

The OTCQB® Venture Market is for entrepreneurial and development stage U.S. and international companies. To be eligible, companies must be current in their reporting, have a minimum bid price of \$0.01, may not be in bankruptcy and must undergo an annual verification and management certification process. These standards provide a strong baseline of transparency to improve the information and trading experience for investors.

These OTCQB Standards consist of certain regulations adopted by OTC Markets Group to prescribe the rights, privileges and obligations of Companies with securities traded on OTCQB. They are intended to outline for companies and investors the standards that a company must meet to be eligible to be traded on OTCQB and to describe the initial and ongoing disclosure OTCQB companies must provide to the investing public.

Capitalized terms used herein are defined in Part 6 of these OTCQB Standards.

1 Requirements for Admission to OTCQB

1.1 Eligibility Standards

To be considered for admission to OTCQB, a Company shall meet all the following conditions:

- 1) *Audited Financials*. Audited annual financial statements must be prepared in accordance with U.S. GAAP or, for International Reporting Companies or Alternative Reporting Companies listed on a Qualified Foreign Exchange, IFRS or an IFRS equivalent, as applicable, containing an audit opinion that is not adverse, disclaimed, or qualified.

Audits must be conducted by an auditor registered with the Public Company Accounting Oversight Board (PCAOB). International Reporting Companies and Regulation A Reporting Companies are exempt from the PCAOB requirement.

Note for Regulation A Reporting Companies: The exemption from PCAOB requirements covers initial eligibility only. Subsequent annual financial statements are required to have a PCAOB audit.

- 2) *Current Disclosure*. Make current disclosure available pursuant to one of the following reporting standards:
 - a. SEC Reporting Standard;
 - b. Regulation A Reporting Standard;
 - c. Bank Reporting Standard;
 - d. International Reporting Standard; or
 - e. Alternative Reporting Standard.

- 3) *Bid Price of \$0.01.* Have a primary class of securities with proprietary priced quotations published by a Market Maker in OTC Link ATS with a closing bid price of at least \$0.01 a) on each of the 30 consecutive calendar days immediately preceding the Company's application for OTCQB and b) as of the date OTC Markets Group approves its application to join OTCQB.

OTC Markets Group may consider an exemption if there has been no prior public market for the Company's securities in the U.S. and FINRA has recently approved a Form 211 relating to the Company's securities with a bid price equal or greater to \$0.01 or the Company's securities are traded on a [Qualified Foreign Exchange](#) at a price equal to or greater than \$0.01. An exemption from Section 1.1(3)(a) of these OTCQB Standards may be granted by OTC Markets Group in its sole and absolute discretion. Any such exemption is conditioned upon the bid price for such Company's securities must remain over \$0.01 for each of the Company's 30 calendar days on OTCQB.

- 4) Have at least 50 Beneficial Shareholders, each owning at least 100 shares.
- 5) Have a freely traded Public Float of at least 10% of the total shares issued and outstanding of the class of security to be traded on OTCQB.

A Company applying to OTCQB with a freely traded Public Float above 5% but below 10% of the total shares issued and outstanding, and a market value of Public Float of at least \$2 million, or that has a separate class of securities traded on a national exchange, may apply in writing to OTC Markets Group for an exemption from this Section 1.1(5), which exemption may be granted by OTC Markets Group in its sole and absolute discretion.

- 6) Not be subject to any Bankruptcy or reorganization proceedings.
- 7) Be duly organized, validly existing and in good standing under the laws of each jurisdiction in which the Company is organized or does business.
- 8) *Transfer Agent.* A company incorporated in the U.S. or Canada¹ must retain a transfer agent that participates in the Transfer Agent Verified Shares Program. Additionally, the Company must authorize such transfer agent to provide to OTC Markets Group, upon its request, information related to the Company's securities, including but not limited to shares authorized, shares issued and outstanding, and share issuance history.
- 9) *Corporate Governance (Required for Alternative Reporting Standard Only).* Alternative Reporting Companies are required to meet the corporate governance standards outlined below:
 - a. Have a board of directors that includes at least two Independent Directors²;
 - b. Have an Audit Committee, a majority of the members of which are Independent Directors; and

¹ The requirement for Canadian companies to retain a transfer agent that participates in the Transfer Agent Verified Shares Program will be effective for Canadian Companies as of April 1, 2020.

² Prior to January 1, 2021, Alternative Reporting Companies traded on OTCQB as of January 1, 2020 will not be subject to the Independent Director definition adopted on January 1, 2020 until January 1, 2021. Prior to January 1, 2021, these Alternative Reporting Companies remain subject to the previous Independent Director definition, which stated "Independent Director" shall mean a person other than an executive officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

A Company applying to OTCQB may submit a written request, which may be granted by OTC Markets Group in its sole and absolute discretion, to be permitted to phase in its compliance with the corporate governance standards set forth in this section 1.1(9) as follows:

1. At least one member of the Board of Directors and the Audit Committee must be independent at the time of application;
2. At least two members of the Board of Directors and a majority of the members of the Audit Committee must satisfy the independence requirement within the later of 90 days after the Company begins trading on OTCQB or the time of the Company's next shareholder meeting. In any event, the independence requirement must be satisfied within one year of the Company joining OTCQB.

1.2 Application Materials

A company that wishes to be admitted to OTCQB must supply the following OTCQB Application Materials, completed and signed, to OTC Markets Group Inc., via email to issuers@otcmarkets.com or to OTC Markets Group, 100 M Street SE, #220, Washington D.C. 20003.

- 1) OTCQB Application;
- 2) OTCQB Application Fee;

The Company will be sent an email confirmation of OTC Markets Group's receipt of the OTCQB Application Materials and a request for the following additional Application Materials:

- 3) Background Check Authorization Form and, if required, a Personal Information Form for each Executive Officer, Director, and beneficial owner of 5% or more of a class of the Company's securities. OTC Markets Group may exempt the Company from the requirement to submit Personal Information Forms if the Company is applying for admission to OTCQB immediately subsequent to delisting from a national securities exchange including the New York Stock Exchange, NYSE MKT or Nasdaq; and
- 4) Current shareholder list provided by the Company's transfer agent

A Company's application for admission to OTCQB will not be deemed complete until all the OTCQB Application Materials are received by OTC Markets Group.

1.3 Company's Initial Disclosure Obligations

Once a Company's OTCQB Application Materials, including applicable fees, have been received by OTC Markets Group, the Company will be granted access to the OTC Disclosure & News Service so that the Company may file its initial disclosure in compliance with this Section 1.3.

- 1) Financial Reporting Requirements:
 - a. SEC Reporting Companies must have filed all reports required to be filed on EDGAR.
 - b. Regulation A Reporting Companies must have filed all reports required to be filed on EDGAR.

- c. Banks Reporting Companies must have filed, through the OTC Disclosure & News Service, all financial reports required to be filed with their Banking Regulator for the preceding two years, including but not limited to audited financial statements for fiscal year ends, or as long as it has been in existence, if less than two years.
 - d. International Reporting Companies must have filed, in English, through the OTC Disclosure & News Service, all information, with the exception of news releases, required to be made publicly available pursuant to Exchange Act Rule 12g3-2(b) for the preceding two years, or as long as it has been in existence, if less than two years.
 - e. Alternative Reporting Companies must have filed, through the OTC Disclosure & News Service, an information statement prepared in accordance with the OTCQX U.S. and OTCQB Disclosure Guidelines. If the Company was an SEC Reporting Company immediately prior to joining OTCQB and has a current 10-K or 20-F on file with the SEC, or was a Regulation A Reporting Company immediately prior to joining OTCQB and has a current 1-K on file with the SEC, the Company is not required to file an information statement through the OTC Disclosure & News Service, but subsequent to joining OTCQB must file all annual, quarterly, interim and current reports required pursuant to the OTCQX U.S. and OTCQB Disclosure Guidelines;
- 2) Verified Company Profile. The Company must login to www.otciq.com and verify or update the information needed to ensure its Company Profile is current and complete in order to maintain the “Verified Company Profile” designation publicly displayed on www.otcmarkets.com.
- 3) OTCQB Certification. The Company must file, through the OTC Disclosure & News Service, an OTCQB Certification signed by either the CEO or CFO stating the following:
- a. The provision under which the Company is registered with the SEC or the applicable exemption from SEC registration, or that the Company is a bank that is non-SEC reporting;
 - b. The Company is current in its reporting obligations as of the most recent fiscal year end and any subsequent reporting periods and that such information has been filed either on EDGAR or the OTC Disclosure & News Service, as applicable;
 - c. The Company Profile displayed on www.otcmarkets.com is current and complete as of the latest practicable date, and includes the total shares outstanding, authorized, and in the Public Float as of that date;
 - d. The number of shares in the Public Float and the number of Beneficial Shareholders holding at least 100 shares as of the latest practicable date;
 - e. The Company is duly organized, validly existing and in good standing under the laws of each state or jurisdiction in which the Company is organized or does business;
 - f. Identify any law firm and attorney(s) that acted as the Company’s primary legal counsel in preparing its most recent annual report. Include the firm and attorney name if outside counsel, or name and title if internal counsel. If no attorney assisted in putting together

- the disclosure, the Company must identify the person or persons who prepared the disclosure and their relationship to the company;
- g. Names and addresses of any third-parties engaged by the Company, its officers, directors or controlling shareholders, during the period from the Company's prior fiscal year end to the date of this OTCQB Certification, to provide investor relations services, public relations services, or other related services to the Company including promotion of the Company or its securities;
 - h. List and describe any outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities; and
 - i. List of all officers, directors and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the Company's equity securities), including name, address and percent of shares owned. If any of the beneficial shareholders are corporate entities, provide the name and address of the person(s) owning or controlling such corporate entities and the resident agents of the corporate entities.

4) Letter of Introduction

This letter is required for International Reporting Companies that are not on the OTCQX market immediately prior to applying for OTCQB. This letter is not required for Companies that are SEC Reporting, Regulation A Reporting, Alternative Reporting, or Bank Reporting. A Letter of Introduction must be provided by an OTCQB Sponsor. An OTCQB Sponsor must be a firm already approved to sponsor Companies for the OTCQX market and published on the list found on <https://www.otcmarkets.com/corporate-services/otcqx-sponsors>.

a. Content of Letter of Introduction for an International Reporting Company.

Each letter may state that it may be relied upon only by OTC Markets Group for purposes of qualification for trading on OTCQB, but not by any other Person or for any other reason. The OTCQB Letter of Introduction must, in substance, make the following statements:

- (i) *Sponsor Qualifications.* The firm has been approved by OTC Markets Group to serve as a Sponsor for the OTCQX market and continues to satisfy the standards;
- (ii) *Qualified Foreign Exchange.* Confirm that the securities are currently listed on a Qualified Foreign Exchange and have not been delisted, removed or suspended from the Qualified Foreign Exchange; and
- (iii) *Exchange Act Rule 12g3-2(b) Compliance.* Based on available information, the OTCQB Sponsor has a reasonable belief that the Company is in compliance with Exchange Act Rule 12g3-2(b) or, if the Company is not in compliance with Exchange Act Rule 12g3-2(b), the OTCQB Sponsor has a reasonable belief that the Company is not required to register under Exchange Act Section 12(g) and is current and fully compliant with the obligations of a Company relying on the exemption from registration provided by Exchange Act Rule 12g3-2(b).

1.4 OTC Markets Group Review of Application

Upon receipt of the OTCQB Application Materials and required disclosures, OTC Markets Group may:

- 1) Require the Company to confirm, clarify or modify any information contained in the OTCQB Application Materials;
- 2) Require the Company to provide a further undertaking, including the submission of a Personal Information Form for any executive officer, director, or beneficial owner of 5% or more of a class of the Company's securities, or fulfill a further condition, prior to admission;
- 3) Delay admission pending the completion of further due diligence;
- 4) Request additional verifications from a third party as applicable; or
- 5) Refuse the application if it determines, in its sole and absolute discretion, that the admission of the Company's securities for trading on OTCQB would be likely to impair the reputation or integrity of OTC Markets Group or be detrimental to the interests of investors.

OTC Markets Group shall notify the Company if its application for OTCQB is approved. If approved, once OTC Markets Group confirms receipt of the Company's initial Annual Fee, OTC Markets Group shall:

- 1) Designate the Company's securities as OTCQB traded securities on OTC Markets Group's websites, market data products, and broker-dealer platforms;
- 2) Permit the Company to identify itself as an OTCQB Company on its websites and investor relations materials, including news releases; and
- 3) Entitle Level 2 Quote Display service for the Company's securities on OTC Markets Group's websites and the Company's corporate websites.

2 Requirements for Continued OTCQB Eligibility

2.1 Ongoing Responsibilities of the Company

- 1) *Compliance with Standards.* The Company is responsible for compliance with these OTCQB Standards and is solely responsible for the content of the Information.
- 2) *Compliance with Laws.* The Company shall comply with applicable Federal Securities Laws, U.S. state securities laws and, if applicable, the securities laws of its country of domicile, and shall cooperate with any U.S. federal or state securities regulator, any U.S. self-regulatory organization, and, if applicable, securities regulators or self-regulatory organizations in its country of domicile.
- 3) *Payment of Fees.* The Company shall pay an Annual Fee in respect of each year in which its securities continue to be traded on OTCQB. The Annual Fee is set forth in Section 3.2 of these OTCQB Standards. The Annual Fee is due 30 days prior to the beginning of each new annual service period.
- 4) *Responding to OTC Markets Group's Requests.* The Company will respond to inquiries and requests from OTC Markets Group from time to time, including any request by OTC Markets Group to provide a further undertaking or fulfill a further condition.

2.2 Company's Ongoing Disclosure Obligations

- 1) *Financial Reporting Requirements.* Audited annual financial statements must be prepared in accordance with U.S. GAAP or, for International Reporting Companies or Alternative Reporting Companies listed on a Qualified Foreign Exchange, IFRS or an IFRS equivalent, as applicable, containing an audit opinion that is not adverse, disclaimed, or qualified.

Audits must be conducted by an auditor registered with the Public Company Accounting Oversight Board (PCAOB). International Reporting Companies are exempt from the PCAOB requirement.

- a. SEC Reporting Companies must file all reports required to be filed on EDGAR.
 - b. Regulation A Reporting Companies must file all reports required to be filed on EDGAR.
 - c. Bank Reporting Companies must file, through the OTC Disclosure & News Service, all reports required to be filed with the Company's Banking Regulator including Quarterly Reports and audited Annual Reports.
 - d. International Reporting Companies must file, through the OTC Disclosure & News Service, all information, in English, required to be made publicly available pursuant to Exchange Act Rule 12g3-2(b).
 - e. Alternative Reporting Companies must file, through the OTC Disclosure & News Service, all reports required to be filed pursuant to the OTCQX U.S. and OTCQB Disclosure Guidelines, including Quarterly Reports and audited Annual Reports.
- 2) *Timeliness of Filings.* SEC Reporting Companies and Regulation A Reporting Companies must file annual, semi-annual, quarterly and current reports, as applicable, on EDGAR in accordance with applicable SEC rules and regulations. Bank Reporting Companies are required to file their disclosure through the OTC Disclosure & News Service no later than 90 days after the fiscal year end date and quarterly bank regulatory filings no later than 45 days after each fiscal quarter end. International Reporting Companies must file annual and quarterly financial reports contemporaneously with submission to their Primary Regulator. Alternative Reporting Companies must file their Annual Report no later than 90 days after the fiscal year end and their Quarterly Report no later than 45 days after the fiscal quarter end.
 - 3) *Notice of Inability to Timely File Reports.* If a Company that is not an SEC Reporting Company or a Regulation A Reporting Company fails to post, on a timely basis, any annual, semi-annual, quarterly or interim report within the timeframe specified in Section 2.2(2), such Company must file through the OTC Disclosure & News Service, no later than one business day after the due date for such report, a notice containing the following requirements:
 - a. The notice must be entitled "Notification of Late Filing;" and
 - b. The notice must state the name of the Company, the type of report (Annual, Quarterly or Interim) that is or will be late, the reason why the report is or will be late, and the date that the Company expects to file the report.
 - 4) *Maintain Verified Company Profile.* At least once every six months, the Company must login to www.otciq.com and verify its Company Profile or update its Company Profile with the information needed to ensure the Company Profile is current and complete in order to maintain the "Verified Company Profile" designation on www.otcmarkets.com.
 - 5) *Disclosure of Convertible Debt Arrangements.* The Company will promptly disclose the issuance of any promissory notes, convertible notes, convertible debentures, or any other

debt instruments that may be converted into a class of the issuer's equity securities. Such disclosure should include copies of the securities purchase agreement(s) or similar agreement(s) setting forth the terms of such arrangement, any related promissory notes or similar evidence of indebtedness, and any irrevocable transfer agent instructions. Companies should make such disclosure either through the SEC's EDGAR system or the OTC Disclosure & News Service, as applicable.

- 6) *Compliance with Blue Sky Laws.* OTCQB has been recognized for the purposes of many U.S. state securities laws governing registration requirements for secondary market transactions. The initial and ongoing disclosure required by these OTCQB Standards may satisfy the applicable secondary trading exemptions for transactions in OTCQB securities, subject to additional conditions under each state's applicable regulations.
- 7) *Annual OTCQB Certification.* The Company must file an annual OTCQB Certification signed by either the CEO or CFO containing the statements required in Section 1.3(3) of these Standards. The annual OTCQB Certification must be filed through the OTC Disclosure & News Service after the Company's Annual report has been filed but no later than 45 calendar days after the Company's Annual Report due date.
- 8) *Interim Event Disclosure.*
 - a. *Timely Disclosure of Material News Releases/Developments* - An OTCQB Company is expected to release quickly to the public any news or information which might reasonably be expected to materially affect the market for its securities.
 - b. An OTCQB Company should act promptly to dispel unfounded rumors which result in unusual market activity or price variations.
 - c. *Stock Promotion* – All OTCQB Companies are subject to the [OTC Markets Group Stock Promotion Policy](#), as such policy may be amended from time to time. In the event that OTC Markets Group determines, in its sole and absolute discretion, that the Company's OTCQB securities become the subject of promotional activities that have the effect of encouraging trading, OTC Markets Group may require the Company to provide additional public information regarding shareholdings of officers, directors and control persons, confirmation of shares outstanding, and any issuance of shares in the previous two years. The Company shall file such information through the OTC Disclosure & News Service. OTC Markets Group may also require submission of a Personal Information Form for any executive officer, director, or beneficial owner of 5% or more of a class of the Company's securities.
 - d. *Reverse Merger or Change of Control* – In the event the company undergoes a reverse merger transaction or other change of control, the Company shall file, through the OTC Disclosure & News Service, an interim OTCQB Certification signed by the CEO or CFO as of the effective date of the transaction, which includes the statements required in Section 1.3(3) of these OTCQB Standards. OTC Markets Group may require submission of a Personal Information Form for any executive officer, director, or beneficial owner of 5% or more of a class of the Company's securities. OTC Markets Group may also determine, in its sole and absolute discretion, that a complete review must be completed, which requires the Company to submit a new OTCQB Application and Agreement and a new OTCQB Application Fee.

- e. Information required to be released quickly to the public under this section 2.2(7) should be disclosed in a press release or through the OTC Disclosure & News Service or through an Integrated Newswire.

9) *Timely Disclosure of Material News Releases/Developments*

- a. An OTCQB Company is expected to release quickly to the public any news or information which might reasonably be expected to materially affect the market for its securities. This is one of the most important and fundamental purposes of OTCQB.
- b. An OTCQB Company should also act promptly to dispel unfounded rumors which result in unusual market activity or price variations.
- c. Information required to be released quickly to the public under this Section 2.2(8) should be disclosed in a press release through the OTC Disclosure & News Service or an Integrated Newswire (or a combination of methods).

2.3 Standards for Continued Eligibility

To remain eligible for trading on OTCQB, the Company shall meet all the following conditions. A Company is required to notify OTC Markets Group immediately upon learning of an event or circumstance that causes noncompliance with these Standards for Continued Eligibility:

- 1) *Current Disclosure*. Maintain compliance with the Company's ongoing disclosure obligations under Section 2.2 of these OTCQB Standards;
- 2) *Bid Price*. Maintain proprietary priced quotations published by a Market Maker in OTC Link with a minimum closing bid price of \$0.01 per share on at least one of the prior thirty consecutive calendar days;
- 3) *Beneficial Shareholders*. Have at least 50 Beneficial Shareholders, each owning at least 100 shares³
- 4) *Public Float*. Have a freely traded Public Float of at least 10% of the total shares issued and outstanding of the class of security trading on OTCQB.

Alternatively, a Company with a freely traded Public Float above 5% but below 10% of the total shares issued and outstanding, and a market value of Public Float of at least \$2 million, or that has a class of securities traded on a national exchange, may apply in writing to OTC Markets Group for an exemption from this Section 2.3(4), which exemption may be granted by OTC Markets Group in its sole and absolute discretion.⁴

A Company must submit updated Public Float information through OTCIQ in the event there is a material change in its Public Float.

- 5) Not be subject to any Bankruptcy or reorganization proceedings;
- 6) Be duly organized, validly existing and in good standing under the laws of each jurisdiction in which the Company is organized or does business; and

³ Companies on OTCQB as of May 20, 2018 will not be subject to the ongoing beneficial shareholder requirements under Section 2.3(3) until May 20, 2020. All other companies are subject to these requirements effective May 20, 2018.

⁴ Companies on OTCQB as of May 20, 2018 will not be subject to the ongoing public float requirements under Section 2.3(4) until May 20, 2020. All other companies are subject to these requirements effective May 20, 2018.

- 7) *Transfer Agent*. A Company incorporated in the U.S. or Canada must maintain a transfer agent that participates in the Transfer Agent Verified Shares Program. Upon the Company's appointment of a new transfer agent, the Company shall notify OTC Markets Group of the name and current address of such transfer agent. The Company shall continue to authorize the transfer agent to provide to OTC Markets Group information related to the Company's securities, including but not limited to shares authorized, shares issued and outstanding, and share issuance history to OTC Markets Group.
- 8) *Corporate Governance Standards*. If an Alternative Reporting Company fails to comply with the corporate governance requirements set forth in Section 1.1(9) of these OTCQB Standards, the Company shall:
 - a. Notify OTC Markets Group immediately upon learning of the event or circumstance that caused the noncompliance; and
 - b. Regain compliance with the requirement by the earlier of its next annual shareholders meeting or the date that is one year from the occurrence of the event that caused the noncompliance.

2.4 Procedures for Change in Control

- 1) *Procedures*. The Company shall notify OTC Markets Group upon the completion of any transactions resulting in a Change in Control. OTC Markets Group may from time to time independently determine that the Company has undergone a Change in Control, and in such case will notify the Company of its determination. Subsequent to each Change in Control, the Company must submit to OTC Markets Group a Change in Control notification as well as a new OTCQB Application, Application Materials, and Application Fee within 20 calendar days. A Company that fails to submit the required documentation and fees subsequent to a Change in Control may be suspended or removed from OTCQB in OTC Markets Group's sole and absolute discretion.
- 2) *OTCQB Certification*. Immediately subsequent to a Change in Control, the Company must file a new OTCQB Certification, reflecting any applicable changes.
- 3) *Maintain Verified Company Profile*. Immediately subsequent to a Change in Control, the Company must log in to www.otciq.com to update and verify its Company Profile with the information needed to ensure the Company Profile is current and complete in order to maintain the "Verified Company Profile" designation on www.otcmarkets.com.

3 OTCQB Fees

3.1 OTCQB Application Fee

At the time the Company's OTCQB Application and Agreement is submitted to OTC Markets Group, the Company shall pay OTC Markets Group a non-refundable Application Fee of \$2,500 (U.S.).

3.2 Annual Fee

The Annual Fee is \$12,000 (U.S.) for each twelve-month period, if paid in advance. In the alternative, the Company may opt to pay two semi-annual installments of \$6,500 (U.S.).

3.3 OTCQB Change in Control Review Fee

In the event of a Change in Control, the Company shall pay OTC Markets Group a non-refundable Change in Control Review Fee of \$2,500 (U.S.).

3.4 Fees Non- Refundable

In the event a Company ceases to be traded on OTCQB for any reason, no portion of its previously paid ongoing Annual Fee will be refunded.

3.5 Modification of Fees

OTC Markets Group may modify the fees set forth in Sections 3.1 and 3.2 from time to time.

4 Removal, Withdrawal or Suspension of OTCQB Companies

4.1 Removal of OTCQB Companies for Failure to Meet Requirements

- 1) OTC Markets Group may remove the Company's securities from trading on OTCQB for the Company's failure to meet the requirements set forth in Section 2 of these OTCQB Standards or any other obligations under these OTCQB Standards, which determination shall be made by OTC Markets Group in its sole and absolute discretion, unless such failure is cured within the time frames set forth below:
 - a. *Filing Delinquency.* Companies delinquent in their filings are granted a cure period of 45 calendar days from the original due date set forth in Section 2.2 (2);
 - b. *Bid Price Deficiency.* Companies are granted a cure period of 90 calendar days for failure to maintain the minimum bid price set forth in Section 2.3(2). In the event that the minimum closing bid price for the Company's common stock falls below \$0.01 per share for 30 consecutive days, a grace period of 90 calendar days to regain compliance shall begin, during which the minimum closing bid price for the Company's common stock must be \$0.01 or greater for ten consecutive trading days. In the event that the Company's closing bid price falls below \$0.001 at any time for five consecutive trading days, the Company will be immediately removed from OTCQB.
 - c. *Public Float or Beneficial Shareholder Deficiency.* Companies are granted a cure period of 30 calendar days for failure to maintain the minimum ongoing requirements set forth in Sections 2.3(3) and 2.3(4). A Company may apply in writing to OTC Markets Group for an extension of the 30-day cure period by submitting a plan to cure the deficiency, which extension may be granted by OTC Markets Group in its sole and absolute discretion.
 - d. *Failure to Respond to OTC Markets Group's Requests.* Companies are required to respond to inquiries and information requests from OTC Markets Group pursuant to Section 2.1(4) within the time period specified in the request, generally no less than two business days.
 - e. *Other Deficiencies.* Companies are granted a cure period of 30 calendar days after OTC Markets Group gives the Company notice of any other failure to meet the obligations set forth in Section 2 of these OTCQB Standards.
- 2) OTC Markets Group may, in its sole and absolute discretion, provide additional time to cure, provided, however, that to remain on OTCQB a Company must at all times have on file audited financials dated within the prior 18 months as required to qualify for the Blue Sky securities secondary trading exemptions described in Section 2.2(5) of these OTCQB Standards.

- 3) In the event the Company regains compliance with requirements under Section 2 of these OTCQB Standards subsequent to its Removal Date, OTC Markets Group may, in its sole and absolute discretion, readmit the Company to OTCQB under the following conditions:
 - a. If the Company regains compliance within 30 calendar days of Removal Date and has not completed or announced a corporate action during this time, OTC Markets Group may readmit the Company to OTCQB with no further action required;
 - b. If the Company regains compliance within 30 calendar days of Removal Date and has completed or announced a corporate action during this time, the Company must submit a new OTCQB Certification for review and approval by OTC Markets Group;
 - c. If the Company regains compliance more than 30 calendar days and less than six months after Removal Date, the Company must submit a new OTCQB Certification for review and approval by OTC Markets Group; and
 - d. If the Company regains compliance more than six months after Removal Date, the Company must submit a new OTCQB Application and Agreement. OTC Markets Group will review the Application and Agreement pursuant to Section 1.4 of these of these OTCQB Standards. A new Application Fee is due upon submission of the Application and Agreement.

Note: With respect to items (a) and (b) above, if a Company has not paid its OTCQB Annual Fee and is removed from OTCQB, but subsequently pays such fee within 30 calendar days of the Removal Date and otherwise meets the OTCQB eligibility requirements, the Company may, in OTC Markets Group's sole and absolute discretion, rejoin OTCQB without submitting a new Application and Agreement or paying a new Application Fee. If no payment is received within 30 days after the service period end date, the prior OTCQB Application and Agreement is void and a new Application and Agreement, and Application Fee, will be required.

4.2 Removal of OTCQB Companies for Public Interest Concern

OTC Markets Group may remove the Company's securities from trading on OTCQB immediately and at any time, without notice, if OTC Markets Group, in its sole and absolute discretion, believes the continued inclusion of the Company's securities would impair the reputation or the integrity of OTC Markets Group or be detrimental to the interests of investors.

4.3 Withdrawal of OTCQB Companies

The Company may voluntarily withdraw from OTCQB by providing OTC Markets Group with a minimum of 24 hours written notice, including the effective date of the Company's withdrawal.

4.4 Temporary Suspension

The Company understands that OTC Markets Group may, at any time, in its sole and absolute discretion, temporarily suspend the Company's inclusion on OTCQB pending the completion of further due diligence.

4.5 Continued Use of Certain Services

Subsequent to (i) removal for failure to meet the requirements of Section 4.1 of these OTCQB Standards, (ii) withdrawal or (iii) suspension from OTCQB, the Company may continue to use any OTC Markets Group service for which it is subscribed, except services reserved for the use of Companies with securities traded on OTCQB. Any continued use of such services is subject to the terms and conditions set forth in the OTCQB Application and Agreement.

Subsequent to the Company's removal, withdrawal or suspension from OTCQB, OTC Markets Group may terminate all services to which a Company is subscribed.

5 Amendment of OTCQB Standards

OTC Markets Group may, in its sole and absolute discretion, amend these OTCQB Standards, whenever it determines that an amendment is necessary or desirable to enhance the quality of the market, to improve the disclosure of OTCQB Companies for the benefit of public investors, or for any other reason. Each amendment shall be effective 30 days subsequent to its publication in an OTCQB Standards Release.

6 Definitions

Capitalized terms used in these OTCQB Standards shall have the following meanings:

“Affiliate” is a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, an officer, a director, or a shareholder beneficially-owning 10 percent or more of the Company’s outstanding shares.

“Alternative Reporting Company” shall mean a Company that is not an SEC Reporting Company, Bank Reporting Company, Regulation A Reporting Company or International Reporting Company, that makes disclosure available pursuant to the Alternative Reporting Standard, and that is (i) incorporated in the U.S., or (ii) incorporated outside of the U.S. that meets the following criteria:

- not listed on a non-U.S. exchange,
- no more than 45 percent of its securities’ trading volume takes place outside of the U.S. markets,
- majority of its outstanding voting securities are held directly or indirectly by U.S. residents,
- majority of its executive officers or directors are U.S. citizens or residents,
- majority of its assets are located in the U.S., and
- its business is administered principally in the U.S..

“Alternative Reporting Standard” shall mean the requirement to make disclosure available through the OTC Disclosure & News Service pursuant to the Disclosure Guidelines..

“Annual Fee” shall mean the amount established from time to time by OTC Markets Group and initially set forth in these OTCQB Standards, which the Company must remit to OTC Markets Group for its securities to be traded on the OTCQB.

“Application Fee” shall mean the amount established from time to time by OTC Markets Group and initially set forth in these OTCQB Standards, which the Company must remit to OTC Markets Group to apply for OTCQB.

“Audit Committee” shall mean a committee (or equivalent body) established by and amongst the board of directors of the Company for the purpose of overseeing the Company’s accounting and financial reporting processes and audits of the Company’s financial statements.

“Background Check Authorization Form” shall mean the form with the same name, as amended from time to time, that collects personal information for Persons associated with

companies applying to various products or services provided by OTC Markets Group, and authorizes OTC Markets Group to conduct background checks on such Persons.

“Bank Reporting Company” shall mean a U.S. bank, U.S. bank holding company, U.S. thrift, U.S. thrift holding company or U.S. financial institution that is required to file period reports with its applicable Bank Regulator.

“Bank Reporting Standard” is the reporting standard for a U.S. bank, U.S. bank holding company, U.S. thrift, U.S. thrift holding company or U.S. financial institution that is required to file period reports with its applicable Bank Regulator.

“Bank Regulator” shall mean the Federal Deposit Insurance Corporation (FDIC), Federal Reserve or Office of the Comptroller of the Currency (OCC).

“Bankruptcy” shall mean, with respect to the Company, (i) an adjudication that it is bankrupt or insolvent, (ii) an admission of its inability to pay its debts as they mature, (iii) its making a general assignment for the benefit of creditors, (iv) its filing of a petition in bankruptcy or a petition for relief under any section of the United States Bankruptcy Code or any other bankruptcy or insolvency statute, or (v) the involuntary filing against it of any such petition that is not discharged within 60 days thereafter.

“Beneficial Shareholders” shall mean any person who, directly or indirectly has or shares voting power of such security or investment power, which includes the power to dispose, or to direct the disposition of, such security.

“Blue Sky” shall mean the securities laws, rules and regulations adopted by any state or territory of the United States.

“Change in Control” shall mean any events resulting in:

- (i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets;
- (iii) A change in the composition of the Company’s board of directors occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

“Commission” or “SEC” shall mean the United States Securities and Exchange Commission.

“Company” shall mean the company identified on the OTCQB Application as entering into the OTCQB Agreement with OTC Markets Group.

“Company Profile” shall mean the information displayed under the ‘Company Profile’ tab of the Company’s quote page on www.otcm Markets.com.

“Disclosure Guidelines” shall mean the OTCQX U.S. and OTCQB Disclosure Guidelines, as amended from time to time, in the sole and absolute discretion of OTC Markets Group, which outlines the ongoing responsibilities of the Company to post disclosures within specified time frames.

“EDGAR” shall mean the SEC’s Electronic Data Gathering, Analysis and Retrieval system.

“Exchange Act” shall mean the United States Securities Exchange Act of 1934 and any rules adopted by the Commission thereunder, as amended from time to time.

“Family Member” shall mean a Person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such Person's home.

“Federal Securities Laws” shall mean the Securities Act, the Exchange Act, the Sarbanes-Oxley Act of 2002, the Investment Company Act of 1940, the Investment Advisers Act of 1940, Title V of the Gramm-Leach-Bliley Act and any rules adopted by the Commission under any of these statutes.

“FINRA” shall mean the Financial Industry Regulatory Authority.

“Form 211” shall mean the form that is filed with FINRA by broker-dealers in accordance with FINRA Rule 6740.

“IFRS” shall mean the International Financial Reporting Standards developed by the International Accounting Standards Board.

“Independent Director” shall mean a Person other than an Executive Officer or employee of the Company or any other Person having a relationship which, in the opinion of the Company's board of directors, would interfere with the exercise of independent judgment in carrying out their responsibilities as a director. The following persons shall not be considered independent: (A) a director who is, or at any time during the past three years was, employed by the Company; (B) a director who accepted or has a Family member who accepted any compensation from the Company in excess of \$120,000 during any fiscal year within the three years preceding the determination of independence, other than compensation for board or board committee service; compensation paid to a Family Member who is an employee (other than an executive officer) of the Company; or benefits under a tax-qualified retirement plan, or nondiscretionary compensation; or (C) A director who is the Family Member of a Person who is, or at any time during the past three years was, employed by the Company as an executive officer.

“Information” shall mean information provided by the Company through the OTC Disclosure & News Service or on EDGAR.

“Integrated Newswire” shall mean a newswire service that is integrated with the OTC Disclosure & News Service and is included on OTC Markets Group’s list of Integrated Newswires, as published on www.otcmarkets.com.

“International Company” shall mean a Company that is incorporated outside the U.S. and meets one of the following conditions:

- (i) Be eligible to rely on the exemption from registration provided by Exchange Act Rule 12g3-2(b) and be current and fully compliant in its obligations thereunder, or

- (ii) If such Company is not eligible to rely on the exemption from registration provided by Exchange Act Rule 12g3-2(b) because it does not
 - a. meet the definition of a “foreign private issuer” as that term is used in Exchange Act Rule 12g3-2(b), or
 - b. maintain a primary trading market in a foreign jurisdiction as set forth in Exchange Act Rule 12g3-2(b),

and is not otherwise required to register under Exchange Act Section 12(g), be otherwise current and fully compliant with the obligations of a company relying on the exemption from registration provided by Exchange Act Rule 12g3-2(b).

“International Reporting Company” shall mean an International Company that is current and fully compliant with the disclosure requirements of Exchange Act Rule 12g3-2(b) and is listed on a Qualified Foreign Exchange.

“International Reporting Standard” is the reporting standard for an International Company that is current and fully compliant with the disclosure requirements of Exchange Act Rule 12g3-2(b) and is listed on a Qualified Foreign Exchange.

“Letter of Introduction” shall mean a letter provided as part of an International Reporting Company’s Initial Disclosure Obligations. The Letter of Introduction must be provided to OTC Markets Group by an OTCQB Sponsor.

“Market Maker” shall mean a firm that stands ready to buy and sell a particular security on a regular and continuous basis at a publicly quoted price.

“OTC Disclosure & News Service” shall mean a Service consisting of online publication and management of disclosure statements, financial reports and news releases.

“OTC Link ATS” shall mean the SEC registered alternative trading system(s) operated by OTC Link LLC, a wholly owned subsidiary of OTC Markets Group.

“OTC Markets Group” shall mean OTC Markets Group Inc., a corporation organized under the laws of the State of Delaware, located at 300 Vesey Street, 12th Floor, New York, NY 10282.

“OTCQB Application and Agreement” shall mean the OTCQB Application and Agreement, as amended from time to time, which provides for the qualification of the Company’s securities for trading on OTCQB and certain other services.

“OTCQB Application Materials” shall mean the documents, fees and other information listed in Section 1.2 of these OTCQB Standards and provided by the Company in connection with its application to OTCQB.

“OTCQB Certification” shall mean the Annual OTCQB Certification, Initial OTCQB Certification or Interim OTCQB Certification published through the OTC Disclosure & News Service in accordance with these OTCQB Standards.

“OTCQB Sponsor” shall mean a firm that is approved to sponsor Companies for the OTCQX market and is published on the list found on <https://www.otcmarkets.com/corporate-services/otcqx-sponsors>.

“OTCQB Standards Release” shall mean a notice, published by OTC Markets Group on OTC Markets Group websites, setting forth the reasons for, and text of, any amendment to these OTCQB Standards.

“Person” shall mean any individual, partnership, limited liability company, joint venture, corporation, trust, unincorporated organization, or other entity.

“Personal Information Form” shall mean the form with the same name, as amended from time to time, that, upon request by OTC Markets Group, must be filled out by certain Persons related to a company with securities traded on, or applying for approval to trade on OTCQX, OTCQB, or Pink. **“Primary Regulator”** shall mean the Banking Regulator, Qualified Foreign Exchange, or other applicable home-country regulatory body.

“Public Float” shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding, or any Affiliates thereof, or any Family Members of officers, directors and control persons.

“Qualified Foreign Exchange” shall mean a non-U.S. stock exchange listed on the OTC Markets Group List of Qualifying Non-U.S. Exchanges, as amended from time to time and available at www.otcmarkets.com.

“Regulation A” shall mean Rules 251 -263 under the Securities Act.

“Regulation A Reporting Company” shall mean a Company subject to the reporting obligations under Tier 2 of Regulation A under the Securities Act.

“Regulation A Reporting Standard” is the reporting standard for a Company subject to the reporting obligations under Tier 2 of Regulation A under the Securities Act.

“Removal Date” shall mean the date OTC Markets group removes the Company from OTCQB under Section 4.1 of these OTCQB Standards.

“SEC Reporting Company” shall mean a Company subject to the reporting obligations under Section 13 or 15(d) of the Exchange Act.

“SEC Reporting Standard” is the reporting standard for a Company subject to the reporting obligations under Section 13 or 15(d) of the Exchange Act.

“Securities Act” shall mean the United States Securities Act of 1933 and any rules adopted thereunder, as amended from time to time.

“Transfer Agent Verified Shares Program” shall mean OTC Markets Group’s program that enables eligible stock transfer agents to report their clients' share data, including authorized and outstanding shares, to OTC Markets Group on a regular basis via a secure, electronic file transfer.

A list of transfer agents that participate in this program is available on www.otcmarkets.com.

“U.S. GAAP” shall mean generally accepted accounting principles in the United States, consistently applied.

“Verified Company Profile” shall mean the electronic form available on www.OTCIQ.com submitted by the Company verifying or updating, as necessary, the Company Profile information displayed on www.otcmarkets.com.