTC Markets Group, Distributors may operate and provide temporary access to real-time data via back-up systems, networks or facilities to be used in the event of a primary system outage or natural disaster without incurring additional fees.

The disaster recovery site Recipients should be reported as active for the duration of the emergency, while the disabled Recipients would be reported as inactive for the same period. If

the number of Recipients enabled during an emergency at the disaster recovery site does not exceed the number of Recipients disabled at the primary site, the customer should not incur any additional fees.

7.4 Internal Administrative Usage

Distributors may use real-time Information to support their operations and activities as a Distributor. Distributors may, at the discretion of OTC Markets Group, be eligible for an exemption from payment of the monthly OTC Markets Group market data subscriber license fees for a limited number of units that are used solely in connection with specific administrative business activities such as development, testing, data control and technical support.

The exemption will not cover the use of market data by news, research or trading divisions within the Distributor's organization. The exemption will not cover usage for securities transactions or to support customers in the trading of securities.

Upon request, the Distributor will provide OTC Markets Group or its designee with information about and demonstration of such uses. During the Onsite Audit the Distributor must be prepared to show OTC Markets Group all administrative entitlements upon request. This policy applies only to employees and authorized agents of the Distributor.

7.5 Trial Usage

OTC Markets Group offers a Free Trial of the following OTC Markets Group proprietary data products (the "Select Proprietary Data") to Distributors' customers:

- (a) OTC Markets Level 1+; and,
- (b) OTC Markets Level 2+.

This Free Trial applies only to Display usage of Select Proprietary Data on Display applications and is not valid for real-time data feed products.

Distributors may not provide a Free Trial to a customer unless Distributor and such customer, as applicable, comply with the following conditions set forth in Appendix C of the Distribution Agreement:

- (a) **Notification to OTC Markets Group:** The Distributor must notify OTC Markets Group of its intention to offer the Free Trial to a customer before such customer may begin the Free Trial.
- (b) **Duration:** The Free Trial shall not exceed 30 calendar days (the "Free Trial Period"). The Free Trial Period may be applied on a rolling basis, beginning on the date the Distributor's customer is eligible for the Free Trial as described in Section (e) below and ending no later than 30 days after such date.
- (c) **Terminal Eligibility:** A Distributor may only provide the Free Trial to a specific individual customer once for each data product. A terminal currently

receiving a Select Proprietary Data product may not be converted to a Trial Terminal in order to avoid payment of the service fee.

- (d) **Usage:** The Free Trial is to be used strictly for trial and demonstration purposes and may not be used by existing customers to receive a discounted rate of service.
- (e) **Customer Eligibility:** Free Trials may not be offered to a Distributor's customer unless the following conditions are met:
 - i. The customer must be a specific individual customer and may not receive a Free Trial more than once for any Select Proprietary Data product; The customer must execute the Subscriber Agreement attached as Appendix A-1 or other form of Subscriber Agreement set forth in the Distribution Agreement; and
 - ii. The customer must not be an existing Subscriber, *provided, however*, in the event that a Subscriber receives OTC Markets Level 1+, the Subscriber is not eligible to receive a Free Trial of any Select Proprietary Data product except for OTC Markets Level 2+, and *further, provided, however*, that such Subscriber must continue to pay the fees for OTC Markets Level 1+.
- (f) **Monthly Usage Reporting:** Distributor shall provide OTC Markets Group with a report identifying all customers receiving a Free Trial and such customer's Free Trial start date in addition to the Distributor's usage reporting requirements described in Section 6 of the Distribution Agreement.

8 Unit of Count

8.1 What to Count

The unit of count is the Number of Unique User IDs and Password combinations that are not shared by multiple Recipients, and cannot simultaneously log-on with multiple instances or to multiple devices.

Distributors are to report the total number of Recipients with the potential to access the Information.

For example, if a User has the ability to launch multiple applications that consume the Information either on the same device, or a separate device, each session launched must be counted and reported as a separate Recipient. For example, Mary runs 2 applications on a single device each requiring access to OTC Markets Data, 2 Recipients must be reported. Joe has access to the Information on a desktop application and a mobile application, and Joe is able to access the Information simultaneously on each application, 2 Recipients must be

reported. If an application prevents simultaneous access by automatically forcing the first access to logoff before allowing the second access, then only 1 Recipient must be reported.

8.2 Simultaneous Access and Contended Access

Simultaneous access and contended access are prohibited. Each instance of simultaneous access must be reported as use by an additional Recipient, as described in Section 7.1 of these OTC Markets Group Market Data Policies.

9 Data Control and Management

Distributor is required to operate and maintain an end user entitlement system that performs the following functions:

Report users based on entitlement bit (unique code) for each data set. Example, 'OTCM1' for OTCM Level 1, 'OTCM2' for OTCM Level 2.

Each user must have separate and unique ID/Password which is not shared.

Applications accessing the Information must have their own unique User ID

Prevent ability for simultaneous or contended access to the data by the same unique ID/Password.

Control each unique ID/password to only allow access to the Information they have permission to view. Provide automated on screen denial message to users who do not have correct entitlement to the Information.

Ability to generate and store a complete audit trail for each unique ID/Password; identifying all user Adds and Delete's with their effective date for a period of three years

Firms that do not have the ability to perform these functions will be required to report and pay for all users and applications that have the potential to access the Information.

10 Reporting

Distributors must submit usage reporting to OTC Markets Group no later than 15 days after the end of the applicable service period. If no reporting is received by that date, then OTC Markets Group will invoice the Distributor based on the previous month's usage. A Distributor receiving an Uncontrolled Feed, and each Recipient and Issuer obtaining an Uncontrolled Feed through the Distributor's Systems, must declare their Non-Display Use to OTC Markets Group on an annual basis, by January 31 of each year, or more frequently upon request by OTC Markets Group, by completing the OTC Markets Non-Display Usage Declaration. Additionally, if the Non-Display Use stated by Distributor, a Recipient or an Issuer in any such Declaration changes at any time after submission, such Distributor, Recipient or Issuer must complete an updated OTC Markets Non-Display Usage Declaration at the time of the change, to reflect the change of Non-Display Use.

10.1 Reporting System

Detailed Usage Reports are to be submitted by Distributors via TCB Data Systems SOLAR format. For more information on the SOLAR System, please refer to the [TCB Data Systems](#)

[website for user instructions and file format.](#)

10.2 Late or Revised Reporting

Distributors are limited to a 60 calendar-day grace period (from the due date of the original report) in which to revise their usage reporting. OTC Markets Group attempts to alert Distributors via email to potentially late usage reporting. OTC Markets Group reserves the right to terminate a Distributor's agreement with OTC Markets Group for delinquent reporting. For more information, see Section 6 of the Distribution Agreement, entitled *Distributor Reporting; Payment; Taxes*.

11 Invoicing and Payments

Invoices are due upon receipt. If a Distributor is due credit on an invoice, and the account is current, the credit is issued back to the Distributor via a check. No credits will be issued back more than 90 days.

12 Termination and Reinstatement

Once a Distributor's Distribution Agreement has been terminated, the Distributor must enter into a new Distribution Agreement in order to act as a Distributor.

13 Audits

OTC Markets Group retains the right to audit Distributors and Subscribers as outlined in section 7 of the Distribution Agreement.

14 Market Data Contacts

General Market Data questions marketdata@otcmarkets.com

Market Data contract questions teresa@otcmarkets.com

Data or Connectivity questions customerconnectivity@otcmarkets.com