

OTCQB STANDARDS RELEASE NO. 3.1 (PROPOSED AMENDMENTS)

OTC Markets Group has published proposed amendments to the OTCQB Standards. The proposal includes a new process for Change in Control Events, minor amendments extending the due date of the Annual OTCQB Certification from 30 to 45 days and allowing Alternative Reporting Companies listed on a Qualified Foreign Exchange to qualify using financials prepared in accordance with IFRS.

Below is a description of the new process for Change in Control Events, which has been added as section 2.4 of the OTCQB Standards:

Definition of a Change in Control Event:

“Change in Control Event” shall mean a transaction resulting in:

- a) A change in the majority ownership or effective control of the Company;
- b) Material changes to the Company’s management team or Board of Directors;
or
- c) In conjunction with either above listed factors, a material change to the nature of the Company’s business operations.

Procedures for Change in Control Events:

- 1) *Notification.* The Company is responsible for notifying OTC Markets Group upon the completion of transactions resulting in a Change in Control Event.
- 2) OTC Markets Group may, at any time and in its sole and absolute discretion, determine that the Company has undergone a Change in Control Event.
- 3) *Review.* Once a Change in Control Event has been identified, the Company must submit to OTC Markets Group an OTCQB Change in Control Notification and a new OTCQB Application and associated Application Fee within 20 calendar days. Failure to adhere to the notification’s requirements, or comply with or respond to the request for additional materials or documents in a timely manner may result in the Company’s suspension or removal from OTCQB.
- 4) *OTCQB Certification.* Immediately subsequent to a Change in Control Event, the Company must file a new OTCQB Certification, reflecting any applicable changes.
- 5) *Maintain Verified Company Profile.* Immediately subsequent to a Change in Control Event, 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.

Comment Period of 30 days:

OTC Markets Group welcomes your feedback about the proposed changes. Send comments and questions to Mike Vasilios, Vice President of Issuer Compliance at mike@otcmarkets.com by July 30, 2017.

Effective Date of Proposed Changes:

The proposed rules are scheduled to become effective July 31, 2017.