

OTCQX RULES FOR INTERNATIONAL COMPANIES

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1 General Considerations

At OTC Markets Group our mission is to create better informed and more efficient financial markets. Our vision is to expand the world of investment opportunities by creating the financial markets of choice, that bring the benefits of public trading to a wide spectrum of securities and efficiently fulfill the capital formation needs of a broad range of U.S. and global companies.

These OTCQX Rules for International Companies are designed to create the most informed, efficient and cost-effective market for your securities¹. We use the power of technology and transparency to connect global companies with their U.S. investors and broker dealers to intelligently analyze, value and trade securities. The OTCQX rules require companies to meet high standards, make adequate, current information publicly available, provide timely disclosure of any news or information required to be made publicly available pursuant to Exchange Act Rule 12g3-2(b), and demonstrate compliance with securities laws and regulations. By agreeing to these rules, an OTCQX Company will support the best public market, with a fair and efficient trading experience, increased confidence in its operations and an enhanced reputation with shareholders and the general public.

We urge all OTCQX company directors, officers, and persons responsible for the accuracy and adequacy of disclosure, as well as their outside advisors, to understand these OTCQX Rules and to act with integrity and the highest standards in meeting their responsibilities and obligations. Transparency builds trust, and the unique success of each OTCQX company will be a reflection on the good will and efforts of the people involved.

1.1 Application of OTCQX Rules For International Companies

These OTCQX Rules for International Companies consist of certain regulations adopted and published by OTC Markets Group, which prescribe the rights, privileges and obligations of international Companies with securities qualified to be traded on the OTCQX market and the nature of the securities that may be traded in any particular premium tier. The Rules are necessarily principles-based and should be understood as instituting standards for conduct, rather than rules establishing minimum compliance requirements. Accordingly, the Rules are intended to outline for Companies and investors, the standards a Company must meet to qualify for trading on the OTCQX market, and describe the initial and ongoing disclosure OTCQX Companies must provide to the investing public.

1.2 Amendment of OTCQX Rules For International Companies

OTC Markets Group may, in its sole and absolute discretion, amend these Rules, whenever it determines that an amendment is necessary or desirable to enhance the quality of the market represented by OTCQX, to improve the disclosure of OTCQX 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 OTCQX Rules for International Companies Release.

¹ These Rules have not been reviewed by the U.S. Securities and Exchange Commission or any state securities regulator, although OTC Markets Group as a matter of policy welcomes comments and suggestions from these and other regulators.

1.3 Defined Terms

Capitalized terms used herein are defined in Part 7 of these OTCQX Rules for International Companies.

2 Requirements for Admission

OTCQX for International Companies is comprised of two distinct tiers, OTCQX International and, for companies able to meet our highest standards, OTCQX International Premier.

2.1 OTCQX International Tier Initial Eligibility Criteria

To be considered for admission to the OTCQX International tier, a Company shall:

- a) Meet one of the following exemptions, consistent with the definition of a “Penny Stock” under Rule 3a51-1 under the Securities Exchange Act of 1934²:
 1. Have net tangible assets of \$2,000,000, if the Company has been in continuous operation for at least three years, or \$5,000,000, if the Company has been in continuous operation for less than three years;
 2. Have average revenue of at least \$6,000,000 for the last three years; or
 3. Have a bid price of \$5 per share as of the close of business on each of the 30 consecutive calendar days immediately preceding the Company’s Application Day, and as of the most recent fiscal year end have at least one of the following:
 - A. Net income of \$500,000;
 - B. Net tangible assets of \$1,000,000;
 - C. Revenues of \$2,000,000; or
 - D. Total assets of \$5,000,000;

In the event that there has not been a prior public market for the Company’s securities in the U.S., and FINRA has approved a Form 211 with a bid price greater than \$5 per share, then the Company may apply in writing for an exemption from the requirement to maintain a bid price over \$5 per share as of the close of business on each of the 30 consecutive days prior to the Company’s Application Day, which exemption may be granted by OTC Markets Group in its sole and absolute discretion. In such a case, the Company may, demonstrate compliance with Section 2.1(a) 3(A) - (D) using its most recent annual, quarterly or current event report filed through EDGAR or a pro-forma financial statement (signed and certified by the CEO or CFO) posted through EDGAR or the OTC Disclosure & News Service.

- b) Have proprietary priced quotations published by at least one Market Maker in OTC Link ATS;
- c) Have a primary class of securities with a minimum bid price of \$0.25 per share as of the close of business on each of the 30 consecutive calendar days immediately preceding the Company’s

² Financial criteria must be met based on audited financial reports dated within 15 months.

Application Day. OTC Markets Group may consider an exemption to this requirement in the following circumstances:

1. 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 to or greater than \$0.25, or the Company's securities are traded on a [Qualified Foreign Exchange](#) at a price equal to or greater than \$0.25;
2. The Company is applying for admission to OTCQX immediately subsequent to delisting from a national securities exchange and has a minimum bid price of at least \$0.10.

The Company must apply in writing to OTC Markets Group for an exemption from the minimum bid price requirement of this Section 2.1(c), which exemption 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 remaining over \$0.25 or \$0.10, respectively, for the Company's first 30 days on OTCQX;

- d) Have a Global Market Capitalization of at least \$10 million on each of the 30 consecutive calendar days immediately preceding the Company's Application Day;
- e) Have ongoing operations and not be a Shell Company or Blank-Check Company;
- f) Not be subject to any Bankruptcy or reorganization proceedings;
- g) Have at least 50 Beneficial Shareholders, each owning at least 100 shares; and
- h) Meet one of the following conditions:
 1. Have its securities listed on a Qualifying Foreign Stock Exchange, *provided, however*, that in the event the Company's securities are listed on a non-U.S. exchange that is not a Qualified Foreign Stock Exchange, OTC Markets Group may, in its sole and absolute discretion, consider the Company's eligibility for OTCQX; and
 - A. 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
 - B. 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 "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)(ii), and is not otherwise required to register under 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)
 2. Be an SEC Reporting Company or a Regulation A Reporting Company and be current and fully compliant in its SEC reporting obligations.

2.2 OTCQX International Premier Tier Initial Eligibility Criteria

To be considered for admission to OTCQX International Premier tier, the Company shall:

- a) Have a Global Market Capitalization of at least \$1 billion on each of the 30 consecutive calendar days immediately preceding the Company's Application Day;
- b) Have proprietary priced quotations published by at least one Market Maker in OTC Link ATS;
- c) Have a five-year operating history;
- d) Meet one of the following exemptions, consistent with the definition of a "Penny Stock" under Rule 3a51-1 under the Securities Exchange Act of 1934³:
 - 1. Net tangible assets of \$2,000,000; or
 - 2. Average revenue of at least \$6,000,000 for the last three years;
- e) Have one of the following over the previous six months (calculated using the trading of the security or underlying security, as applicable, on the Company's Qualified Foreign Stock Exchange):
 - 1. An average weekly trading volume of at least 200,000 shares; or
 - 2. An average weekly trading dollar volume of at least \$1 million.
- f) Have ongoing operations and not be a Shell Company or Blank-Check Company;
- g) Not be subject to any Bankruptcy or reorganization proceedings; and
- h) Meet one of the following conditions:
 - 1. Have its securities listed on a Qualifying Foreign Stock Exchange, *provided, however*, that in the event the Company's securities are listed on a non-U.S. exchange that is not a Qualified Foreign Stock Exchange, OTC Markets Group may, in its sole and absolute discretion, consider the Company's eligibility for OTCQX; and
 - A. 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
 - B. 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 "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)(ii), and is not otherwise required to register under 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).

³ Financial criteria must be met based on audited financial reports dated within 15 months.

2. Be an SEC Reporting Company or a Regulation A Reporting Company and be current and fully compliant in its SEC reporting obligations.

2.3 Requirement to Select an OTCQX Sponsor

- a) A Company that is applying for admission to OTCQX must select an OTCQX Sponsor approved by OTC Markets Group, for the purpose of having such Sponsor submit a Letter of Introduction to OTC Markets Group. The Company may select an OTCQX Sponsor only if:
 1. The OTCQX Sponsor is included on OTC Markets Group's OTCQX Sponsor List; or
 2. The OTCQX Sponsor's "Application to Serve as an OTCQX Sponsor" has been approved by OTC Markets Group and the OTCQX Sponsor has executed an "Agreement to Serve as an OTCQX Sponsor."
- b) A Company that applies to join OTCQX immediately subsequent to delisting from a national securities exchange including the New York Stock Exchange, NYSE MKT or Nasdaq, and is in good standing with the exchange at the time of delisting, is exempt from the requirement to select an OTCQX Sponsor.
- c) A Company with a class of securities listed on a national securities exchange including the New York Stock Exchange, NYSE MKT or Nasdaq, that applies to have a separate class of securities traded on OTCQX is exempt from the requirement to select an OTCQX Sponsor.

Further information relating to OTCQX Sponsors is contained in Part 4 of these OTCQX Rules for International Companies.

2.4 Requirement to Authorize Transfer Agent

An International Company that is applying for admission to OTCQX must authorize its 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.

2.5 Application Materials

An International Company that desires to apply for admission to OTCQX must submit the following materials (collectively referred to as the "**OTCQX Application Materials for International Companies**"), completed and signed, to OTC Markets Group Inc., via email at OTCQXApplications@otcmarkets.com or to OTC Markets Group Inc., 100 M Street, SE, Suite #220, Washington, DC 20003. An International Company's application for admission to OTCQX will not be deemed complete until all of the OTCQX Application Materials for International Companies are received by OTC Markets Group. The OTCQX Application Materials for International Companies are as follows:

- a) OTCQX Application for International Companies;
- b) OTCQX Application Fees (see Section 5.1 of these Rules);
- c) OTCQX Company Agreement, including exhibits and the Cover Sheet;
- d) Personal Information Forms 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 a class of the Company's

securities trades on a Qualified Foreign Exchange or if the Company is applying for admission to OTCQX immediately subsequent to delisting from a national securities exchange including the New York Stock Exchange, NYSE MKT or Nasdaq;

- e) If the desired OTCQX Sponsor is not already included on OTC Markets Group's list of approved OTCQX Sponsors (the "**OTCQX Sponsor List**"), the desired OTCQX Sponsor must submit (i) an "Application to Serve as a OTCQX Sponsor," (ii) an "Agreement to Serve as OTCQX Sponsor," and (iii) the OTCQX Sponsor's Application Fee (see Section 5.2 of these Rules); and
- f) A high-resolution copy of the Company's logo.

2.6 Delivery Confirmation

The Company and its OTCQX Sponsor will be sent an email confirmation of OTC Markets Group's receipt of the OTCQX Application for International Companies, as well as upon receipt of all of the OTCQX International Application Materials (usually within five business days of the receipt of such documents). Inquiries relating to the receipt of any OTCQX International Application Materials should be sent to OTCQXApplications@otcmarkets.com, with subject line "OTCQX Application Receipt Status."

2.7 Posting and Notification of a Company's Initial Disclosure

Once a Company's OTCQX International Application Materials and Application Fee have been received by OTC Markets Group, the Company will be granted access to the OTC Disclosure & News Service to post its initial disclosure in compliance with Section 2.8 below ("**Initial Disclosure**").

The Company shall notify OTC Markets Group when the Company's Initial Disclosure has been posted.

2.8 Company's Initial Disclosure Obligations

The Company shall make the following **Initial Disclosure** available to the public prior to admission to OTCQX:

- a) If the Company is an SEC Reporting Company, the Company must have filed all reports required to be filed thereunder on EDGAR.
- b) If the Company is a Regulation A Reporting Company, the Company must have filed all reports required to be filed on EDGAR.⁴
- c) If the Company is not an SEC Reporting Company or a Regulation A Reporting Company, the Company must post, 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 24 months.

2.9 Letter of Introduction by an OTCQX Sponsor

Subject to Section 2.3(a) herein, subsequent to the Company posting its Initial Disclosure, the OTCQX Sponsor shall submit to OTC Markets Group a Letter of Introduction containing the information described under Sections 4.3 and 4.4 below, as applicable.

⁴ The most recent financial statements required to be audited under Regulation A must be audited by auditor registered with the PCAOB.

2.10 OTC Markets Group Review of Application

Upon receipt of an OTCQX Application for International Companies, OTC Markets Group may:

- a) Require the Company, with the assistance of the Company's OTCQX Sponsor, to confirm, clarify or modify any information contained in the OTCQX Application Materials for International Companies;
- b) Require the Company to provide a further undertaking, or fulfill a further condition, prior to admission;
- c) Delay admission pending the completion of further due diligence; or
- d) Refuse the application if, in its opinion, the admission of the Company's securities for trading on OTCQX would be likely to impair the reputation or integrity of OTC Markets Group or be detrimental to the interests of investors.

2.11 Application Approval and Supplemental Submissions

The Company and its OTCQX Sponsor will be notified in writing of the outcome of the Company's application for OTCQX. If OTC Markets Group approves a Company's application for OTCQX, the Company shall submit to OTC Markets Group, within 30 days of the date of the written notice, a list of any changes that would affect the information presented in the original OTCQX Application Materials for International Companies.

3 Requirements for Continued Qualification

3.1 Ongoing Responsibilities of the Company

- a) *Compliance with Rules.* The Company is responsible for compliance with these OTCQX Rules for International Companies and is solely responsible for the content of the Information.
- b) *Compliance with Laws.* The Company shall comply with applicable securities laws of its country of domicile and applicable U.S. Federal Securities Laws, including, without limitation, Exchange Act Rule 10b-17 and FINRA Rule 6490 regarding the announcement and processing of company-related corporate actions, and U.S. state securities laws. The Company shall, at all times that its securities are traded on OTCQX, respond to requests from any securities regulator or self-regulatory organization in its country of domicile, any U.S. federal or state securities regulator and any U.S. self-regulatory organization.
- c) *Payment of Fees.* The Company shall pay an Annual Fee in respect of each year in which its securities continue to be traded on OTCQX. The Annual Fee is set forth in Section 5.1(b) of these OTCQX Rules for International Companies.
- d) *Transfer Agent.* The Company shall authorize its Transfer Agent to provide share information upon OTC Markets Group's request.
- e) *Changes in Auditors.* The Company will promptly notify OTC Markets Group if the Company changes its independent public accountants regularly auditing the books, accounts and reports of the Company.

- f) *Responding to OTC Markets Group's Requests.* The Company shall respond to inquiries and requests from OTC Markets Group from time to time, including submission of Personal Information Forms or any request to provide a further undertaking or fulfill a further condition.
- g) *Company's Ongoing Disclosure Obligations.*
1. *SEC Reporting Companies.* A Company that is an SEC Reporting Company must file, on an ongoing basis, all annual, quarterly and interim reports required to be filed under the Exchange Act.
 2. *Regulation A Reporting Companies.* A Company that is a Regulation A Reporting Company must file, on an ongoing basis:
 - A. All annual, semi-annual and other interim reports required to be filed on EDGAR under Regulation A, and within 45 days of the end of the first and third fiscal quarters where the company is not already required to file an annual or semiannual report must publish on EDGAR through Form 1-U quarterly disclosure including all information required in the Company's semi-annual report.
 - B. On Form 1-U, copies of all proxies, proxy statements and all other material mailed by the Company to its shareholders with respect thereto, within 15 days of the mailing of such material.
 3. *Non SEC Reporting Companies.* A Company that is not an SEC Reporting Company must remain current and fully compliant in its obligations under Exchange Act Rule 12g3-2(b), if applicable, and in any event shall, on an ongoing basis, post in English through the OTC Disclosure & News Service or an Integrated Newswire, the information required to be made publicly available pursuant to Exchange Act Rule 12g3-2(b). Additionally, the Company shall provide Confirmation of 12g3-2(b) Compliance through the Add Financial Report link in www.otciq.com using the Report Type titled "12g3-2(b) Confirmation" on an annual basis.
 4. *Compliance with Blue Sky Laws.* OTCQX 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 OTCQX rules may satisfy the applicable secondary trading exemptions for transactions in OTCQX securities, subject to additional conditions under each state's applicable regulations.
 5. *Maintain Verified Company Profile.* At least once every six months, the Company must verify its Company Profile via www.otciq.com with the information required to maintain the "Verified Company Profile" designation on the Company Profile page on www.otcmarkets.com. This includes verification of certain required information, such as officers, directors, securities counsel and other service providers.
- h) *OTCQX Sponsor.* A Company may voluntarily retain an OTCQX Sponsor to provide ongoing advice and services. Such advisor will have no formal role under these OTCQX Rules.
- i) *Requirements applicable to SEC Reporting and Regulation A Reporting Companies.* A Company that is an SEC Reporting Company or Regulation A Reporting must also comply with the below requirements.

1. *Sales of Company Securities by Affiliates.* Prior to transacting in the Company's securities through a broker-dealer, each officer, director or other "affiliate" of the Company (within the meaning of Rule 144(a)(1) under the Securities Act) shall make its status as an affiliate of the Company known to the broker-dealer.
2. *Redemption Requirements.* The Company shall not select any of its securities traded on OTCQX for redemption otherwise than by lot or pro rata, and will not set a redemption date earlier than 15 days after the date a corporate action is taken to authorize the redemption.
3. *Changes in Form or Nature of Securities.* The Company shall not make any change in the form or nature of any of its securities traded on OTCQX, nor in the rights or privileges of the holders thereof, without having given 20 days' prior notice to OTC Markets Group of the proposed change.
4. *Accounting Methods.* The Company will not make any substantial change, nor will the Company permit any subsidiary directly or indirectly controlled by the Company to make any substantial change, in accounting methods, in policies as to depreciation and depletion or in bases of valuations of inventories or other assets, without notifying OTC Markets Group and disclosing the effect of any such change in the Company's next succeeding quarterly and annual financial reports.

3.2 Standards for Continued Qualification

- a) *Eligibility Criteria.* As of the most recent fiscal year end, the Company must maintain compliance with the eligibility criteria set forth in Section 2.1 (a) and 2.1 (e) – (h) or Section 2.2 (d) – (h), as applicable, of these OTCQX Rules for International Companies.
- b) *OTCQX International Tier.* To remain eligible for trading on the OTCQX International tier, the Company must have:
 1. A minimum bid price of \$0.10 per share as of the close of business for at least one of every 30 consecutive calendar days;
 2. A Global Market Capitalization of at least \$5 million for at least one of every 30 consecutive calendar days; and
 3. At least 2 Market Makers publish priced quotations on OTC Link ATS within 90 days of the Company joining OTCQX.

In the event that Company's bid price, the Global Market Capitalization, or the number of Market Makers falls below the minimum criteria established in this Section 3.2(b), a cure period of 180 calendar days to regain compliance shall begin, during which the minimum criteria must be met for 10 consecutive trading days.

- c) *OTCQX International Premier Tier.* To remain eligible for trading on the OTCQX International Premier tier, the Company must have:
 1. A Global Market Capitalization of at least \$500 million for at least one of every 30 consecutive calendar days

2. One of the following over the previous six months (calculated using the trading of the security or underlying security, as applicable, on the Company's Qualified Foreign Stock Exchange):
 - A. An average weekly trading volume of at least 100,000 shares; or
 - B. An average weekly trading dollar volume of at least \$500,000.
3. At least 4 Market Makers publish priced quotations on OTC Link ATS within 90 days of the Company joining OTCQX.

In the event the Company falls below the minimum criteria established in this Section 3.2(c), the Company shall have its securities traded on the OTCQX International tier, pursuant to Section 6.3 of these OTCQX Rules for International Companies.

4 OTCQX Sponsor Role

4.1 Requirements of an Attorney or Investment Bank OTCQX Sponsor

- a) *Eligibility.* To be eligible to serve as an OTCQX Sponsor, the attorney or investment bank must meet the eligibility requirements set forth in Part B of the "Application to Serve as an OTCQX Sponsor," as applicable.
- b) *Role of the OTCQX Sponsor.* Once selected by a Company, the OTCQX Sponsor must use its best efforts in reviewing the business of the Company and its securities to the extent required to render advice to the Company with respect to its OTCQX eligibility and to write the Letter of Introduction. The sponsor shall:
 1. Provide advice to the Company regarding its compliance with Exchange Act Rule 12g3-2, if applicable, and these OTCQX Rules for International Companies;
 2. Conduct a review of the Company's Information to confirm that the Company has posted on the OTC Disclosure & News Service all information required to be made publicly available pursuant to Exchange Act Rule 12g3-2(b), if applicable, and that the Company is otherwise in compliance with these OTCQX Rules for International Companies;
 3. Provide assistance to a Company in connection with the Company's response to requests and inquiries from OTC Markets Group;
 4. Provide OTC Markets Group with a Letter of Introduction, as applicable, in connection with the Company's application for OTCQX which shall be completed in the manner and contain the information described in Sections 4.3 and 4.4 below, as applicable; and
 5. Notify OTC Markets Group when the Company's Initial Disclosure required pursuant to Sections 2.5 and 2.6 is posted through the OTC Disclosure & News Service or EDGAR. If such disclosure has not been posted within 90 days following the Company's submission to OTC Markets Group of its OTCQX Application for International Companies, the OTCQX Sponsor shall request, in writing, an extension of time to post such disclosure with an estimate of when such disclosure shall be available.

4.2 Duty to Provide Information to OTCQX Sponsor

In connection with the provision of the Letter of Introduction to OTC Markets Group, the Company shall provide the OTCQX Sponsor with the following:

- a) access to information regarding the Company, including confidential and proprietary information;

- b) access to its personnel;
- c) responses to requests for information or documents; and
- d) material information relating to the Company.

4.3 Letter of Introduction from Attorneys and Investment Banks

The Attorney or Investment Bank OTCQX Sponsor must use its best efforts in providing OTC Markets Group with a Letter of Introduction in connection with the Company's application for OTCQX.

Each letter shall state that it may be relied upon only by OTC Markets Group for purposes of qualification for trading of the Company's securities on OTCQX, but not by any other Person or for any other reason, and that the Company and its management are solely responsible for the content of the Information, except that the OTCQX Sponsor is responsible for any disclosure in the Information relating to any conflict of interest that may affect the advice given by the OTCQX Sponsor to the Company. The Letter of Introduction will also, in substance, make the following additional statements:

a) *OTCQX Sponsor Qualifications.*

1. *Qualifications for Attorneys.* The OTCQX Sponsor is an attorney or a law firm with its headquarters in the U.S. or Canada, and each attorney who will provide services as an OTCQX Sponsor is licensed to practice law in good standing in the U.S. and is not subject to any disciplinary actions within the last five years in each U.S., Canadian or other jurisdiction in which such Person is licensed to practice law. The OTCQX Sponsor is not currently subject to any sanctions resulting from any disciplinary actions from any U.S., Canadian or other federal or state securities regulator, or from any self-regulatory organization that would prohibit or restrict its ability to serve as an OTCQX Sponsor. The OTCQX Sponsor has been approved by OTC Markets Group to serve as an OTCQX Sponsor, continues to satisfy the standards for serving as an OTCQX Sponsor, as provided in its "Application to Serve as an OTCQX Sponsor" and in the OTCQX Rules for International Companies, and is competent and able to serve and to exercise independent judgment as the Company's OTCQX Sponsor without reservation; or
2. *Qualifications for Investment Banks.* The OTCQX Sponsor is a U.S. registered broker-dealer and a member in good standing with FINRA. The OTCQX Sponsor is not currently subject to any sanctions resulting from any disciplinary actions from any U.S. federal or state securities regulator, or from any self-regulatory organization that would prohibit or restrict his or her ability to serve as an OTCQX Sponsor. The OTCQX Sponsor has been approved by OTC Markets Group to serve as an OTCQX Sponsor, continues to satisfy the standards for serving as an OTCQX Sponsor as provided in its "Application to Serve as an OTCQX Sponsor," and in the OTCQX Rules for International Companies, and is competent and able to serve and to exercise independent judgment as the Company's OTCQX Sponsor without reservation.

b) *OTCQX Sponsor's Selection.* The OTCQX Sponsor has been engaged by the Company to provide this Letter of Introduction to OTC Markets Group.

c) *Company's Formal Compliance.* Based on available information, the OTCQX Sponsor has a reasonable belief that the Company is in compliance with Exchange Act Rule 12g3-2, if applicable, and these OTCQX Rules for International Companies, and that the Company satisfies the eligibility requirements of OTCQX for International Companies.

d) *No Disqualifying Events.* The OTCQX Sponsor has made specific inquiry of the Company with respect to:

1. whether the Company has been delisted, removed or suspended from a Qualifying Foreign Stock Exchange;
2. if the Company is exempt from registration pursuant to Exchange Act Rule 12g3-2(b), whether the Company has failed to make publicly available the materials required under Exchange Act Rule 12g3-2(b); and
3. if the Company is an SEC Reporting Company or a Regulation A Reporting Company, whether the Company has deregistered its securities or is not current in its filing responsibilities thereunder;

and, based on such inquiries, confirms that no such events have occurred with respect to the Company.

4.4 Letter of Introduction from ADR Depositary Sponsors

The ADR Depositary OTCQX Sponsor must use its best efforts in providing OTC Markets Group with a Letter of Introduction in connection with the Company's application for OTCQX.

Each letter shall state that it may be relied upon only by OTC Markets Group for purposes of qualification for trading of the Company's securities on OTCQX, but not by any other Person or for any other reason, and that the Company and its management are solely responsible for the content of the Information, except that the OTCQX Sponsor is responsible for any disclosure in the Information relating to any conflict of interest that may affect the advice given by the OTCQX Sponsor to the Company. The Letter of Introduction will also, in substance, make the following additional statements:

- a) *OTCQX Sponsor Selection.* The OTCQX Sponsor has been engaged by the Company to provide this Letter of Introduction to OTC Markets Group.
- b) *Company's Formal Compliance.* Based solely on information and representations provided by the Company, the Company is in compliance with these OTCQX Rules for International Companies.
- c) *No Disqualifying Events.* The OTCQX Sponsor has made specific inquiry of the Company with respect to:
 1. whether the Company has been delisted, removed or suspended from a Qualifying Foreign Stock Exchange;
 2. if the Company is exempt from registration pursuant to Exchange Act Rule 12g3-2(b), whether the Company has failed to make publicly available the materials required under Exchange Act Rule 12g3-2(b);
 3. if the Company is an SEC Reporting Company or a Regulation A Reporting Company, whether the Company has deregistered its securities or is not current in its filing responsibilities thereunder; and
 4. whether the Company has terminated or announced the termination of its sponsored ADR program (if applicable);

and, based on such inquiries, confirms that no such events have occurred with respect to the Company.

5 OTCQX Fees

5.1 Company Fees

- a) *Application Fee.* At the time the Company's submits its OTCQX Application for International Companies to OTC Markets Group, the Company shall pay OTC Markets Group a non-refundable Application Fee of \$5,000 (U.S.);
- b) *Annual Fee.* The Annual Fee is \$20,000 (U.S.). Upon approval by OTC Markets Group of the Company's OTCQX Application for International Companies, the Company shall pay a pro-rata portion of the Annual Fee, as calculated by OTC Markets Group, for the remainder of the then current calendar year. The Company shall thereafter pay OTC Markets Group the non-refundable Annual Fee for the twelve-month periods that begin each January 1st, such payments to be made by December 1st of the prior calendar year.

5.2 OTCQX Sponsor Fees

- a) *OTCQX Sponsor Application Fee.* The Application Fee is \$1,000 (U.S.). This fee is due at the time an OTCQX Sponsor's "Application to Serve as an OTCQX Sponsor" is submitted to OTC Markets Group;
- b) *OTCQX Sponsor Annual Fee.* The OTCQX Sponsor shall pay a non-refundable Annual Fee of \$1,000 (U.S.) to OTC Markets Group for continued inclusion on the OTCQX Sponsor List. The OTCQX Sponsor shall pay OTC Markets Group the Annual Fee for the twelve-month period beginning each January 1st, such payments to be made by December 1st of the prior calendar year. OTC Markets Group has waived the Annual Fee for the calendar year during which the "Application to Serve as an OTCQX Sponsor" was submitted to OTC Markets Group.

5.3 Fees Non-Refundable

No fees shall be refunded under any circumstances, including the removal of the Company from OTCQX or the removal of an OTCQX Sponsor from the OTCQX Sponsor List.

5.4 Modification of Fees

OTC Markets Group may modify the fees set forth in Sections 5.1 and 5.2 herein from time to time.

6 Removal, Withdrawal or Suspension

6.1 Removal of OTCQX Companies for Failure to Meet Requirements

OTC Markets Group may remove the Company's securities from trading on OTCQX for the Company's failure to meet any of the Requirements for Continued Qualification as set forth in Section 3, or any other obligation under these OTCQX Rules for International Companies, which determination shall be made by OTC Markets Group in its sole and absolute discretion, unless such failure is cured within 30

calendar days after OTC Markets Group gives the Company notice of such failure. OTC Markets Group may, in its sole and absolute discretion, allow additional time to cure, *provided, however*, that to remain on OTCQX a Company must at all times post audited financials dated within 18 months as may be required to qualify for the Blue Sky secondary trading exemptions described in Section 3.1 of these OTCQX Rules.

6.2 Removal of OTCQX Companies for Public Interest Concern

OTC Markets Group may remove the Company's securities from trading on OTCQX 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 integrity of OTC Markets Group or be detrimental to the interests of investors.

6.3 Removal from OTCQX International Premier Tier to OTCQX International Tier

OTC Markets Group may remove the Company's securities from trading on the OTCQX International Premier tier for the Company's failure to continue to meet the eligibility criteria of the OTCQX International Premier tier, which determination shall be made by OTC Markets Group in its sole and absolute discretion. If the Company's securities are removed from the OTCQX International Premier tier under this Section 6.7, the Company shall have its securities traded on OTCQX International tier, provided the Company meets the requirements of OTCQX International tier.

6.4 Withdrawal of OTCQX Companies

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

6.5 Temporary Suspension

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

6.6 Continued Use of Certain Services

Subsequent to the Company's removal, withdrawal or suspension from OTCQX, the Company may continue to use any OTC Markets Group service for which it is subscribed for the remainder of the calendar year and for any subsequent period of time for which it has paid, except services reserved for the use of Companies with securities traded on OTCQX.

7 Definitions

Capitalized terms used in these OTCQX Rules for International Companies shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“ADR Depositary” shall mean a U.S. bank that issues a negotiable certificate, also known as an American Depositary Receipt (**“ADR”**) or American Depositary Share (**“ADS”**), representing a specified number of shares (or one share) in a foreign stock.

“ADR Depositary OTCQX Sponsor” or **“ADR Depositary Sponsor”** shall mean an OTCQX Sponsor that is an ADR Depositary.

“Annual Fee” shall mean the amount established from time to time by OTC Markets Group and initially set forth in these OTCQX Rules for International Companies, which the Company must remit to OTC Markets Group for its securities to be traded on the OTCQX tier indicated on the Cover Sheet.

“Application Day” shall mean the calendar day on which the Company submits all required elements of the OTCQX Application Materials for International Companies, as set forth in Section 2.3 of these OTCQX Rules for International Companies.

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

“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 Shareholder” 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.

“Blank-Check Company” shall mean an entity that (i) has no specific business plan or purpose and (ii) is issuing “penny stock,” as defined in Rule 3a51-1 under the Exchange Act.

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

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

“Company” shall mean the Company identified on the Cover Sheet as entering into the OTCQX Agreement with OTC Markets Group.

“Company Profile” shall mean the information entered by the Company via www.otciq.com and displayed on the ‘Company Profile’ tab of the Company’s stock page on www.otcmarkets.com.

“Cover Sheet” shall mean the OTCQX Company Agreement Cover Sheet.

“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.

“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.

“Global Market Capitalization” shall mean the total value of the Company’s outstanding shares.

“Information” shall mean information provided by the Company through the OTC Disclosure & News Service or on EDGAR; *provided, however*, that in the event the Company voluntarily delisted from a national securities exchange including the New York Stock Exchange, NYSE MKT or NASDAQ, the term shall not include any such information provided on EDGAR prior to such delisting.

“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 of the U.S.

“Investment Bank” shall mean a registered broker dealer.

“Issuer” shall mean the same as “Company.” (See definition for “Company” under this Section.)

“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 Market Group.

“OTC Markets Group” shall mean OTC Markets Group Inc., a corporation organized under the laws of the State of Delaware, located at 304 Hudson Street, 3rd Floor, New York, NY 10013.

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

“OTCQX” is a system for Companies to provide information to investors. It is not a registered stock exchange.

“OTCQX International” shall mean a tier of OTCQX for International Companies system, which is available only to those Companies that satisfy the applicable requirements hereto.

“OTCQX International Premier” shall mean the top tier of the OTCQX for International Companies system, which is available only to those Companies that satisfy the applicable requirements hereto.

“OTCQX Rules Release” shall mean a notice, published by OTC Markets Group on www.otcmarkets.com, setting forth the reasons for, and text of, any amendment to these OTCQX Rules for International Companies.

“OTCQX Sponsor” shall mean either an attorney, investment bank, or ADR Depositary approved by OTC Markets Group to serve as the Company’s OTCQX Sponsor, in connection with the qualification for trading of the Company’s securities on OTCQX, having the rights and responsibilities described in (i) these OTCQX Rules for International Companies, (ii) the Application to Serve as an OTCQX Sponsor and (iii) the Agreement to Serve as an OTCQX Sponsor.

“OTCQX Sponsor Annual Fee” shall mean the amount established from time to time by OTC Markets Group and initially set forth in these OTCQX Rules for International Companies, which the OTCQX Sponsor must remit to OTC Markets Group for continued inclusion on the OTCQX Sponsor List, as published on www.otcmarkets.com.

“OTCQX Sponsor Application Fee” shall mean the amount established from time to time by OTC Markets Group and initially set forth in these OTCQX Rules for International Companies, which the OTCQX Sponsor must remit to OTC Markets Group in connection with an Application to Serve as an OTCQX Sponsor.

“OTCQX Sponsor List” shall mean OTC Markets Group’s list containing approved attorneys, investment banks, and ADR Depositary who may serve as OTCQX Sponsors, as published on www.otcmarkets.com.

“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 must be filled out by certain individuals related to any company with securities qualified for trading, or applying for qualification, on OTCQX.

“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.

“Qualified Foreign Stock Exchange” shall mean a foreign stock exchange listed on the OTC Markets Group List of Qualified Foreign 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 incorporated in the U.S. or Canada, subject to the reporting obligations under Tier 2 of Regulation A under the Securities Act.

“SEC Reporting Company” shall mean 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.

“Shell Company” shall mean an entity (i) with no or nominal operations, (ii) with limited operations, if OTC Markets Group in its sole and absolute discretion determines such entity to be a Shell Company, (iii) with no or nominal assets, or (iii) defined as a “Shell Company” under Section 405 of the Securities

Act. For purposes of this definition, the term “nominal operations” includes, but is not limited to, operations with the primary purpose of avoiding classification of such entity as a Shell Company.

“Transfer Agent” shall mean a trust company, bank or similar financial institution assigned by a corporation, mutual fund or similar entity to maintain records of investors and account balances and transactions, to cancel and issue certificates, to process investor mailings and to deal with any associated problems, including but not limited to lost or stolen certificates.