

**OTCQB STANDARDS RELEASE NO. 4 (PROPOSED AMENDMENTS)**

OTC Markets Group has published proposed amendments to the OTCQB Standards. The proposal includes;

1. A notification of a change in Annual Fees to \$12,000;
2. A modification to the procedures for new applicants to request exemption from the requirement to meet the bid test for 30 days prior to approval for OTCQB. This will allow certain Companies that have no prior public market in the U.S. to begin trading on OTCQB more quickly; and
3. Additions of definitions for Public Float, Affiliate, and Immediate Family Member to improve the quality and standardize the share data that OTCQB Companies make publicly available to their investors.

Below is a further description of each of these items:

**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.).

**Bid Price of \$0.01 Eligibility Standard**

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

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, then the Company may apply in writing to OTC Markets Group for an exemption from Section 1.1(3)(a) of these OTCQB Standards, which exemption may be granted by OTC Markets Group in its sole and absolute discretion and subject to FINRA approval of the Form 211.

Any such exemption will be conditioned upon the bid price for such Company's securities remaining over \$0.01 for each of the 30 calendar days immediately subsequent to the Company being first quoted on the OTCQB market.

**Definitions**

**"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 Immediate Family Members of officers, directors and control persons.

**“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.

**“Immediate Family Member”** shall mean any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such director, executive officer or nominee for director, and any person (other than a tenant or employee) sharing the household of such officer, director, or control person.

**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](mailto:mike@otcmarkets.com) by November 15, 2017.

**Effective Date of Proposed Changes:**

The proposed rules are scheduled to become effective January 1, 2018.