



**December 12, 2008**

## **INTERNATIONAL OTCQX RULES RELEASE NO. 1**

### **AMENDMENTS TO INTERNATIONAL OTCQX RULES**

#### **I. Introduction and Summary of Rule Changes**

This is the first International OTCQX Rules Release (the “Release”) since we created two separate and distinct sets of rules – the OTCQX Rules and the International OTCQX Rules (the “International Rules”). International OTCQX Releases will follow the same policies and procedures as OTCQX Rules Releases of the past. The amendments set forth in this Release are primarily administrative updates, ensuring that the International Rules remain up to date and in line with our evolving policies and procedures. Accordingly, these amendments are non-controversial changes and are effective as of the date of this Release.

We have also established procedures for current International OTCQX issuers wishing to appoint a new PAL, while reaffirming the requirement that a company retain a PAL at all times. Finally, in an effort to transition to a uniform fee payment schedule for all companies listing on International OTCQX, we have changed the billing cycle for Annual Listing Fees and PAL Annual Fees and placed all issuers and PALs on a calendar year schedule.

The International Rules must also adapt to changes in the federal securities laws. The Securities and Exchange Commission has recently amended Exchange Act Rule 12g3-2(b), which impacts foreign private issuers. We have updated the International Rules accordingly.

#### **II. Detailed Description of International OTCQX Rules Amendments**

Section 1.3 of the International Rules provides that the International Rules may be amended from time to time in the sole and absolute discretion of Pink OTC Markets. We believe that the amendments announced in this Release are necessary and desirable to enhance the quality of the market represented by International OTCQX and improve the disclosure of International OTCQX issuers for the benefit of public investors. The amendments described in this Release are effective as of the date of this Release.

##### **A. Exchange Act Rule 12g3-2(b)**

The Securities and Exchange Commission recently amended Exchange Act Rule 12g3-2(b). Accordingly, we revised Sections 2, 3, and 4 of the International Rules to reflect these changes.

#### B. Appointment of a new PAL

From time to time an issuer and its PAL may decide to terminate their relationship. Consequently, we have established procedures allowing an issuer to appoint a new PAL at any time. A PAL plays a vital role for an International OTCQX issuer. Thus, an issuer transferring from one PAL to another must maintain a PAL at all times. The new PAL must be approved by Pink OTC Markets and must comply with all initial and ongoing PAL requirements. The new procedures are intended to facilitate an issuer's smooth transition from one PAL to another.

#### C. Fees

In an effort to transition to a uniform fee payment schedule for all issuers listing on International OTCQX, we have altered the billing schedule for Annual Listing Fees. Previously, an issuer was required to pay the Annual Listing Fee on the issuer's anniversary date. Each issuer will now pay the Annual Listing Fee at the beginning of each calendar year. To accommodate the change, an issuer will now be charged a pro-rata portion of its Annual Listing Fee for the remainder of the initial calendar year in which it lists on International OTCQX. Thereafter, an issuer's obligation to pay the Annual Listing Fee will arise at the start of each subsequent calendar year.

We have also altered the billing schedule for PAL Annual Fees. The PAL Annual Fee is now waived for the initial twelve-month period during which one serves as a PAL. After the initial period expires, a PAL will be charged a pro-rata portion of the PAL Annual Fee for the remainder of the calendar year. A PAL's obligation to pay the PAL Annual Fee will renew at the start of each subsequent calendar year.

#### D. NYSE Alternext U.S.

NYSE Euronext recently acquired the American Stock Exchange (AMEX), integrated AMEX with Alternext, and renamed it "NYSE Alternext U.S." The reference to the former American Stock Exchange in the International Rules reflects the new name.

### III. Text of Amendments to the Rules

#### **Exchange Act Rule 12g3-2(b)**

For the reasons set out in Part II.A of this Release, the following changes have been made to Section 2, Company Requirements for Admission to International OTCQX; Section 3, Requirements for Continued Listing on International OTCQX; and Section 4, Appointment of a Principal American Liaison (PAL):

- 1) In Section 2.2, paragraph (c):
  - a) Add the word “or” in the phrase “thereunder, [or] (ii)”;
  - b) Replace the phrase “be eligible to rely on the 12g3-2(b) exemption from registration by reason of Exchange Act Rule 12g3-2(e) and be current and fully compliant in its obligations thereunder, or (iii) has” with the word “have”;
  - c) Replace the word “is” with the word “be” after the phrase “of the Exchange Act and”

The revisions read as follows:

## **2.2 *International PrimeQx Eligibility Criteria***

\* \* \*

- c) Either (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) have a class of its securities registered under Section 12(g) of the Exchange Act and be current and fully compliant in its SEC reporting obligations; and

\* \* \* \* \*

- 2) In Section 2.5, paragraph (f), replace the phrase “Rule 12g3-2” with the phrase “Rule 12g3-2(b)”

The revision reads as follows:

## **2.5 *Application Materials***

\* \* \*

- f) If the Company is claiming an exemption from registration pursuant to Exchange Act Rule 12g3-2(b) and posting its ongoing disclosure pursuant to the Rule on an Internet website, a notification stating that the Company is claiming such exemption and including the address of the Internet website on which the ongoing disclosure will be posted; and

\* \* \* \* \*

3) In Section 2.8, paragraph (b):

- a) Replace the phrase “submitted or made available to the Commission under Exchange Act Rules 12g3-2(b) or 12g3-2(e), as applicable,” with the phrase “made publically available pursuant to Exchange Act Rule 12g3-2(b)”

The revision reads as follows:

## **2.8    *Company’s Initial Disclosure Obligations***

\* \* \*

- b) If the Company is not a Reporting Company, the Company must post, in English, through the OTC Disclosure and News Service, all information required to be made publicly available pursuant to Exchange Act Rule 12g3-2(b) for the preceding 24 months.

\* \* \* \* \*

4) In Section 3.1, paragraph (i):

- a) Replace all occurrences of the phrase “12g3-2” with the phrase “12g3-2(b)”

The revision reads as follows:

## **3.1    *Ongoing Responsibilities of the Company***

\* \* \*

- i) *12g3-2(b) Ongoing Disclosure.* If the Company is posting its ongoing disclosure pursuant Exchange Act Rule 12g3-2(b) on an Internet website, a notification stating the address of such Internet website.

\* \* \* \* \*

5) In Section 3.1, paragraph (j):

- a) In subparagraph (ii), replace the phrase “Exchange Act Rules 12g3-2(b) or 12g3-2(e), as applicable, and the information required to be submitted or made available to the Commission under Exchange Act Rules 12g3-2(b), 12g3-2(e) or 12g3-2(f), as applicable,” with the phrase “Exchange Act Rule 12g3-2(b) and the information required to be made publicly available pursuant to Exchange Act Rule 12g3-2(b)”

- b) In subparagraph (iii), numeral two, replace the phrase “or 12g3-2(e), as applicable, and the information required to be submitted or made available to the Commission under Exchange Act Rules 12g3-2(b), 12g3-2(e) or 12g3-2(f), as applicable,” with the phrase “and the information required to be made publicly available pursuant to Exchange Act Rule 12g3-2(b)”

The revisions read as follows:

### **3.1 Ongoing Responsibilities of the Company**

\* \* \*

j) \* \* \*

(i) \* \* \*

- (ii) *Non-Reporting Companies.* A Company that is not a Reporting Company must remain current and fully compliant in its obligations under Exchange Act Rule 12g3-2(b) and the information required to be made publicly available pursuant to Exchange Act Rule 12g3-2(b) shall, on an ongoing basis, be posted in English through the OTC Disclosure and News Service.

(iii) \* \* \*

1. \* \* \*

- 2. The Company is current and fully compliant in its obligations under Exchange Act Rule 12g3-2(b) and the information required to be made publicly available pursuant to Exchange Act Rule 12g3-2(b) is posted in English through the OTC Disclosure and News Service; or if a class of the Company’s securities is registered under Section 12(g) of the Exchange Act, the Company is current and fully compliant in its SEC reporting obligations.

\* \* \* \* \*

6) In Section 4.2, paragraph (b):

- a) In subparagraph (ii), replace the phrase “Rules 12g3-2” with the phrase “Rule 12g3-2(b)”;

b) In subparagraph (iii):

- a. Add the phrase “on the OTC Disclosure and News Service” after the phrase “has posted”;
- b. Replace the phrase “submitted or made available to the Commission under Exchange Act Rules 12g3-2(b), 12g3-2(e)

or 12g3-2(f), as applicable,” with the phrase “made publicly available pursuant to Exchange Act Rule 12g3-2(b)”

The revisions read as follows:

#### **4.2 Requirements of an Attorney PAL or Investment Bank PAL**

\* \* \*

b) \* \* \*

(i) \* \* \*

- (ii) Providing ongoing advice to the Company regarding its compliance with Exchange Act Rule 12g3-2 and these International OTCQX Rules;
- (iii) Conducting an annual review of the Company’s Information to confirm that the Company has posted on the OTC Disclosure and News Service all information required to be made publicly available pursuant to Exchange Act Rule 12g3-2(b) and that the Company is otherwise in compliance with these International OTCQX Rules;

\* \* \* \* \*

7) In Section 4.4, paragraph (d):

- a) In subparagraph (ii), replace the phrase “12g3-2(b) or 12g3-2(e), whether the Company has failed to submit or make available materials that are required under Exchange Act Rules 12g3-2(b), 12g3-2(e) or 12g3-2(f), as applicable” with the phrase “Rule 12g3-2(b), whether the Company has failed to make publicly available the materials required under Exchange Act Rule 12g3-2(b)”

The revision reads as follows:

#### **4.4 Contents of Letters of Introduction and Annual PAL Letters from Attorney PALs**

\* \* \*

d) \* \* \*

(i) \* \* \*

- (ii) 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); or

\* \* \* \* \*

8) In Section 4.5, paragraph (d):

- a) In subparagraph (ii), replace the phrase “12g3-2(b) or 12g3-2(e), whether the Company has failed to submit or make available materials that are required under Exchange Act Rules 12g3-2(b), 12g3-2(e) or 12g3-2(f), as applicable” with the phrase “Rule 12g3-2(b), whether the Company has failed to make publicly available the materials required under Exchange Act Rule 12g3-2(b)”

The revision reads as follows:

**4.5    *Contents of Letters of Introduction and Annual PAL Letters from Investment PALs***

\* \* \*

d) \* \* \*

(i) \* \* \*

- (ii) 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); or

\* \* \* \* \*

9) In Section 4.6, paragraph (c):

- a) In subparagraph (ii), replace the phrase “12g3-2(b) or 12g3-2(e), whether the Company has failed to submit or make available materials that are required under Exchange Act Rules 12g3-2(b), 12g3-2(e) or 12g3-2(f), as applicable” with the phrase “Rule 12g3-2(b), whether the Company has failed to make publicly available the materials required under Exchange Act Rule 12g3-2(b)”

The revision reads as follows:

**4.6    *Contents of Letters of Introduction and Annual PAL Letters from ADR Depositary PALs***

\* \* \*

c) \* \* \*

(i) \* \* \*

- (ii) 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); or

\* \* \* \* \*

## **Appointment of a new PAL**

For the reasons set out in Part II.B of this Release, the following change has been made to Section 4, Appointment of a Principal American Liaison (PAL):

- 1) In Section 4.1, add paragraph (c), which reads as follows:

### ***4.1 Requirement to Retain a Principal American Liaison***

\* \* \*

- c) *Appointment of a new PAL.* The Company may appoint a new PAL at any time, provided that the Company retains an approved PAL at all times. The new PAL must be approved by Pink OTC Markets pursuant to subparagraph (a) and comply with the initial and ongoing obligations of a PAL pursuant to these International OTCQX Rules. To appoint a new PAL, (1) the Company must provide Pink OTC Markets with a copy of the notification sent to its previous PAL terminating the PAL relationship, (2) the Company, the new PAL and Pink OTC Markets must execute an “Issuer Appointment of an Attorney Principal American Liaison,” “Issuer Appointment of Investment Bank Principal American Liaison,” or “Issuer Appointment of an ADR Depositary Principal American Liaison,” as applicable and (3) the new PAL must provide the Company, and the Company must provide Pink OTC Markets, with a Letter of Introduction.

\* \* \* \* \*

## **Fees**

For the reasons set out in Part II.C of this Release, the following changes have been made to Section 5, International OTCQX:

- 1) In Section 5.1, paragraph (b):
  - a) Add the sentence “In the event that Pink OTC Markets accepts the Company’s application for listing on International OTCQX, the Company shall annually pay Pink OTC Markets a non-refundable Listing Fee of \$12,600 (U.S.)” immediately following the phrase “*Annual Listing Fees.*”;
  - b) Replace the phrase “Pink OTC Markets a non-refundable Listing Fee of \$12,600 (U.S.)” with the phrase “a pro-rata portion of the Annual



Listing Fee, as calculated by Pink OTC Markets, for the remainder of the then current year.”;

- c) Add the sentence “The Company shall thereafter pay Pink OTC Markets the Annual Listing Fee for the twelve-month periods beginning each January 1st.” as the penultimate sentence in the paragraph.

The revisions read as follows:

## **5.1 Company Listing Fees**

\* \* \*

- b) *Annual Listing Fees.* In the event that Pink OTC Markets accepts the Company’s application for listing on International OTCQX, the Company shall annually pay Pink OTC Markets a non-refundable Listing Fee of \$12,600 (U.S.). Upon acceptance by Pink OTC Markets of the Company’s application for listing on International OTCQX, the Company shall pay a pro-rata portion of the Annual Listing Fee, as calculated by Pink OTC Markets, for the remainder of the then current calendar year. The Company shall thereafter pay Pink OTC Markets the Annual Listing Fee for the twelve-month periods beginning each January 1st.

\* \* \* \* \*

- 2) In Section 5.2, paragraph (b):

- a) Replace the word “and” following the phrase “Investment Bank PAL” with the word “or”;
- b) Delete the comma following the phrase “Pink OTC Markets”;
- c) Replace the word “year.” with the phrase “twelve months after (i) acceptance by Pink OTC Markets of the Attorney PAL or Investment Bank PAL’s “Application to Serve as an Attorney DAD/PAL or Investment Bank DAD/PAL,” or (ii) the submission to Pink OTC Markets of an Issuer Appointment of an ADR Depositary PAL.”;
- d) Add the sentences “Subsequent to the expiration of the initial twelve-month period, the Attorney PAL, Investment Bank PAL or ADR Depositary PAL shall pay a pro-rata portion of the Annual Fee, as calculated by Pink OTC Markets for the remainder of the then current calendar year. The Attorney PAL, Investment Bank PAL or ADR Depositary PAL shall thereafter pay Pink OTC Markets the Annual Fee for the twelve-month periods beginning each January 1st.” as the penultimate sentences in the paragraph.

The revisions read as follows:

## **5.2 Attorney PAL, Investment Bank PAL and ADR Depositary PAL Fees**

\* \* \*

- b) *PAL Annual Fee.* The Attorney PAL, Investment Bank PAL or ADR Depositary PAL shall pay a non-refundable Annual Fee (which is separate from the Application Fee) of \$500 (U.S.) to Pink OTC Markets for continued inclusion on Pink OTC Markets' published list of approved PALs. Pink OTC Markets has waived the PAL Annual Fee for the first twelve months after (i) acceptance by Pink OTC Markets of the Attorney PAL or Investment Bank PAL's "Application to Serve as an Attorney DAD/PAL or Investment Bank DAD/PAL," or (ii) the submission to Pink OTC Markets of an Issuer Appointment of an ADR Depositary PAL. Subsequent to the expiration of the initial twelve-month period, the Attorney PAL, Investment Bank PAL or ADR Depositary PAL shall pay a pro-rata portion of the Annual Fee, as calculated by Pink OTC Markets for the remainder of the then current calendar year. The Attorney PAL, Investment Bank PAL or ADR Depositary PAL shall thereafter pay Pink OTC Markets the Annual Fee for the twelve-month periods beginning each January 1st.

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## **NYSE Alternext U.S.**

For the reasons set out in Part II.D of this Release, the following change has been made to Section 7, Definitions:

- 1) In the defined term "**Information**", replace the term "the American Stock Exchange," with the term "NYSE Alternext U.S."

The revision reads as follows:

## **7 Definitions**

\* \* \*

"**Information**" shall mean information provided by the Company through the OTC Disclosure and News Service or on EDGAR; *provided, however*, that in the event the Company voluntarily delisted from the New York Stock Exchange, NYSE Alternext U.S. or NASDAQ, the term shall not include any such information provided on EDGAR prior to such delisting.

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Dated: **December 12, 2008**

By Pink OTC Markets Inc.

