

OTCQX RULES FOR INTERNATIONAL COMPANIES

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The OTCQX[®] Best Market is designed for established, investor-focused U.S. and international companies. Companies must meet certain financial standards, follow best practice corporate governance, demonstrate compliance with U.S. securities laws and remain current in filing obligations. Penny stocks, Shell Companies and companies in Bankruptcy cannot qualify for OTCQX. These OTCQX 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 it must provide to the investing public.

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

1. Requirements for Admission

1.1. Eligibility Criteria

To be considered for admission to the OTCQX Market a Company and each class of securities for which it is applying to OTCQX shall be required to meet all the following standards:

- A. *Penny Stock Exempt*. Meet one of the following exemptions, consistent with the definition of a “Penny Stock” under Exchange Act Rule 3a51-1, based on audited financial reports dated within 15 months of the Company’s admission.
1. 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;¹
 2. Average revenue of at least \$6,000,000 for the last three years;² or
 3. A bid price of \$5 per share as of the close of business on each of the 30 consecutive calendar days immediately preceding admission to OTCQX, and as of the most recent fiscal year end have at least one of the following:³
 - i. Net income of \$500,000;
 - ii. Net tangible assets of \$1,000,000;
 - iii. Revenues of \$2,000,000; or
 - iv. Total assets of \$5,000,000;

¹ Company relying on 1.1(A)(1) may demonstrate compliance using an interim audited balance sheet dated within 135 days prior to the Company’s application submission.

² Company relying on 1.1(A)(2) must have at least three years of operations and reported revenue.

³ In the event that there has not been a prior public market for the Company’s securities in the U.S., and FINRA has cleared a Form 211 with a bid price greater than \$5 per share, or OTC Markets Group conducts an initial review under Exchange Act Rule 15c2-11, 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 submission, 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 1.1(A)(3)(i) - (iv) using its most recent annual, quarterly, or current event report filed through EDGAR or the OTC Disclosure & News Service, or a pro-forma financial statement (signed and certified by the CEO or CFO) posted through EDGAR or the OTC Disclosure & News Service.

- B. *No Bankruptcy*. Not be subject to any Bankruptcy or reorganization proceedings, including but not limited to placement in conservatorship or receivership;
- C. *Ongoing Operations*. The Company may not be a Shell Company or Blank-Check Company, except as provided in Section 1.3 herein;
- D. *Good Standing*. Be duly organized and in good standing under the laws of each jurisdiction in which the Company is organized or does business;
- E. *Registration and Reporting Status*. Meet one of the following conditions:
 - 1. Be exempt from SEC registration under Exchange Act 12g3-2(b) and listed on a Qualified Foreign Exchange.
 - 2. Be exempt from SEC registration, other than by Exchange Act Rule 12g3-2(b), and listed on a Qualified Foreign Exchange.
 - 3. Be an SEC Reporting Company or a Regulation A Reporting Company.

The Company must be current in its reporting obligations.

- F. *Audit Requirement*. Meet the following conditions:
 - 1. Audited annual financial statements containing an audit opinion that is not adverse, disclaimed or qualified.
 - 2. Audits must be conducted by an auditor registered with the Public Company Accounting Oversight Board (PCAOB).
 - i. International Companies are exempt from this PCAOB requirement.
 - ii. Regulation A Reporting Companies are exempt from this PCAOB requirement for initial eligibility only; subsequent annual financial statements are not exempt from this requirement.
 - 3. All periodic financial statements must be prepared according to U.S GAAP, IFRS or IFRS equivalent, as applicable.
 - 4. Interim financial reports may be unaudited but must include a balance sheet as of the end of the Company's most recent interim period, income statement, and statement of cash flows for the interim period up to the date of such balance sheet and the comparable period of the preceding 12 months.
- G. *Public Float*. Have an unrestricted Public Float of at least 10% of the total shares issued and outstanding of the class of securities to be traded on OTCQX;

- H. *Shareholder Requirement.* Have at least 50 Beneficial Shareholders, each owning at least 100 shares;
- I. *Bid Price.* Have 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 admission to OTCQX. OTC Markets Group may consider an exemption to this requirement in the following circumstances if there has been no prior public market for the Company's securities in the U.S., and one of the following:
 - 1. FINRA has recently cleared a Form 211 relating to the Company's securities with a bid price equal to or greater than \$0.25;
 - 2. The Company's securities are traded on a Qualified Foreign Exchange at a price equal to or greater than \$0.25; or
 - 3. The Company is applying for admission to OTCQX in conjunction with an initial review for quotation eligibility with an expected bid price equal to or greater than \$0.25;
- J. *Market Capitalization.* Have a global Market Capitalization of at least \$10 million on each of the 30 consecutive calendar days immediately preceding the Company's admission to OTCQX. In the event that there has been no prior public market for the Company's securities, then OTC Markets Group may, in its sole and absolute discretion, grant an exemption from the 30 consecutive calendar day look back period; and
- K. *Quotations.* Have proprietary priced quotations published by two Market Makers in OTC Link ATS. A Company may phase in its compliance with this requirement by having:
 - 1. At least one Market Maker publish proprietary priced quotes upon admission to OTCQX or, if the Company is applying to OTCQX in conjunction with an initial review for quotation eligibility in accordance with Exchange Act Rule 15c2-11, within three business days of admission to OTCQX; or
 - 2. Two Market Makers publish proprietary priced quotes within 90 days of admission to OTCQX.

1.2. Corporate Governance

Companies not listed on a Qualified Foreign Exchange are required to meet the following corporate governance standards:

- A. *Independent Directors.* Have a board of directors that includes at least two Independent Directors;

- B. *Audit Committee*. Have an Audit Committee, with a majority of its members being Independent Directors; and
- C. *Shareholders' Meeting*. A Company with common stock, voting preferred stock, or their equivalent, must conduct annual shareholders' meetings⁴ and make annual financial reports available to its shareholders at least 15 calendar days prior to such meetings.

Trusts, funds, and other similarly structured companies may be exempted from these corporate governance requirements. The Company must apply in writing to OTC Markets Group for an exemption under Section 1.2, which exemption may be granted by OTC Markets Group in its sole and absolute discretion.

1.3. Special Purpose Acquisition Companies (SPAC)

OTC Markets Group may consider on a case-by-case basis the appropriateness for admission of a SPAC with substantial cash or investments and no prior operating history. To be considered for admission to OTCQX, the SPAC must satisfy all the eligibility requirements for the OTCQX Market (set forth in Sections 1.1 and 1.2), with the exception of 1.1(C), and must satisfy the following additional requirements:

- A. *Public Float*. Have at least \$20 million in unrestricted Public Float; and
- B. *Bid Price*. Have a minimum bid price of \$5.00 per share as of the close of business on each of the 30 consecutive calendar days immediately preceding the Company's admission to OTCQX.

A Company that is a SPAC at the time of joining OTCQX, must enter into an agreement with a target company to engage in a de-SPAC transaction and complete such transaction within 18 months of initial quotation in the over-the-counter market in accordance with Exchange Act Rule 15c2-11.

1.4. Transfer Agent Criteria

Canadian companies must retain a transfer agent that participates in the Transfer Agent Verified Shares Program. Additionally, the Company must authorize its transfer agent to provide to OTC Markets Group, upon its request, information related to the Company's securities, including shares authorized, shares issued and outstanding, and share issuance history.

1.5. Initial Disclosure Obligations

The Company shall make the following initial disclosure available to the public prior to admission to OTCQX:

- A. *Verified Company Profile*. All Companies must verify their company profile through OTCIQ.

⁴ Section 1.2 does not supplant any applicable state or Federal Securities Laws concerning annual meetings.

- B. *12g3-2(b) Certification.* International Reporting Companies shall certify compliance with Exchange Act Rule 12g3-2(b) through OTCIQ.com.
- C. *International Reporting.* An International Reporting Company must publish, in English, through the OTC Disclosure & News Service, annual reports for the prior three years (or such shorter time as the company has been in existence) as well as any interim reports and other material disclosure subsequent to the most recent annual report required to be made publicly available pursuant to Exchange Act Rule 12g3-2(b).
- D. *Alternative Reporting.* A Company listed on a Qualified Foreign Exchange that is exempt from SEC registration other than by Exchange Act Rule 12g3-2(b), may follow the Alternative Reporting Standard and provide the following disclosure through the OTC Disclosure & News Service, annual reports for the prior three years (or such shorter time as the Company has been in existence) as well as any interim reports and other material disclosure subsequent to the most recent annual report required to be made publicly available pursuant to the OTCQX Disclosure Guidelines. The company must also publish a Supplemental Report- Catch All form.
- E. *SEC Reporting.* An SEC Reporting Company must have filed all required reports on EDGAR.
- F. *Regulation A Reporting.* A Regulation A Reporting Company must have filed all required reports on EDGAR.

2. Requirements for Continued Qualification

The Company must maintain compliance with the applicable eligibility criteria set forth in Section 1, of these Rules, in addition to the following continuing eligibility and ongoing disclosure obligations:

2.1. Continued Eligibility Criteria

- A. *Bid Price.* Have 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;
- B. *Market Capitalization.* Have a Global Market Capitalization of at least \$5 million for at least one of every 30 consecutive calendar days;
- C. *Quotations.* Have at least two (2) Market Makers publish priced quotations on OTC Link ATS;
- D. *Corporate Governance Standards.* If an SEC Reporting or Regulation A Reporting Company fails to comply with the Independent Directors requirement or the Audit Committee composition requirement as set forth in Sections 1.2 of these OTCQX Rules, the Company must:

1. Notify OTC Markets Group immediately upon learning of the event or circumstance that caused the noncompliance; and
 2. Regain compliance with the requirement by the earlier of its next annual shareholders meeting or the date that is one year from the occurrence of the event that caused the noncompliance;
- E. *Payment of Fees.* The Company must pay an Annual Fee each year;
- F. *Compliance with OTCQX Rules.* The Company is responsible for compliance with these OTCQX Rules and is solely responsible for the content of the Information;
- G. *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;
- H. *Responding to OTC Markets Group's Requests.* The Company must respond to inquiries and requests from OTC Markets Group from time to time, including submission of Personal Information Forms, Background Check Authorization Forms, including for new officers, directors and control persons, or any request to provide a further undertaking or fulfill a further condition;
- I. *Corporate Actions.* The Company must comply with Exchange Act Rule 10b-17, which requires timely notice to FINRA of certain corporate actions, including dividends, stock splits, reverse splits, name changes, mergers, acquisitions, dissolutions, change in nature of securities, bankruptcies or liquidations, at least 10 business days prior to the record date;⁵
- J. *Sales of Company Securities by Affiliates.* For SEC Reporting and Regulation A Reporting Companies, 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) must make its status as an Affiliate of the Company known to the broker-dealer;
- K. *Redemption Requirements.* SEC Reporting and Reg A Reporting Companies shall not select any of its securities traded on OTCQX for redemption other than by lot or pro rata and will not set a redemption date earlier than 15 calendar days after the date a corporate action is taken to authorize the redemption;

⁵ Notification information is available at <https://www.finra.org/filing-reporting/upc/issuer-company-related-action-notification-form-and-affiliate-company-related-action-notification-form>. Please reference FINRA Rule 6490 for more information.

- L. *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 written notice to OTC Markets Group of the proposed change;
- M. *Changes in Auditors.* The Company will promptly update its Company Profile if it changes its independent public accountants regularly auditing the Company's books, accounts and reports;
- N. *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 subsequent quarterly and annual financial reports; and
- O. *Notification of Change in Control.* The Company shall notify OTC Markets Group upon the completion of any transaction resulting in a Change in Control. OTC Markets Group may from time to time independently determine that the Company has undergone a Change in Control, and in such case will notify the Company of its determination. Subsequent to each Change in Control, the Company must submit a new Application and Application Fee within 20 calendar days of notification. A Company that fails to submit the required documentation and fee subsequent to a Change in Control may be suspended or removed from OTCQX in OTC Markets Group's sole and absolute discretion.

Immediately subsequent to a Change in Control, the Company must log in to 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.

2.2. Ongoing Disclosure Obligations

A. *Financial Reporting Requirements:*

1. *International Reporting.* An International Reporting Company must remain current and fully compliant in its obligations under Exchange Act Rule 12g3-2(b), if applicable, and must, on an ongoing basis, publish in English through the OTC Disclosure & News Service, the information required to be made publicly available pursuant to Exchange Act Rule 12g3-2(b).
2. *Alternative Reporting.* An International Company listed on a Qualified Foreign Exchange that is otherwise exempt from SEC Registration, must remain current and fully compliant under the obligations of Exchange Act Rule 12g-1 and must on an ongoing basis, publish in English through OTC Disclosure & News Service, the information required to be made publicly available pursuant to Exchange Act 12g-1 and the OTCQX Disclosure Guidelines.

Additionally, the company must also publish a Supplemental Report- Catch All form through OTC Disclosure & News Service on an annual basis.

3. *SEC Reporting.* An SEC Reporting Company must file on an ongoing basis:
 - i. All required annual, quarterly and interim reports to be filed under the Exchange Act.
 - ii. If an SEC Reporting Company is not listed on a Qualified Foreign Exchange and annually files Form 20-F's or Form 40-F's, the Company must also file a Form 6-K containing at minimum an interim balance sheet and an income statement as of the end of its second quarter, within six months from its second quarter end.
 4. *Regulation A Reporting.* A Regulation A Reporting Company must file on an ongoing basis:
 - i. All required annual, semi-annual and other interim reports on EDGAR under Regulation A;⁶
 - ii. A Form 1-U quarterly disclosure including all information required in the Company's semi-annual report 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; and
 - iii. 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.
- B. *Notice of Inability to Timely File Reports.* If an International Reporting Company fails to publish, on a timely basis, any annual, semi-annual, quarterly or interim report required by their Qualified Foreign Exchange, such Company must publish a "Notification of Late Filing" through the OTC Disclosure & News Service, no later than one business day after the due date for such report.
- A Notification of Late Filing will extend the Company's due date for a quarterly report by five (5) calendar days and an annual report by 15 calendar days.
- SEC Reporting and Regulation A Reporting Companies must file a notification of late filing (Form 12b-25) on EDGAR according to SEC filing obligations.
- C. *Prompt Disclosure of Material News Releases/Developments.* Information that is required to be released promptly to the public under this Section 2.2(D) should be disclosed in a press release through the OTC Disclosure & News Service or an Integrated Newswire (or a combination of methods).

⁶ The most recent financial statements required to be audited under Regulation A must be audited by an auditor registered with the PCAOB.

1. An OTCQX Company is expected to promptly release to the public any news or information which might reasonably be expected to materially affect the market for its securities. See OTCQX Disclosure Guidelines for material events that must be disclosed; and
 2. An OTCQX Company should act promptly to dispel unfounded rumors that result in unusual market activity or price variations in its securities.
- D. 12g3-2(b) Certification. International Companies shall certify compliance with Exchange Act Rule 12g3-2(b) compliance through OTCIQ.com. The 12g3-2(b) Certification must be completed through OTCIQ concurrently with the Company's annual report filing, but no later than 45 calendar days after the Company's annual report due date.
- E. *Maintain Verified Company Profile*. At least once every six months, the Company must verify its company profile through OTCIQ.com.

3. Fees

All OTCQX fees are published in the Corporate Services Fee Schedule, available on www.otcmarkets.com.

All fees are non-refundable. OTC Markets Group may modify the fees from time to time.

- A. *Application Fee*. The Application Fee is due upon submission of the Application.
- B. *Annual Fee*. The Annual Fee will be assessed for the twelve-month periods that begin each January 1st with payment due by December 1st of the prior calendar year.⁷
- C. *Requalification Fee*. If the Company requalifies for OTCQX under Section 5 it must pay a requalification fee.

4. Removal, Withdrawal or Suspension

4.1. Removal for Failure to Meet Requirements

OTC Markets Group may remove the Company's securities from OTCQX for the Company's failure to meet any Requirement for Continued Qualification as set forth in Section 2 herein, for nonpayment of any outstanding fees to OTC Markets Group, or any other obligation under these OTCQX Rules, which determination shall be made by OTC Markets Group in its sole and absolute discretion. Failure to meet a Requirement for Continued Qualification may be cured

⁷ In the first calendar year, the Annual Fee will be prorated based on the month the Company's Application is approved. For example, a Company that begins trading on OTCQX on any day in April, it will owe 9/12ths of the Annual Fee.

within the period provided by OTC Markets Group which shall be 30 calendar days, except in the following circumstances:

- A. If the Company is delinquent in its periodic reporting obligations, the cure period will be 45 calendar days.

If the Company is a Regulation A Reporting Company, the cure period will be 15 calendar days in accordance with Exchange Act Rule 15c2-11.

- B. If the Company no longer meets an exemption from the definition of a “Penny Stock” under Exchange Act Rule 3a51-1, the cure period will be 90 calendar days.
- C. In the event that the bid price, the Global Market Capitalization, or the number of Market Makers fall below the minimum criteria established in Section 2.1, the Company will receive a cure period of 90 calendar days, during which time the Company’s securities must meet the applicable criteria for 10 consecutive trading days.
- D. If the closing bid price falls below \$0.01 at any time for five (5) consecutive trading days, the Company’s security will be removed from OTCQX effective immediately.
- E. If there are no proprietary priced quotes for four (4) consecutive trading days, the Company’s security will be removed from OTCQX effective immediately.

OTC Markets Group may, in its sole and absolute discretion, allow additional time to cure, provided, however, that to remain on OTCQX a Company’s published audited financial reports must at all times be dated within the prior 18 months, or such longer period permitted by the Company’s Qualified Foreign Exchange or home country regulator.

4.2. Removal for Public Interest Concern

OTC Markets Group may remove the Company’s securities from 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.

4.3. Voluntary Withdrawal

The Company may voluntarily withdraw from OTCQX by providing a minimum of three (3) business days written notice delivered to OTC Markets Group at issuers@otcmarkets.com, with a copy to legal@otcmarkets.com. Such notice shall include the effective date of the Company’s withdrawal.

4.4. Temporary Suspension

OTC Markets Group may, at any time, in its sole and absolute discretion, temporarily suspend a Company's securities from inclusion on OTCQX pending the completion of further due diligence.

4.5. Continued Use of Certain Services

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

5. Requalification

If the Company meets all initial eligibility requirements listed under Section 1 of the OTCQX Rules, was removed within the prior 180 calendar days and has not undergone a Change in Control or a material change since removal, the Company may send a written request to OTC Markets Group to be considered for readmission. OTC Markets Group in its sole and absolute discretion may request additional materials for review.

The Company must submit a requalification fee unless requalifying within 15 days of removal from OTCQX. If 180 days lapse following the Company's removal, the Company is required to submit a new Application, Application Fee, and Annual Fee.

6. Amendment of OTCQX Rules

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.

7. Definitions

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

"12g3-2(b) Certification" shall mean the Company's certification of Exchange Act Rule 12g3-2(b) compliance status through OTCIQ.com on an annual basis.

"Affiliate" shall mean 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 (within the meaning of Rule 144(a)(1) under the Securities Act).

"Alternative Reporting" shall mean an International Company listed on a Qualified Foreign Exchange that is not exempt under Exchange Act Rule 12g3-2(b) but is otherwise exempt from SEC registration.

“Alternative Reporting Standard” shall mean the requirement to make disclosure available through the OTC Disclosure & News Service pursuant to the OTCQX Disclosure Guidelines.

“Annual Fee” shall mean the annual fee specified on the Corporate Services Fee Schedule for OTCQX.

“Application” shall mean the application and associated documentation submitted by the Company to OTC Markets Group to provide for the qualification of the Company’s securities for trading on the OTCQX Market.

“Application Fee” shall mean the application fee specified on the Corporate Services Fee Schedule for OTCQX.

“Audit Committee” shall mean a committee (or equivalent body) of at least two members established by and amongst the board of directors of the Company for the purpose of overseeing the Company’s accounting and financial reporting processes and audits of the Company’s financial statements.

“Background Check Authorization Form” shall mean the form with the same name, as amended from time to time, that collects personal information for Persons associated with companies applying to various products or services provided by OTC Markets Group and authorizes OTC Markets Group to conduct background checks on such Persons.

“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.

“Canadian Company” shall mean a company that is incorporated in Canada or listed on a Canadian stock exchange.

“Change in Control” shall mean any events resulting in:

- A. Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Exchange Act Rule 13d-3), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities;

- B. The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- C. A change in the composition of the Company's board of directors occurring within a two (2) year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- D. The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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

"Company" shall mean the entity identified on the Issuer Services Agreement.

"Company Profile" shall mean the information entered by the Company via OTCIQ (www.otciq.com) and displayed on its 'Company Profile' page on www.otcmarkets.com.

"Corporate Services Fee Schedule" shall mean the schedule of fees, including Application Fees and Annual Fees for services provided by OTC Markets Group that is published on www.otcmarkets.com/corporate-services/fee-schedule and amended from time to time.

"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.

"Family Member" means a Person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such Person's home.

"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.

"Form 211" shall mean the form which is filed with FINRA representing that all applicable requirements of Exchange Act Rule 15c2-11 and the filing and information requirements of FINRA Rule 6432 have been satisfied.

"Global Market Capitalization" or **"Market Capitalization"** shall mean the total value of the Company's outstanding shares.

"IFRS" shall mean the International Financial Reporting Standards developed by the International Accounting Standards Board.

"Independent Director" shall mean a Person other than an executive officer or employee of the Company or any other Person having a relationship which, in the opinion of the Company's board of

directors, would interfere with the exercise of independent judgment in carrying out the responsibilities as a director. The following persons shall not be considered independent: (A) a director who is, or at any time during the past three years was, employed by the Company; (B) a director who accepted or has a Family Member who accepted any compensation from the Company in excess of \$120,000 during any fiscal year within the three years preceding the determination of independence, other than compensation for board or board committee service; compensation paid to a Family Member who is an employee (other than an executive officer) of the Company; or benefits under a tax-qualified retirement plan, or non-discretionary compensation; or (C) A director who is the Family Member of a Person who is, or at any time during the past three years was, employed by the Company as an executive officer.

“Information” shall mean information provided by the Company through the OTC Disclosure & News Service or on EDGAR.

“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 not a U.S. Company, as defined herein.

“International Reporting Company” shall mean a company listed on non-US stock exchange and compliant with the disclosure requirements of Exchange Act Rule 12g3-2(b).

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

“Market Maker” shall mean a FINRA-registered broker-dealer 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 accessed through OTCIQ.com consisting of online publication and management of disclosure statements, financial reports, news releases and certifications.

“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 300 Vesey Street, 12th Floor, New York, NY 10282. OTC Markets Group is not a securities regulator or self-regulatory organization.

“OTCIQ” or **“OTCIQ.com”** shall mean the web portal, www.OTCIQ.com, accessed through one or more secure www.OTCIQ.com user logins, as specified by the Company.

“OTCQX Disclosure Guidelines” shall mean the Alternative Reporting Standard Disclosure Guidelines for OTCQX and OTCQB found at <https://www.otcmarkets.com/files/OTCQXOTCQBGuidelines.pdf>.

“OTCQX Market” or **“OTCQX”** is a market for companies to provide information to investors. It is not a registered stock exchange.

“OTCQX Rules” shall mean the rules and standards outlined herein applicable to U.S. companies seeking qualification of their securities for trading on the OTCQX Market.

“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, upon request by OTC Markets Group, must be filled out by certain Persons related to a company with securities traded on or applying for OTCQX, OTCQB or applying for the OTC Disclosure & News Service.

“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 (a “10% Control Person”), or any Affiliates thereof, or any Family Members of officers, directors and 10% Control Persons. Shares subject to resale restrictions for any reason are excluded from the calculation of Public Float.

“Qualified Foreign 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 Market 2 of Regulation A under the Securities Act.

“Rules” shall mean the OTCQX Rules for International Companies.

“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, and (ii) either: (A) no or nominal assets; or (B) assets consisting solely of cash and cash equivalents; or (C) assets consisting of any amount of cash and cash equivalents and nominal other assets. 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.

“SPAC” shall mean a Special Purpose Acquisition 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.

“Transfer Agent Verified Shares Program” shall mean OTC Markets Group’s program that enables eligible stock transfer agents to report their clients’ share data, including authorized and outstanding shares, to OTC Markets Group on a regular basis via a secure, electronic file transfer.

A list of transfer agents that participate in this program is available on www.otcmarkets.com.

“U.S. Company” shall mean a company (i) incorporated in the U.S. or (ii) incorporated outside of the U.S. that meets all the following criteria (a) not listed on a non-U.S. exchange, (b) no more than 45 percent

of its securities' trading volume takes place outside of the U.S. markets, (c) a majority of its outstanding voting securities are held directly or indirectly by U.S. residents, (d) a majority of its executive officers or directors are U.S. citizens or residents, (e) a majority of its assets are located in the U.S., and (f) its business is administered principally in the U.S.

"U.S. GAAP" shall mean generally accepted accounting principles in the United States, consistently applied.

"Verified Company Profile" shall mean the electronic form available on www.OTCIQ.com submitted by the Company verifying, as necessary, the Company Profile information displayed on www.otcmarkets.com.