



Relief Period for OTCQX and OTCQB Companies Adversely Impacted by COVID-19 Expires June 30, 2020.

June 29, 2020

In response to the COVID-19 pandemic and the resulting extraordinary market conditions, OTC Markets Group provided blanket relief for OTCQB and OTCQX issuers with certain deficiencies, granted relief from certain filing obligations, and delayed implementation of new eligibility requirements for OTCQB companies. This relief period began on March 10th and expires on June 30, 2020. This memo describes how OTC Markets Group will proceed with compliance monitoring beginning July 1, 2020.

Market Price-Based Deficiencies

During the relief period, OTC Markets did not send Bid Price, Market Cap, or Market Value of Public Float compliance deficiency notices to OTCQX or OTCQB companies. Any OTCQX or OTCQB company that had previously received a compliance notice for one of these deficiency types automatically received an extension until June 30, 2020.

Beginning July 1, OTC Markets Group will send initial compliance deficiency notices to all OTCQX and OTCQB companies that fell out of compliance during the relief period. The notices will provide each company with a compliance cure period, as defined in the OTCQX Rules and OTCQB Standards.

Companies that had an outstanding compliance notice at the start of the relief period will be granted the balance of the compliance period that remained at the start of the relief period, or until July 31st, whichever is longer. Each company will receive an updated deficiency notice that identifies the company's remaining compliance period.

Filing Obligations

During the relief period, impacted companies were able to qualify for an additional 45 days to file certain disclosure reports. International companies and banks were given an extension in line with that offered by their primary regulator. Companies that met the qualifications for filing relief were not downgraded or identified as delinquent.

For reports due after July 1, no additional 45 day period is provided. Companies will be identified as delinquent immediately after the due date of the applicable disclosure report. OTCQX and OTCQB companies will receive a deficiency notice with a cure period in which to regain compliance, as defined in the OTCQX Rules and OTCQB Standards.



Implementation of New Eligibility Requirements for OTCQB

OTC Markets Group extended the implementation date for compliance with Sections 2.3(3) and 2.3(4) of the OTCQB Standards (requiring at least 50 beneficial shareholders and minimum float of 10%).

Alternatively, in certain circumstances OTC Markets Group provided an exemption for companies with (i) public float above 5% but below 10% and (ii) \$2 million in market value of public float, until June 30, 2020.

Beginning July 1, OTC Markets will contact OTCQB companies not in compliance with these new standards to confirm float data and number of beneficial shareholders. Beginning September 1, 2020, deficiency notices will be sent to companies not in compliance with these standards providing 30 days in which to regain compliance.

Contact OTC Markets Group

Although the relief period expires on June 30, OTC Markets Group acknowledges that, due to the pandemic, companies may continue to struggle to meet filing deadlines and remain in compliance with the price-based eligibility standards of OTCQX and OTCQB. Companies and their representatives are encouraged to contact Issuer Services with questions or matters of particular concern. OTC Markets Group will review each company's unique circumstances and may provide additional relief based on a reasonable written plan of compliance on a case-by-case basis.

Contact Information:

Issuer Services

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