

OTCQB STANDARDS RELEASE NO. 10 (PROPOSED AMENDMENT)

OTC Markets Group has published proposed amendments to the OTCQB Standards. The Proposed Amendments update the OTCQB Standards to align with market changes effective on September 28, 2021 resulting from amended Securities Exchange Act Rule 15c2-11 ("Rule 15c2-11").

Proposed Amendments

- **Bid Price Rule** - Companies applying to OTCQB in conjunction with an initial review for quotation eligibility in accordance with Rule 15c2-11 shall have three (3) business days to meet the requirement for proprietary priced quotations and may also be exempted from the requirement to have a primary class of securities with a minimum bid price of \$0.01 per share as of the close of business on each of the 30 consecutive calendar days immediately preceding the Company's Application Day.
- **Disclosure Requirements:**
Alternative Reporting Companies - A Company that follows the Alternative Reporting Standard must at all times post audited financials dated within 16 months in accordance with Exchange Act Rule 15c2-11. In addition, all Alternative Reporting companies are now subject to the Independent Director definition adopted January 1, 2020.

SEC Reporting Companies - SEC Reporting Companies that file 20-Fs or 40-Fs shall also file a Form 6-K containing, at minimum, an interim balance sheet and an income statement as of the end of its second quarter, within six months from its second quarter end.

International Reporting Companies - International Reporting Companies must provide Confirmation of 12g3-2(b) Compliance through the Add Financial Report link in www.otcicq.com using the Report Type titled "12g3-2(b) Confirmation" on an annual basis.

Insurance Companies - All insurance companies must post through the OTC Disclosure & News Service their most recent "Insurance Company Annual Regulatory Statement" per Securities Exchange Act section 12(g)(2)(G)(I) initially and annually as an ongoing disclosure obligation in accordance with Rule 15c2-11.

- The OTCQX Application and Application Materials must be submitted through the online application portal at <https://gateway.otcmarkets.com/>.

Comment Period of 30 days:

OTC Markets Group welcomes your feedback about the proposed changes. Send comments and questions to Mike Vasilios, SVP of Issuer Compliance at mike@otcmarkets.com by September 24, 2021.

Effective Date of Proposed Amendments:

The Proposed Amendments to the OTCQB Standards are scheduled to be effective on September 27, 2021.