

OTCQX RULES RELEASE NO. 9 (PROPOSED AMENDMENTS)

OTC Markets Group has published proposed amendments to the OTCQX Rules for U.S. Companies, OTCQX Rules for International Companies, and OTCQX Rules for U.S. Banks. The Securities and Exchange Commission's recent amendments to Regulation A become effective on June 19, 2015, and OTC Markets Group has aligned our rules to allow issuers to qualify for the OTCQX Best Marketplace.

Most significantly, a company may use its required disclosure under Regulation A to help meet the initial and ongoing OTCQX disclosure requirements. To qualify for OTCQX, a company using the new Regulation A Reporting Standard must file all reports required to be filed on EDGAR under Regulation A as well as quarterly disclosure and certain other information as outlined below. We have also made clarifying changes to the OTCQX Rules that are applicable to all current and prospective OTCQX companies.

Highlights of Proposed Changes

OTCQX Rules for U.S. Companies:

1. Definitions for "Regulation A" and "Regulation A Reporting Company" were added to the Definitions section.
2. Initial Disclosure Obligations - A Regulation A Reporting Company must have filed all reports required to be filed on EDGAR. The most recent financial statements required to be audited under Regulation A must be audited by an independent public accountant registered with the PCAOB.
3. Ongoing Disclosure Obligations - A Regulation A Reporting Company must file, on an ongoing basis, 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 each fiscal quarter must publish on EDGAR through Form 1-U quarterly disclosure including all information required in the Company's semi-annual report. Each annual report must include financial statements audited by an independent public accountant registered with the PCAOB.
4. For U.S. Premier Companies Only - A Regulation A Reporting Company must publish, on EDGAR through SEC 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.
5. The initial bid price requirement was updated to indicate that the bid price test will also need to be met at the time of application approval in addition to the time of application submission.

Solicitation of Comments on Proposed Rules:

OTC Markets Group requests your direct feedback relating to the proposed OTCQX Rules for U.S. Companies regarding the disclosure of proxy material by Regulation A Reporting Companies. Specifically, the proposed Rules require that copies of all proxies, proxy statements and all other material be published through EDGAR, and we would like feedback as to whether we should also allow disclosure these materials directly to our OTC Disclosure & News Service through www.otciq.com.

OTCQX Rules for U.S. Banks:

The initial bid price requirement was updated to indicate that the bid price test needs to be met at the time of application approval in addition to the time of application submission.

OTCQX Rules for International Companies:

1. An initial eligibility criterion was added that does not allow a Shell Company or Blank-Check Company to qualify for OTCQX.
2. SEC Reporting Companies may be exempt from the [Qualified Foreign Exchange](#) requirement.
3. All OTCQX International Companies are now required to maintain an Updated Profile similar to the OTCQX U.S. and OTCQX U.S. Banks Companies. At least once every six months, the company must submit a Company Update Form via www.otciq.com with the information needed to ensure the Company Profile is current and complete or verify the current Company Profile publicly displayed on www.otcmarkets.com to maintain the "Company Updated Profile" designation on the Company Profile page 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 9, 2015.

Effective Date of Proposed Changes:

The proposed rules are scheduled to become effective July 10, 2015.