



OTCQX RULES

Article One: OTCQX

*The provisions of this Article One shall apply only to OTCQX.
The provisions of Article Two shall apply only to International OTCQX.*

PART A- General

1. General Considerations

1.1 Purpose and Objectives of OTCQX

OTCQX is comprised of a community of issuers with sound operating businesses that have agreed with Pink Sheets and each other to provide accurate, timely and reliable information to public investors. OTCQX issuers are therefore distinguished from other issuers of equity securities traded in the over-the-counter markets (“OTC Equity Securities”) by the quality of their operating businesses and the excellence of their disclosure to the marketplace. Public investors can readily identify OTCQX issuers, which greatly simplifies the task of sifting through the many thousands of issuers of OTC Equity Securities to identify issuers with sound operating businesses that provide good disclosure to the marketplace.

OTCQX is not a stock exchange, stock market or regulated market. Pink Sheets is not a securities regulator or self-regulatory organization. These Rules have not been reviewed by the U.S. Securities and Exchange Commission or any state securities commissioner, although Pink Sheets as a matter of policy welcomes comments and suggestions from these and other regulators. The success of OTCQX depends on the social contract that exists among people of good will – in this case, OTCQX issuers and their advisors – to maintain the integrity of the market it represents, rather than the sword of regulatory power.

OTCQX nonetheless is based on pragmatic ideals. Modern regulatory systems cannot exist without the overwhelming support of the regulated because of the great cost involved in the application of regulatory power. No company is forced to list on OTCQX. Those that do can be expected to subscribe to its principles.

1.2 Application of OTCQX Rules

These OTCQX Rules consist of certain regulations adopted and published by Pink Sheets, which prescribe the rights, privileges and obligations of issuers who list securities on OTCQX and the nature of the securities that may be listed 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 issuers and investors the standards an issuer must meet to participate in an OTCQX premium tier, and describe the initial and ongoing disclosure OTCQX issuers must provide to the investing public.

1.3 Amendment of OTCQX Rules

Pink Sheets may, in its sole and absolute discretion, amend these Rules, with or without notice, whenever it determines that an amendment is necessary or desirable to enhance the quality of the market represented by OTCQX, improve the disclosure of OTCQX issuers for the benefit of public investors, or for any other reason.

Part B – OTCQX Admission Requirements

2. Initial Listing on OTCQX

2.1 Appointment of a Designated Advisor for Disclosure

- a) *Requirement to Retain an Attorney DAD or an Investment Bank DAD.* As a condition to listing its securities on OTCQX, the Company shall retain an Attorney DAD or Investment Bank DAD.
- b) *Attorney DAD.*
 - i. In the event that the Company elects to retain an Attorney DAD, the provisions of this Section 1.1(b) shall apply, but the provisions of Section 1.1(c) below shall not apply.
 - ii. The Attorney DAD shall, among other things, use its best efforts to (1) assist the Company's management and Board of Directors in meeting their disclosure requirements and (2) provide advice to the Company's management and Board of Directors on compliance with current federal and state securities laws and these OTCQX Rules.
 - iii. The Attorney DAD's important role as the Principal Disclosure Counsel providing legal advice to the Company is to educate, advise and use its best efforts to assist the Company's officers and directors to meet their disclosure requirements and provide legal advice on compliance with current securities laws. In providing legal advice, the Attorney DAD must also serve as a cautious and conservative gatekeeper to prevent companies with inadequate or questionable disclosure from joining OTCQX by, among other things, confirming that (i) the Company's disclosure is adequate and current and (2) the Company complies as to form with these OTCQX Rules.
 - iv. Pink Sheets shall maintain a list of approved Attorney DADs on www.otcqx.com and www.pinksheets.com. The Company shall not appoint an Attorney DAD unless such Attorney DAD's "Application to Serve as an Attorney Designated Advisor for Disclosure" has been approved by Pink Sheets or such Attorney DAD is included on the list of approved Attorney DADs. In the event that the Company desires to appoint a prospective Attorney DAD that is not on Pink Sheets' list of approved Attorney DADs, a completed "Application to Serve as an Attorney Designated Advisor for Disclosure" shall be submitted together with the Company's application for listing on OTCQX.
 - v. Only an attorney, or in the case of a law firm, each attorney who will provide services as an Attorney DAD, that is in good standing and not subject to

any disciplinary actions within the last five years within each jurisdiction in which he or she is licensed to practice law shall be eligible to serve as an Attorney DAD, subject to approval by Pink Sheets.

- vi. The Attorney DAD shall be a U.S. resident or, if a firm or entity, shall have its primary offices located in the U.S.
- vii. Each Attorney DAD must (1) possess sufficient experience to be able to advise the Company of its disclosure obligations under federal and state securities laws, (2) not currently be subject to any sanctions resulting from any disciplinary actions from any federal or state securities regulator, or from any self-regulatory organization, that would prohibit or restrict his or her ability to serve as an Attorney DAD, and (3) satisfy the other requirements for serving as an Attorney DAD, as provided in its Application to Serve as an Attorney Designated Advisor for Disclosure.
- viii. The Company may not retain an Attorney DAD, unless (1) the Company is a Seasoned Public Issuer and (2) the Attorney DAD serves as the Company's Principal Disclosure Counsel.
- ix. Nothing, express or implied, in these OTCQX Rules is intended to confer on any Person other than the Attorney DAD, the Company or Pink Sheets, or their respective permitted successors or assigns, any rights or remedies under or by reason of these OTCQX Rules.

c) *Investment Bank DAD.*

- i. In the event that the Company elects to retain an Investment Bank DAD, the provisions of this Section 1.1(c) shall apply, but the provisions of Section 1.1(b) above shall not apply.
- ii. The Investment Bank DAD shall, among other things, use its best efforts to (1) assist the Company's management and Board of Directors in meeting their disclosure requirements and (2) provide advice to the Company's management and Board of Directors on compliance with current federal and state securities laws and these OTCQX Rules; *provided, however*, that nothing herein shall be construed to require an Investment Bank DAD to engage in the practice of law.
- iii. The Investment Bank DAD's important role is to educate, advise and use its best efforts to assist the Company's officers and directors to meet their disclosure requirements and provide advice on compliance with current securities laws. The Investment Bank DAD must also serve as a cautious and conservative gatekeeper to prevent companies with inadequate or questionable disclosure from joining OTCQX by, among other things, confirming that (1) the Company's disclosure is adequate and current and

(2) the Company complies as to form with these OTCQX Rules.

- iv. Pink Sheets shall maintain a list of approved Investment Bank DADs on www.otcqx.com and www.pinksheets.com. The Company shall not appoint an Investment Bank DAD unless such Investment Bank DAD's "Application to Serve as an Investment Bank Designated Advisor for Disclosure" has been approved by Pink Sheets or such Investment Bank DAD is included on the list of approved Investment Bank DADs. In the event that the Company desires to appoint a prospective Investment Bank DAD that is not on Pink Sheets' list of approved Investment Bank DADs, a completed "Application to Serve as an Investment Bank Designated Advisor for Disclosure" shall be submitted together with the Company's application for listing on OTCQX.
- v. Only a registered broker-dealer and a member of the NASD in good standing shall be eligible to serve as an Investment Bank DAD, subject to approval by Pink Sheets.
- vi. The Investment Bank DAD shall be a U.S. resident or, if a firm or entity, shall have its primary offices located in the U.S.
- vii. Each Investment Bank DAD must (1) possess sufficient experience to be able to advise the Company of its disclosure obligations under federal and state securities laws, (2) not currently be subject to any sanctions resulting from any disciplinary actions from any federal or state securities regulator, or from any self-regulatory organization, that would prohibit or restrict his or her ability to serve as an Investment Bank DAD, and (3) satisfy the other requirements for serving as an Investment Bank DAD, as provided in its Application to Serve as an Investment Bank Designated Advisor for Disclosure.
- viii. Nothing, express or implied, in these OTCQX Rules is intended to confer on any Person other than the Investment Bank DAD, the Company or Pink Sheets, or their respective permitted successors or assigns, any rights or remedies under or by reason of these OTCQX Rules.

2.2 Duty to Provide Information to Attorney DAD or Investment Bank DAD

The Company shall provide the Attorney DAD or Investment Bank DAD, as applicable, initially and upon request from time to time, with the following:

- i. complete access to information regarding the Company, including confidential and proprietary information;
- ii. access to its personnel;
- iii. initial and updated Personal Information Forms;

- iv. timely responses to requests for information or documents; and
- v. on an ongoing basis, all material information and information about all events relating to the Company.

2.3 PrimeQX Eligibility Criteria

To be considered for admission to PrimeQX, the Company shall:

- a) Have ongoing operations and shall not be a Shell Company, Blank-Check Company, Special Purpose Acquisition Company or Development Stage Company;
- b) Not be subject to any Bankruptcy or reorganization proceedings;
- c) Be duly organized, validly existing and in good standing under the laws of each jurisdiction in which the Company is organized or does business;
- d) Have at least 50 beneficial shareholders, each owning at least 100 shares of the Company's common stock;
- e) Have proprietary quotations published by a Market Maker in the Pink Sheets;
- f) Have a minimum bid price of \$0.25 per share for its common stock as of the close of business on each of the 90 business days immediately preceding the Company's application for listing on OTCQX;
- g) Have (i) audited balance sheets as of the end of each of the two most recent fiscal years, or as of a date within 135 days if the Company has been in existence for less than two fiscal years, and audited statements of income, cash flows and changes in stockholders' equity for each of the fiscal years immediately preceding the date of each such audited balance sheet (or such shorter period as the Company has been in existence), with each such financial disclosure made in accordance with U.S. GAAP and including all matters of which the Company is aware that are relevant to the Company's ability to continue as a going concern, including, without limitation, significant conditions and events and the Company's plans to mitigate such conditions and events; and (ii) unaudited interim financial reports, prepared in conformance with U.S. GAAP, including a balance sheet as of the end of the Company's most recent fiscal quarter, and income statements, statements of changes in stockholders' equity and statements of cash flows for the interim period up to the date of such balance sheet and the comparable period of the preceding fiscal year; and
- h) Be included in a Recognized Securities Manual.

2.4 PremierQX Eligibility Criteria

The Company shall be eligible to list securities on PremierQX only if:

- a) The Company is eligible to list securities on PrimeQX pursuant to Section 1.2 above;
- b) The Company has at least 100 beneficial shareholders, each owning at least 100 shares of the Company's common stock;
- c) The Company's common stock has a minimum bid price of \$1.00 per share as of the close of business on each of the 90 business days immediately preceding the Company's application for listing on OTCQX;
- d) The Company, if it has not previously been listed on PremierQX, meets the financial standards for continued listing on the NASDAQ Capital Market, except that the Company is not required to (i) have a class of securities with at least 300 shareholders or (ii) comply with the NASDAQ corporate governance provisions; and
- e) The Company conducts annual shareholders' meetings and at least 15 calendar days prior to such meetings, the Company submits annual financial reports to its shareholders.

2.5 Initial Disclosure Obligations

The Company shall make each item in this Section 1.4 available to the public either on the Pink Sheets News Service or on EDGAR prior to admission to OTCQX:

- a) Audited balance sheets as of the end of each of the two most recent fiscal years, or as of a date within 135 days if the Company has been in existence for less than two fiscal years, and audited statements of income, cash flows and changes in stockholders' equity for each of the fiscal years immediately preceding the date of each such audited balance sheet (or such shorter period as the Company has been in existence), with each such financial disclosure made in accordance with U.S. GAAP and including all matters of which the Company is aware that are relevant to the Company's ability to continue as a going concern, including, without limitation, significant conditions and events and the Company's plans to mitigate such conditions and events. All financial statements made pursuant to this Section 1.4(a) shall be accompanied by a letter from the independent public accountants with respect to their audit of such statements indicating the scope of such audit and containing an opinion regarding the financial statements, taken as a whole, that (i) is not qualified, adverse or a disclaimer of opinion and (ii) does not include explanatory language indicating substantial doubt about the Company's ability to continue as a going concern.

- b) Unaudited interim financial reports, prepared in conformance with U.S. GAAP, including a balance sheet as of the end of the Company's most recent fiscal quarter, and income statements, statements of changes in shareholders' equity and statements of cash flows for the interim period up to the date of such balance sheet and the comparable period of the preceding fiscal year.
- c) An information statement prepared in accordance with the Pink Sheets Guidelines for Providing Adequate Current Information; *provided, however*, that such statement shall not be required for companies subject to reporting obligations under Section 13 of the Exchange Act that have filed all reports required to be filed thereunder during the twelve months prior to the date of the information statement.
- d) Report from a Recognized Securities Manual, which shall confirm the Company's Blue Sky exemption in several states.

2.6 Management Certification

The Chief Executive Officer and Chief Financial Officer (or Persons with different titles, but having the same responsibilities) of the Company shall each make the following certification, which shall be published on the Pink Sheets News Service:

I, [identify the certifying individual], certify that:

- a) I have reviewed the Information of the Company.
- b) Based on my knowledge, the Information does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Information.
- c) Based on my knowledge, the financial statements, and other financial information included in the Information, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in the Information.
- d) Based on my reasonable belief, for at least one year from the date of this certification, the Company has sufficient working capital to continue operations and has the ability to continue to meet its obligations as they become due.

2.7 Attorney DAD Letters of Introduction

In the event that the Company retains an Attorney DAD and not an Investment Bank DAD, the Attorney DAD will provide a letter of introduction for the Company, in connection with the Company's application to list its securities on OTCQX. The letter shall state that it may be relied upon only by Pink Sheets for purposes of listing 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 Attorney DAD is responsible for any disclosure in the Information relating to any conflict of interest that may affect the advice given by the Attorney DAD to the Company. The letter will, in substance, make the following additional statements:

- a) *Attorney DAD Qualifications.* The Attorney DAD is a U.S. attorney, or a law firm, in good standing and not subject to any disciplinary actions within the last five years in each jurisdiction in which such person, or in the case of a law firm, each person that performs services as an Attorney DAD, is licensed to practice law. The Attorney DAD is not currently subject to any sanctions resulting from any disciplinary actions from any federal or state securities regulator, or from any self-regulatory organization that would prohibit or restrict his or her ability to serve as an Attorney DAD. The Attorney DAD has been approved by Pink Sheets to serve as an Attorney Designated Advisor for Disclosure, continues to satisfy the standards for serving as an Attorney DAD, as provided in its Application to Serve as an Attorney Designated Advisor for Disclosure, and is competent and able to serve and to exercise independent judgment as the Company's Attorney DAD without reservation.
- b) *Attorney DAD's Appointment to Provide Education, Advice and Assistance.* The Attorney DAD has been appointed by the Company to provide advice with respect to its eligibility to meet the tier eligibility requirements of OTCQX and to educate, advise and use its best efforts to assist the Company in the Company's responsibilities for complying with its disclosure obligations. The Attorney DAD has been appointed as the Company's Principal Disclosure Counsel and has therefore educated and advised the Company with respect to its disclosure obligations and assisted in the preparation of the Information (except for financial statements and schedules).
- c) *Company's Formal Compliance.* The Attorney DAD has reviewed the Information and certain documents provided by the Company in support of the Information and participated in meetings with Company officials where the Information was discussed. The Attorney DAD has compared the Information with the Pink Sheets Guidelines for Providing Adequate Current Information or, if the Company has a class of securities registered pursuant to Section 12(g) of the Exchange Act, with the requirements prescribed by the Commission for reports filed under Section 13 of the Exchange Act, and has conducted such other examinations of law and made such inquiries as it deemed appropriate. On the basis of these reviews, discussions, examinations and inquiries, the Attorney DAD makes the following affirmations:
 - i. Based on the Information, the auditor's certifications of the financial statements and schedules and an affirmation from the management of the Company, the Company complies as to form with these OTCQX Rules;

- ii. The Information complies as to form with the Pink Sheets Guidelines for Providing Adequate Current Information or, if the Company has a class of securities registered pursuant to Section 12(g) of the Exchange Act, with the requirements prescribed by the Commission for reports filed under Section 13 of the Exchange Act;
 - iii. The Information is posted on the Pink Sheets News Service or on EDGAR, and, assuming that such posting makes the Information “publicly available” within the meaning of Rule 144(c) under the Securities Act, the Information complies as to form with the requirement to make adequate current information publicly available within the meaning of Rule 144(c)(1) or (c)(2) under the Securities Act;
 - iv. Based on sources believed to be reliable, (1) the number of outstanding shares set forth in the Information is accurate in all material respects, and (2) all issuances of securities by the Company within the two-year period ending on the last day of the Company’s most recent fiscal year and since the last day of the Company’s most recent fiscal year have been disclosed and published on the Pink Sheets News Service or on EDGAR; and
 - v. The Company is an operating company with ongoing operations, rather than a Shell Company, Blank-Check Company, Special Purpose Acquisition Company or Development Stage Company, using a cautious and conservative method of making this determination.
- d) *Description of Limited Due Diligence.* The Attorney DAD shall describe the steps taken in conducting an investigation of the Company’s statements in the Information concerning (i) Material Events, (ii) Officers, Directors and Control Persons Disclosure, and (iii) Dilutive Events.
- e) *Negative Assurance.* The Attorney DAD has no reason to believe, and has not been made aware while rendering services as the Company’s Principal Disclosure Counsel, that the Information (other than the financial statements and schedules) contains an untrue statement of material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

2.8 Investment Bank DAD Letters of Introduction

In the event that the Company retains an Investment Bank DAD and not an Attorney DAD, the Investment Bank DAD will provide a letter of introduction for the Company in connection with the Company’s application to list its securities on OTCQX. The letter shall state that it may be relied upon only by Pink Sheets for purposes of listing 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 Investment Bank DAD is responsible for any disclosure in

the Information relating to any conflict of interest that may affect the advice given by the Investment Bank DAD to the Company. The letter will, in substance, make the following additional statements:

- a) *Investment Bank DAD Qualifications.* The Investment Bank DAD is a U.S. registered broker-dealer and a member in good standing with the NASD. The Investment Bank DAD is not currently subject to any sanctions resulting from any disciplinary actions from any federal or state securities regulator, or from any self-regulatory organization that would prohibit or restrict his or her ability to serve as an Investment Bank DAD. The Investment Bank DAD has been approved by Pink Sheets to serve as an Investment Bank Designated Advisor for Disclosure, continues to satisfy the standards for serving as an Investment Bank DAD, as provided in its Application to Serve as an Investment Bank Designated Advisor for Disclosure, and is competent and able to serve and to exercise independent judgment as the Company's Investment Bank DAD without reservation.
- b) *Investment Bank DAD's Appointment to Provide Education, Advice and Assistance.* The Investment Bank DAD has been appointed by the Company to provide advice with respect to its eligibility to meet the tier eligibility requirements of OTCQX and to educate, advise and use its best efforts to assist the Company in the Company's responsibilities for complying with its disclosure obligations; *provided, however,* that in rendering such advice, the Investment Bank DAD has not been required to engage in the practice of law.
- c) *Company's Formal Compliance.* The Investment Bank DAD has reviewed the Information and certain documents provided by the Company in support of the Information and participated in meetings with Company officials where the Information was discussed. The Investment Bank DAD has compared the Information with the Pink Sheets Guidelines for Providing Adequate Current Information or, if the Company has a class of securities registered pursuant to Section 12(g) of the Exchange Act, with the requirements prescribed by the Commission for reports filed under Section 13 of the Exchange Act, and has conducted such other examinations of law and made such inquiries as it deemed appropriate. On the basis of these reviews, discussions, examinations and inquiries, the Investment Bank DAD makes the following affirmations:
 - i. Based on the Information, the auditor's certifications of the financial statements and schedules and an affirmation from the management of the Company, the Company complies as to form with these OTCQX Rules;
 - ii. The Information complies as to form with the Pink Sheets Guidelines for Providing Adequate Current Information or, if the Company has a class of securities registered pursuant to Section 12(g) of the Exchange Act, with the requirements prescribed by the Commission for reports filed under Section 13 of the Exchange Act;

- iii. The Information is posted on the Pink Sheets News Service or on EDGAR, and, assuming that such posting makes the Information “publicly available” within the meaning of Rule 144(c) under the Securities Act, the Information complies as to form with the requirement to make adequate current information publicly available within the meaning of Rule 144(c)(1) or (c)(2) under the Securities Act;
 - iv. Based on sources believed to be reliable, (1) the number of outstanding shares set forth in the Information is accurate in all material respects, and (2) all issuances of securities by the Company within the two-year period ending on the last day of the Company’s most recent fiscal year and since the last day of the Company’s most recent fiscal year have been disclosed and published on the Pink Sheets News Service or on EDGAR; and
 - v. The Company is an operating company with ongoing operations, rather than a Shell Company, Blank-Check Company, Special Purpose Acquisition Company or Development Stage Company, using a cautious and conservative method of making this determination.
- d) *Description of Limited Due Diligence.* The Investment Bank DAD shall describe the steps taken in conducting an investigation of the Company’s statements in the Information concerning (i) Material Events, (ii) Officers, Directors and Control Persons Disclosure, and (iii) Dilutive Events.
- e) *Form 211.* The Information and its review by the Investment Bank DAD would suffice to enable the Investment Bank DAD to file a Form 211 with the NASD. For purposes of this statement, the Investment Bank DAD may state that it has reviewed the Company’s financial statements and schedules and, with respect to those financial statements and schedules that have been audited, in good faith relied on the auditor’s certification that such audited financial statements and schedules were prepared in conformity with U.S. GAAP as evidence that such audited financial statements and schedules are accurate and not misleading.

2.9 Auditor Letter

Upon initial listing on OTCQX, the Company shall provide Pink Sheets with a letter from its independent public accountant stating the following:

- a) Name, address, and contact information of such accountant;
- b) That such accountant audits the financial books, accounts and reports of the Company; and
- c) The qualifications of such accountant.

3. OTCQX Fees

3.1 Company Fees

- a) *Initial Admission Fees.* At the time the Company's application for listing on OTCQX is submitted to Pink Sheets, the Company shall pay Pink Sheets:
 - i. A non-refundable Listing Application Fee of \$5,000 (U.S.), if Pink Sheets receives the Company's application for listing on OTCQX by April 30, 2007, unless otherwise amended from time to time; or
 - ii. A non-refundable Listing Application Fee of \$10,000 (U.S.), if Pink Sheets receives the Company's application for listing on OTCQX after April 30, 2007, unless otherwise amended from time to time.
- b) *Listing Fees.* Upon acceptance by Pink Sheets of the Company's application for listing on OTCQX, the Company shall pay a non-refundable annual Listing Fee to Pink Sheets as follows, unless otherwise amended from time to time in accordance with these OTCQX Rules:
 - i. \$5,700 (U.S.) per year, with no increases for as long as the Company remains listed on OTCQX, if Pink Sheets received the Company's application for listing on PrimeQX or PremierQX by January 31, 2007;
 - ii. \$11,400 (U.S.) per year, with a maximum annual increase of 10%, if Pink Sheets receives the Company's application for listing on PrimeQX or PremierQX by April 30, 2007;
 - iii. iv. \$18,000 (U.S.) per year, with no limit on fee increases, if Pink Sheets receives the Company's application for listing on PrimeQX after April 30, 2007; or
 - iv. \$24,000 (U.S.) per year, with no limit on fee increases, if Pink Sheets receives the Company's application for listing on PremierQX after April 30, 2007.

3.2 Attorney DAD Fees

- a) *Initial Fee.* At the time the Attorney DAD's "Application to Serve as an Attorney Designated Advisor for Disclosure" is submitted to Pink Sheets, the Attorney DAD shall pay a non-refundable Attorney DAD Application Fee of \$500 (U.S.), unless otherwise amended from time to time.
- b) *Annual Renewal Fee.* The Attorney DAD shall pay a non-refundable annual Attorney DAD Renewal Fee of \$500 (U.S.) to Pink Sheets, or as otherwise amended from time to time, for the continued inclusion on Pink Sheets' published list of approved Attorney DADs.

3.3 Investment Bank DAD Fees

- a) *Initial Fee.* At the time the Investment Bank DAD's "Application to Serve as an Investment Bank Designated Advisor for Disclosure" is submitted to Pink Sheets, the Investment Bank DAD shall pay a non-refundable Investment Bank DAD Application Fee of \$500 (U.S.), unless otherwise amended from time to time.
- b) *Annual Renewal Fee.* The Investment Bank DAD shall pay a non-refundable annual Investment Bank DAD Renewal Fee of \$500 (U.S.) to Pink Sheets, or as otherwise amended from time to time, for the continued inclusion on Pink Sheets' published list of approved Investment Bank DADs.

3.4 Fees Not Refundable

Unless otherwise provided herein, fees, including Listing Application Fees, Listing Fees, Attorney DAD Application Fees, Attorney DAD Renewal Fees, Investment Bank DAD Application Fees and Investment Bank DAD Renewal Fees shall not be refunded under any circumstances, including the removal of the Company from OTCQX.

4. **Application Procedures**

4.1 Application Materials

Application materials shall include:

- a) Application for Listing on OTCQX;
- b) Listing Application Fees;
- c) Issuer Appointment of an Attorney Designated Advisor for Disclosure or Issuer Appointment of an Investment Bank Designated Advisor for Disclosure, as applicable;
- d) Listing Agreement, including exhibits and the Cover Sheet;
- e) Personal Information Form for each Executive Officer, Director, and beneficial owner of 10% or more of a class of the Company's securities; and
- f) Either (i) an Application to Serve as an Attorney Designated Advisor for Disclosure and the appropriate Attorney DAD Application Fee or (ii) an Application to Serve as an Investment Bank Designated Advisor for Disclosure and the appropriate Investment Bank DAD Application Fee, as applicable, unless the prospective Attorney DAD or Investment Bank DAD is currently included on Pink Sheets' list of approved Attorney DADs or Investment Bank DADs, as applicable and as published on www.pinksheets.com or www.otcqx.com.

4.2 Submission of Application Materials

Application materials must be signed and delivered to Pink Sheets LLC, c/o OTCQX Applications, 304 Hudson Street, Second Floor, New York, NY 10013.

4.3 Application Review

In connection with an application for listing on OTCQX, Pink Sheets may:

- a) Require the Company, with the assistance of the Company's Attorney DAD or Investment Bank DAD, as applicable, to confirm, clarify or modify any information contained in the application for listing on OTCQX and supporting documents;
- 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 for listing on OTCQX if, in its opinion, the admission of the Company would be likely to impair the reputation or integrity of the Pink Sheets or be detrimental to the interests of investors.

4.4 Delivery Confirmation

The Company and its Attorney DAD or Investment Bank DAD, as applicable, will be given confirmation of receipt of the application for listing on OTCQX within five business days of receipt by Pink Sheets. Inquiries relating to the receipt of an application for listing on OTCQX should be sent to issuers@pinksheets.com, with subject line "Application Receipt Status."

4.5 Notification that Initial Disclosure has been Posted

The Company's Attorney DAD or Investment Bank DAD, as applicable, shall notify Pink Sheets when information required pursuant to Sections 1.4 or 1.5 hereto is posted on the Pink Sheets News Service or EDGAR. If such disclosure has not been posted within 30 days following the Company's submission to Pink Sheets of its application for listing on OTCQX, the Attorney DAD or Investment Bank DAD, as applicable, shall request, in writing, an extension of time to post such disclosure with an estimate of when such disclosure shall be available.

4.6 Application Approval

The Company and its Attorney DAD or Investment Bank DAD, as applicable, will be notified in writing of the outcome of the Company's application for listing on OTCQX. Upon acceptance of such application by Pink Sheets, the Company shall submit the following materials to Pink Sheets within 30 business days:

- a) The Company's logo in an EPS file format on CD-ROM;

- b) One-hundred word profile of the Company, which shall contain a factual description of the Company and its activities; and
- c) A list of any changes that would affect the information presented in the initial application for listing on OTCQX since submission of such application to Pink Sheets.

Part C – Requirements for Continued Listing on OTCQX

5. Obligation of Parties

5.1 Role of the Company

- a) Officers and directors of the Company are responsible for compliance with these OTCQX Rules and are solely responsible for the content of the Information; *provided, however*, that the Company's Attorney DAD or Investment Bank DAD, as applicable, shall be responsible for any disclosure in the Information relating to any conflict of interest that may affect the advice given by such Attorney DAD or such Investment Bank DAD to the Company.
- b) Each officer, director or other "affiliate" of the Company (within the meaning of Rule 144(a)(1) under the Securities Act) shall notify each broker-dealer with whom such affiliate has an account that any securities of the Company owned by such affiliate may not be sold unless such securities are registered under the Securities Act or pursuant to an exemption from registration thereunder, such as the exemption available in Rule 144 under the Securities Act.
- c) The Company must continue to retain an Attorney DAD or an Investment Bank DAD at all times and shall seek advice from its Attorney DAD or Investment Bank DAD, as applicable, in relation to the Company's obligations under these OTCQX Rules whenever appropriate and give such advice proper weight.
- d) The Company shall immediately notify Pink Sheets in writing regarding the appointment, resignation or dismissal of its Attorney DAD or Investment Bank DAD, as applicable, and the reasons therefor.
- e) The Company shall comply with applicable U.S. federal or state securities laws and cooperate with any U.S. federal or state securities regulator or any U.S. self-regulatory organization. The Company's securities shall be available for secondary transactions under the laws of each state and territory of the United States that recognizes the Blue Sky Manual Exemption by any Person who can engage in such transactions pursuant to an exemption from federal registration of such securities and the Blue Sky Manual Exemption.
- f) The Company shall not, during any time that it is listed on OTCQX, engage in any public or private offering of Equity Securities, except through a broker-dealer acting as an underwriter or placement agent that satisfies the requirements to serve as an Investment Bank DAD (whether or not on the list of approved Investment Bank DADs maintained by Pink Sheets); *provided, however*, that this requirement shall not apply to offerings of securities to employees or to current bona fide equity investors.

- g) The Company shall solicit proxies for all meetings of shareholders.
- h) The Company shall not select any of its securities listed 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 corporate action is taken to authorize the redemption.
- i) The Company shall not make any change in the form or nature of any of its securities listed on OTCQX, nor in the rights or privileges of the holders thereof, without having given 20 days' prior notice to Pink Sheets of the proposed change.
- j) The Company's securities that are listed on OTCQX will be eligible for deposit with the Depository Trust Company, as determined under the Rules of the Depository Trust Company, as amended from time to time.
- k) The Company shall maintain a registered Transfer Agent at all times and upon the Company listing its securities on OTCQX or upon the Company's appointment of any such Transfer Agent, the Company shall notify Pink Sheets of the name and current address of such Transfer Agent.

5.2 Role of Pink Sheets

As conditions to the Company's continued inclusion on OTCQX, Pink Sheets may:

- a) Require the Company, with the assistance of the Company's Attorney DAD or Investment Bank DAD, as applicable, to confirm, clarify or modify any statement contained in the Company's Information and respond to inquiries and requests from Pink Sheets from time to time;
- b) Require the Company to provide a further undertaking or fulfill a further condition;
- c) Temporarily suspend inclusion on OTCQX pending the completion of further due diligence;
- d) Remove the Company's securities from OTCQX, if, in Pink Sheets' sole and absolute discretion, the Company no longer meets the eligibility or disclosure requirements of the OTCQX tier on which such securities are listed;
- e) Remove the Company from OTCQX, if in Pink Sheets' sole and absolute discretion, the continued inclusion of the Company would be likely to impair the reputation or integrity of the Pink Sheets or be detrimental to the interests of investors; or
- f) Remove the Company's Attorney DAD or Investment Bank DAD from the published list of approved Attorney DADs or Investment Bank DADs, as applicable, if, in Pink Sheets' sole and absolute discretion, the continued

inclusion of such Attorney DAD or Investment Bank DAD would be likely to impair the reputation or integrity of Pink Sheets or be detrimental to the interests of investors.

6. Ongoing Disclosure Obligations for Companies Listed on OTCQX

6.1 Annual Financial Reports

- a) The Company will publish on the Pink Sheets News Service or on EDGAR at least once a year and not later than 90 days after the close of the preceding fiscal year of the Company audited balance sheets as of the end of each of the most recent two fiscal years, or as of a date within 135 days if the Company has been in existence for less than two fiscal years, and audited statements of income, cash flows and changes in stockholders' equity for each of the fiscal years immediately preceding the date of each such audited balance sheet (or such shorter period as the Company has been in existence), with each such financial disclosure made in accordance with U.S. GAAP and including all matters of which the Company is aware that are relevant to the Company's ability to continue as a going concern, including, without limitation, significant conditions and events and the Company's plans to mitigate such conditions and events. All financial statements made pursuant to this Section 5.1(a) shall be accompanied by a letter from the independent accountants with respect to their audit of such statements indicating the scope of such audit and containing an opinion regarding the financial statements, taken as a whole, that (i) is not qualified, adverse or a disclaimer of opinion and (ii) does not include explanatory language indicating substantial doubt about the Company's ability to continue as a going concern.
- b) The Company will promptly notify Pink Sheets if the Company changes its independent public accountants regularly auditing the books, accounts and reports of the Company and shall submit a letter to Pink Sheets in accordance with the requirements of Section 5.9(b) hereto.

6.2 Quarterly Financial Reports

Within 45 days of the end of each fiscal quarter, the Company will publish on the Pink Sheets News Service or on EDGAR unaudited quarterly financial reports, prepared in conformance with U.S. GAAP, which shall include a balance sheet as of the end of the Company's most recent fiscal quarter, and income statements, statements of changes in shareholders' equity and statements of cash flows for the interim period up to the date of such balance sheet and the comparable period of the preceding fiscal year.

6.3 Annual Company Information Statement

The Company shall publish an annually updated information statement on the Pink Sheets News Service, within 90 days after the end of the Company's fiscal year, prepared in accordance with the Pink Sheets Guidelines for Providing Adequate Current

Information; *provided, however*, that such statement shall not be required for companies subject to reporting obligations under Section 13 of the Exchange Act that have filed all reports required to be filed thereunder during the twelve months prior to the date of the information statement.

6.4 Annual Management Certification

The Chief Executive Officer and Chief Financial Officer (or Persons with different titles, but having the same responsibilities) of the Company shall each make the following certification within 90 days after the end of the Company's fiscal year, which shall be published on the Pink Sheets News Service:

I, [identify the certifying individual], certify that:

- a) I have reviewed the Information of the Company.
- b) Based on my knowledge, the Information does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Information.
- c) Based on my knowledge, the financial statements, and other financial information included in the Information, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in the Information.
- d) Based on my reasonable belief, for at least one year from the date of this certification, the Company has sufficient working capital to continue operations and has the ability to continue to meet its obligations as they become due.

6.5 Annual Attorney DAD Letter

In the event that the Company retains an Attorney DAD and not an Investment Bank DAD, the Company will provide, together with its annual financial statements and the annual update to its information statement, a letter from the Company's Attorney DAD. The letter shall state that it may be relied upon only by Pink Sheets for purposes of continued listing 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 Attorney DAD is responsible for any disclosure in the Information relating to any conflict of interest that may affect the advice given by the Attorney DAD to the Company. The Attorney DAD's annual letter will, in substance, make the following additional statements:

- a) *Attorney DAD Qualifications.* The Attorney DAD is a U.S. attorney, or a law firm, in good standing and not subject to any disciplinary actions within the last five years in each jurisdiction in which such person, or in the case of a law firm, each person that performs services as an Attorney DAD, is licensed to practice law.

The Attorney DAD is not currently subject to any sanctions resulting from any disciplinary actions from any federal or state securities regulator, or from any self-regulatory organization that would prohibit or restrict his or her ability to serve as an Attorney DAD. The Attorney DAD has been approved by Pink Sheets to serve as an Attorney Designated Advisor for Disclosure, continues to satisfy the standards for serving as an Attorney DAD, as provided in its Application to Serve as an Attorney Designated Advisor for Disclosure, and is competent and able to serve and to exercise independent judgment as the Company's Attorney DAD without reservation.

- b) *Attorney DAD's Appointment to Provide Education, Advice and Assistance.* The Attorney DAD has been appointed by the Company to provide advice with respect to its eligibility to meet the tier eligibility requirements of OTCQX and to educate, advise and use its best efforts to assist the Company in the Company's responsibilities for complying with its disclosure obligations. The Attorney DAD has been appointed as the Company's Principal Disclosure Counsel and has therefore educated and advised the Company with respect to its disclosure obligations and assisted in the preparation of the Information (except for financial statements and schedules).
- c) *Company's Formal Compliance.* The Attorney DAD has reviewed the Information and certain documents provided by the Company in support of the Information and participated in meetings with Company officials where the Information was discussed. The Attorney DAD has compared the Information with the Pink Sheets Guidelines for Providing Adequate Current Information or, if the Company has a class of securities registered pursuant to Section 12(g) of the Exchange Act, with the requirements prescribed by the Commission for reports filed under Section 13 of the Exchange Act, and has conducted such other examinations of law and made such inquiries as it deemed appropriate. On the basis of these reviews, discussions, examinations and inquiries, the Attorney DAD makes the following affirmations:
- i. Based on the Information, the auditor's certifications of the financial statements and schedules and an affirmation from the management of the Company, the Company complies as to form with these OTCQX Rules, as applicable;
 - ii. The Information complies as to form with the Pink Sheets Guidelines for Providing Adequate Current Information or, if the Company has a class of securities registered pursuant to Section 12(g) of the Exchange Act, with the requirements prescribed by the Commission for reports filed under Section 13 of the Exchange Act;
 - iii. The Information is posted on the Pink Sheets News Service or on EDGAR, and, assuming that such posting makes the Information "publicly available" within the meaning of Rule 144(c) under the Securities Act, the Information complies as to form with the requirement

to make adequate current information publicly available within the meaning of Rule 144(c)(1) or (c)(2) under the Securities Act;

- iv. Based on sources believed to be reliable, (1) the number of outstanding shares set forth in the Information is accurate in all material respects, and (2) all issuances of securities by the Company during the Company's most recent fiscal quarter have been disclosed and published on the Pink Sheets News Service or on EDGAR; and
 - v. The Company is an operating company with ongoing operations, rather than a Shell Company, Blank-Check Company, Special Purpose Acquisition Company or Development Stage Company, using a cautious and conservative method of making this determination.
- d) *Limited Due Diligence.* The Attorney DAD has reviewed the statements in the Information concerning (i) Material Events, (ii) Officers, Directors and Control Persons Disclosure, and (iii) Dilutive Events.
- e) *Negative Assurance.* The Attorney DAD has no reason to believe, and has not been made aware while rendering services as the Company's Principal Disclosure Counsel, that the Information (other than the financial statements and schedules) contains an untrue statement of material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

6.6 Annual Investment Bank DAD Letter

In the event that the Company retains an Investment Bank DAD and not an Attorney DAD, the Company will provide, together with its annual financial statements and the annual update to its information statement, a letter from the Company's Investment Bank DAD. The letter shall state that it may be relied upon only by Pink Sheets for purposes of continued listing 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 Investment Bank DAD is responsible for any disclosure in the Information relating to any conflict of interest that may affect the advice given by the Investment Bank DAD to the Company. The Investment Bank DAD's annual letter will, in substance, make the following additional statements:

- a) *Investment Bank DAD Qualifications.* The Investment Bank DAD is a U.S. registered broker-dealer and a member in good standing with the NASD. The Investment Bank DAD is not currently subject to any sanctions resulting from any disciplinary actions from any federal or state securities regulator, or from any self-regulatory organization that would prohibit or restrict his or her ability to serve as an Investment Bank DAD. The Investment Bank DAD has been approved by Pink Sheets to serve as an Investment Bank Designated Advisor for Disclosure, continues to satisfy the standards for serving as an Investment Bank DAD, as provided in its Application to Serve as an Investment Bank Designated

Advisor for Disclosure, and is competent and able to serve and to exercise independent judgment as the Company's Investment Bank DAD without reservation.

- b) *Investment Bank DAD's Appointment to Provide Education, Advice and Assistance.* The Investment Bank DAD has been appointed by the Company to provide advice with respect to its eligibility to meet the tier eligibility requirements of OTCQX and to educate, advise and use its best efforts to assist the Company in the Company's responsibilities for complying with its disclosure obligations; *provided, however,* that in rendering such advice, the Investment Bank DAD has not been required to engage in the practice of law.
- c) *Company's Formal Compliance.* The Investment Bank DAD has reviewed the Information and certain documents provided by the Company in support of the Information and participated in meetings with Company officials where the Information was discussed. The Investment Bank DAD has compared the Information with the Pink Sheets Guidelines for Providing Adequate Current Information or, if the Company has a class of securities registered pursuant to Section 12(g) of the Exchange Act, with the requirements prescribed by the Commission for reports filed under Section 13 of the Exchange Act, and has conducted such other examinations of law and made such inquiries as it deemed appropriate. On the basis of these reviews, discussions, examinations and inquiries, the Investment Bank DAD makes the following affirmations:
- i. Based on the Information, the auditor's certifications of the financial statements and schedules and an affirmation from the management of the Company, the Company complies as to form with these OTCQX Rules, as applicable;
 - ii. The Information complies as to form with the Pink Sheets Guidelines for Providing Adequate Current Information or, if the Company has a class of securities registered pursuant to Section 12(g) of the Exchange Act, with the requirements prescribed by the Commission for reports filed under Section 13 of the Exchange Act;
 - iii. The Information is posted on the Pink Sheets News Service or on EDGAR, and, assuming that such posting makes the Information "publicly available" within the meaning of Rule 144(c) under the Securities Act, the Information complies as to form with the requirement to make adequate current information publicly available within the meaning of Rule 144(c)(1) or (c)(2) under the Securities Act;
 - iv. Based on sources believed to be reliable, (1) the number of outstanding shares set forth in the Information is accurate in all material respects, and (2) all issuances of securities by the Company during the Company's most recent fiscal quarter have been disclosed and published on the Pink Sheets News Service or on EDGAR; and

- v. The Company is an operating company with ongoing operations, rather than a Shell Company, Blank-Check Company, Special Purpose Acquisition Company or Development Stage Company, using a cautious and conservative method of making this determination.
- d) *Limited Due Diligence*. The Investment Bank DAD has reviewed the statements in the Information concerning (i) Material Events, (ii) Officers, Directors and Control Persons Disclosure, and (iii) Dilutive Events.
- e) *Form 211*. The Information and its review by the Investment Bank DAD would suffice to enable the Investment Bank DAD to file a Form 211 with the NASD. For purposes of this statement, the Investment Bank DAD may state that it has reviewed the Company's financial statements and schedules and, with respect to those financial statements and schedules that have been audited, in good faith relied on the auditor's certification that such audited financial statements and schedules were prepared in conformity with U.S. GAAP as evidence that such audited financial statements and schedules are accurate and not misleading.

6.7 Quarterly Letter from the Attorney DAD or Investment Bank DAD

Within 45 days of the end of each fiscal quarter, the Company will provide Pink Sheets with a letter from the Company's Attorney DAD or Investment Bank DAD, as applicable; *provided, however*, that the Company shall not be required to provide Pink Sheets with such letter for the fourth quarter of the Company's fiscal year. The letter shall state that it may be relied upon only by Pink Sheets for purposes of continued listing of the Company's securities on OTCQX, but not by any other Person or for any other reason. The quarterly letter shall, in substance, make the following statement:

- a) *Outstanding Shares and Issuances*. Based on sources believed to be reliable, the number of outstanding shares set forth in the Information is accurate in all material respects and all issuances of securities by the Company during the Company's most recent fiscal quarter have been disclosed and published on the Pink Sheets News Service or on EDGAR.

6.8 Annual Blue Sky Report

Within 90 days of the end of the Company's fiscal year, the Company shall submit to Pink Sheets an updated report from a Recognized Securities Manual, which shall confirm the Company's Blue Sky exemption in several states.

6.9 Auditor Letters

- a) Within 90 days of the end of each fiscal year, the Company shall submit to Pink Sheets a letter from the independent public accountant regularly auditing the financial books, accounts and reports of the Company stating (i) such accountant's current name, address, and contact information and (ii) that such

accountant continues to audit the Company's financial books, accounts and reports.

- b) Upon the appointment of a new independent public accountant to replace the Company's current auditor and to regularly audit the financial books, accounts and reports of the Company, the Company shall provide Pink Sheets with a letter from such accountant stating (i) the name, address, and contact information of such accountant, (ii) that such accountant audits the financial books, accounts, and reports of the Company, and (iii) the qualifications of such accountant.

6.10 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 Pink Sheets and disclosing the effect of any such change in the Company's next succeeding quarterly and annual financial reports.

6.11 Company Disclosure

The Company shall disclose information to the extent and in the manner described in the Pink Sheets Guidelines for Providing Adequate Current Information and unless otherwise provided in the Pink Sheets Guidelines for Providing Adequate Current Information, the Company shall publish disclosures on the Pink Sheets News Service or a recognized news wire service acceptable to Pink Sheets within 10 days of each of the following:

- a) Any event included in the "Interim Reporting Obligations" section of the Pink Sheets Guidelines for Providing Adequate Current Information; or
- b) Any event that may affect the price of the Company's securities.

6.12 Filing with Pink Sheets

The Company will publish the following on the Pink Sheets News Service:

- a) Copies of all material mailed by the Company to its shareholders with respect to any amendment or proposed amendment to its Articles of Incorporation or Certificate of Organization, within 15 days of such amendment or proposed amendment;
- b) A copy of (i) any amendment to its Articles of Incorporation or Certificate of Organization or any resolution of Directors in the nature of an amendment, certified by the secretary of the state of incorporation or organization, and (ii) any amendment to its Bylaws, certified by a duly authorized officer of the Company, in each case as soon as such amendments shall have become effective; and

- c) The names of shareholders holding 5% or more of the Company's securities listed on OTCQX, and in addition, the percentage of such securities owned by each such shareholder.

Part D – Removal Procedures

7. Removal from OTCQX

7.1 Removal from OTCQX for Failure to Meet Requirements

Pink Sheets may remove the Company from an OTCQX tier for failure to meet the Requirements for Continued Listing on OTCQX, as provided in Part B of these OTCQX Rules, unless such failure is cured within 30 days after Pink Sheets gives the Company notice of such failure.

7.2 Removal from OTCQX for Public Interest Concern

Pink Sheets may remove the Company from an OTCQX tier immediately and at any time without notice when Pink Sheets, in its sole and absolute discretion, believes the continued inclusion of the Company would impair the reputation or integrity of Pink Sheets or be detrimental to the interests of investors.

7.3 Company's Withdrawal from OTCQX

The Company upon 24 hours written notice to Pink Sheets may withdraw its securities from OTCQX at any time. Subsequent to such withdrawal, the Company may continue to use any Pink Sheets service for which it is subscribed, except services reserved for the use of companies with securities listed on OTCQX.

8. Removal from PremierQX

8.1 Removal from PremierQX; Fast-Track Option

If the Company is removed from PremierQX for failure to meet the continued eligibility criteria of the PremierQX tier, the Company shall have a fast-track option to be listed on the PrimeQX tier, provided the Company meets the requirements of PrimeQX.

8.2 Failure to Maintain Required Minimum Bid Price

- a) The Company's common stock shall have a minimum bid price of \$1.00 per share as of the close of business on each of the 90 business days immediately preceding the Company's application for listing on OTCQX. In the event that the bid price for the Company's common stock is less than \$1.00 per share at the close of business during any period of 30 consecutive business days subsequent to the security's listing on PremierQX, the Company shall immediately notify Pink Sheets and shall automatically be listed upon PrimeQX, rather than PremierQX.

- b) In the event that *during* the 6 months immediately subsequent to the delisting of a security from PremierQX for failure to maintain the required minimum bid price, the Company's common stock has a minimum bid price of \$1.00 per share as of the close of business on each day of a period of 30 consecutive business days, then the Company shall be listed on PremierQX, upon written request by the Company or its Attorney DAD or Investment Bank DAD, as applicable.
- c) In the event that a period longer than 6 months has elapsed from the date of the delisting of a security from PremierQX for failure to maintain the required minimum bid price, the security will not be relisted on PremierQX, unless the Company fully complies with all of the initial listing requirements contained in Section 1 hereto, *provided* that Pink Sheets may waive or modify such requirements in whole or in part in its sole and absolute discretion, and in the exercise of such discretion will consider, among other things, the following factors:
- i. Margin of compliance (the amount by which the bid price exceeds the \$1.00 minimum standard);
 - ii. Trading volume (a lack of trading volume may indicate a lack of bona fide market interest in the security at the posted bid price);
 - iii. The number of Market Makers quoting at or above \$1.00 per share of common stock and the size of their quotes; and
 - iv. The trend of the stock price (whether the price of the security has increased or decreased over a specified time period).



Article Two: International OTCQX

The provisions of this Article Two shall apply only to International OTCQX.

Part E – General

9. General Considerations

9.1 Purpose and Objectives of International OTCQX

International OTCQX is comprised of a community of international issuers with sound operating businesses that have agreed with Pink Sheets and each other to provide accurate, timely and reliable information to public investors. International OTCQX issuers are therefore distinguished from other issuers of equity securities traded in the U.S. over-the-counter markets (“OTC Equity Securities”) by the quality of their operating businesses, the excellence of their disclosure to the marketplace, and their listing on a Qualifying Foreign Stock Exchange. Public investors can readily identify International OTCQX issuers, which greatly simplifies the task of sifting through the many thousands of issuers of OTC Equity Securities to identify issuers with sound operating businesses that provide good disclosure to the marketplace.

International OTCQX is not a stock exchange, stock market or regulated market. Pink Sheets is not a securities regulator or self-regulatory organization. These Rules have not been reviewed by the U.S. Securities and Exchange Commission or any state securities commissioner, although Pink Sheets as a matter of policy welcomes comments and suggestions from these and other regulators. The success of International OTCQX depends on the social contract that exists among people of good will – in this case, International OTCQX issuers and their advisors – to maintain the integrity of the market it represents, rather than the sword of regulatory power.

International OTCQX nonetheless is based on pragmatic ideals. Modern regulatory systems cannot exist without the overwhelming support of the regulated because of the great cost involved in the application of regulatory power. No company is forced to list on International OTCQX. Those that do can be expected to subscribe to its principles.

9.2 Application of International OTCQX Rules

These International OTCQX Rules consist of certain regulations adopted and published by Pink Sheets, which prescribe the rights, privileges and obligations of issuers who list securities on International OTCQX and the nature of the securities that may be listed in any particular premium tier. The Rules are necessarily principles-based and should be viewed as instituting standards for right conduct, rather than rules establishing minimum compliance requirements. The Rules are intended to outline for issuers and investors the standards an issuer must meet to participate in an International OTCQX premium tier, and describe the initial and ongoing disclosure such issuers must provide to the investing public.

9.3 Amendment of International OTCQX Rules

Pink Sheets may, in its sole and absolute discretion, amend these Rules, with or without notice, whenever it determines that an amendment is necessary or desirable to enhance the quality of the market represented by International OTCQX, improve the disclosure of International OTCQX issuers for the benefit of public investors, or for any other reason.

Part F – International OTCQX Admission Requirements

10. Initial Listing on International OTCQX

International OTCQX provides an expedited application process for ADR and foreign ordinary securities of issuers listed on Qualifying Foreign Stock Exchanges to access the prestige and visibility of OTCQX. International OTCQX is designed to provide foreign exchange listed issuers, which make their home market disclosure readily available in English, with a method for communicating with U.S. investors.

10.1 Appointment of an Attorney PAL, Investment Bank PAL or an ADR Depositary PAL

- a) *Requirement to Retain an Attorney PAL, Investment Bank PAL or an ADR Depositary PAL.* As a condition to listing its securities on International OTCQX, the Company shall retain an Attorney PAL or Investment Bank PAL; *provided, however,* that in the event that the Company is listing, or plans to list, its securities in ADR form on International OTCQX, the Company may elect to retain an ADR Depositary PAL in lieu of an Attorney PAL or an Investment Bank PAL.
- b) *Attorney PAL.*

- i. In the event that the Company elects to retain an Attorney PAL, the provisions of this Section 8.1(b) shall apply, but the provisions of Section 8.1(c) and 8.1(d) below shall not apply.
- ii. The Attorney PAL shall, among other things, use its best efforts to (1) assist the Company's management and Board of Directors in understanding their U.S. disclosure requirements and communicating with U.S. investors, (2) provide advice to the Company's management and Board of Directors on compliance with current U.S. securities markets and laws, and (3) affirm that the Company complies as to form with these OTCQX Rules.
- iii. Pink Sheets shall maintain a list of approved Attorney PALs on www.otcqx.com and www.pinksheets.com. The Company shall not appoint an Attorney PAL until the "Application to Serve as an Attorney Principal American Liaison" of such Attorney PAL has been approved by Pink Sheets or such Attorney PAL is included on the list of approved Attorney PALs. In the event that the Company desires to appoint a prospective Attorney PAL that is not included on Pink Sheets' list of approved Attorney PALs, a completed "Application to Serve as an Attorney Principal American Liaison" shall be submitted to Pink Sheets together with the Company's application for listing on International OTCQX.
- iv. Only an attorney, or in the case of a law firm, each attorney who will provide services as an Attorney PAL, that is in good standing and not subject to any disciplinary actions within the last five years within each jurisdiction in which he or she is licensed to practice law shall be eligible to serve as an Attorney PAL, subject to approval by Pink Sheets.
- v. The Attorney PAL shall be a U.S. resident or, if a firm, shall have its primary offices located in the U.S.
- vi. Each Attorney PAL must (1) possess sufficient experience to be able to educate, advise and assist the Company of its disclosure obligations under U.S. federal and state securities laws, (2) not currently be 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 Attorney PAL, as applicable, and (3) satisfy the other requirements for serving as an Attorney PAL, as provided in its Application to Serve as an Attorney Principal American Liaison.
- vii. Nothing, express or implied, in these OTCQX Rules is intended to confer on any Person other than the Company, Pink Sheets or the Attorney PAL, or their respective permitted successors or assigns,

any rights or remedies under or by reason of these OTCQX Rules.

c) *Investment Bank PAL.*

- i. In the event that the Company elects to retain an Investment Bank PAL, the provisions of this Section 8.1(c) shall apply, but the provisions of Section 8.1(b) above or Section 8.1(d) below shall not apply.
- ii. The Investment Bank PAL shall, among other things, use its best efforts to (1) assist the Company's management and Board of Directors in understanding their U.S. disclosure requirements and communicating with U.S. investors, (2) provide advice to the Company's management and Board of Directors on compliance with current U.S. securities markets and laws, and (3) affirm that the Company complies as to form with these OTCQX Rules; *provided, however*, that nothing herein shall be construed to require an Investment Bank PAL to engage in the practice of law.
- iii. Pink Sheets shall maintain a list of approved Investment Bank PALs on www.otcqx.com and www.pinksheets.com. The Company shall not appoint an Investment Bank PAL until the "Application to Serve as an Investment Bank Principal American Liaison" of such Investment Bank PAL has been approved by Pink Sheets or such Investment Bank PAL is included on the list of approved Investment Bank PALs. In the event that the Company desires to appoint a prospective Investment Bank PAL that is not included on Pink Sheets' list of approved Investment Bank PALs, a completed "Application to Serve as an Investment Bank Principal American Liaison" shall be submitted to Pink Sheets together with the Company's application for listing on International OTCQX.
- iv. Only a registered broker-dealer and a member of the NASD in good standing shall be eligible to serve as an Investment Bank PAL, subject to approval by Pink Sheets.
- v. The Investment Bank PAL shall be a U.S. resident or, if a firm, shall have its primary offices located in the U.S.
- vi. Each Investment Bank PAL must (1) possess sufficient experience to be able to educate, advise and assist the Company of its disclosure obligations under U.S. federal and state securities laws, (2) not currently be 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 Investment Bank PAL, as applicable, and (3) satisfy the other requirements for serving as an Investment Bank PAL,

as provided in its Application to Serve as an Investment Bank Principal American Liaison.

- vii. Nothing, express or implied, in these OTCQX Rules is intended to confer on any Person other than the Company, Pink Sheets or the Investment Bank PAL, or their respective permitted successors or assigns, any rights or remedies under or by reason of these OTCQX Rules.

d) *ADR Depositary PAL*

- i. In the event that the Company elects to retain an ADR Depositary PAL, the provisions of this Section 8.1(d) shall apply, but the provisions of Sections 8.1(b) and 8.1(c) above shall not apply.
- ii. An ADR Depositary shall not serve as the ADR Depositary PAL of the Company, unless it is the ADR Depositary for the Company's sponsored ADR program.
- iii. The ADR Depositary PAL shall, based solely on the information and representations provided by the Company, affirm that the Company complies as to form with these OTCQX Rules.
- iv. Pink Sheets shall maintain a list of ADR Depositary PALs on www.otcqx.com and www.pinksheets.com.
- v. Nothing, express or implied, in these OTCQX Rules is intended to confer on any Person other than the ADR Depositary PAL, the Company or Pink Sheets, or their respective permitted successors or assigns, any rights or remedies under or by reason of these OTCQX Rules.

10.2 International PrimeQX Eligibility Criteria

To be considered for admission to International PrimeQX, the Company shall represent and warrant that it:

- a) Has proprietary quotations published by a Market Maker in the Pink Sheets;
- b) Is listed on a Qualifying Foreign Stock Exchange and has been listed on such exchange for a minimum of the preceding 40 days;
- c) Either (i) is current and fully compliant in its obligations under Exchange Act Rule 12g3-2(b) and has posted the information required under Exchange Act Rule 12g3-2(b) in English on the Pink Sheets News Service or (ii) has a class of its securities registered under Section 12(g) of the Exchange Act and is current and fully compliant in its SEC reporting obligations; and

- d) Is included in a Recognized Securities Manual.

10.3 International PremierQX Eligibility Criteria

The Company shall be eligible to list securities on International PremierQX only if the Company has represented and warranted that:

- a) The Company is eligible to list securities on International PrimeQX pursuant to Section 8.2 hereto; and
- b) The Company is qualified for listing securities under the financial standards of the Worldwide (Non-U.S) Listing Standards of the New York Stock Exchange, except that the Company is not required to (i) have a class of securities registered under Section 12 of the Exchange Act or (ii) meet the bid price standard of the Worldwide (Non-U.S) Listing Standards of the New York Stock Exchange.

10.4 Initial Disclosure Obligations

Prior to admission to International OTCQX, the Company shall:

- a) Either (i) provide all information required under Exchange Act Rule 12g3-2(b), which shall be published in English on the Pink Sheets News Service and which shall cover the preceding 24 months; or (ii) be current and fully compliant in its SEC reporting obligations, in the event that a class of the Company's securities is registered under Section 12(g) of the Exchange Act; and
- b) Furnish a report from a Recognized Securities Manual, which shall confirm the Company's Blue Sky exemption in several states.

10.5 Initial Attorney PAL Letters

In the event that the Company retains an Attorney PAL and not an Investment Bank PAL or an ADR Depositary PAL, the Attorney PAL will provide a letter for the Company in connection with the Company's application to list its securities on International OTCQX. The letter shall state that it may be relied upon only by Pink Sheets for purposes of listing the Company's securities on International OTCQX, but may not be relied upon by any other Person or for any other reason. In addition, the letter shall, in substance, make the following statements:

- a) *Attorney PAL Qualifications.* The Attorney PAL is a U.S. attorney, or a law firm, in good standing and not subject to any disciplinary actions within the last five years in each jurisdiction in which such person, or in the case of a law firm, each person that performs services as an Attorney PAL, is licensed to practice law. The Attorney PAL 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, her or its ability

to serve as an Attorney PAL. The Attorney PAL has been approved by Pink Sheets to serve as an Attorney PAL, continues to satisfy the standards for serving as an Attorney PAL, as provided in its Application to Serve as an Attorney Principal American Liaison, and is competent and able to serve and to exercise independent judgment as the Company's Attorney PAL without reservation.

- b) *Appointment as an Attorney PAL.* The Attorney PAL has been appointed by the Company to provide advice with respect to its eligibility to meet the tier eligibility requirements of International OTCQX and to educate, advise and use its best efforts to assist the Company in the Company's responsibilities for complying with its U.S. disclosure obligations.
- c) *Company's Formal Compliance.* Based on available information, the Attorney PAL has a reasonable belief that the Company complies as to form with these OTCQX Rules.
- d) *No Disqualifying Events.* The Attorney PAL has made specific inquiry of the Company with respect to whether the Company (i) has been delisted, removed or suspended from a Qualifying Foreign Stock Exchange, (ii) has failed to submit materials to the SEC that are required under Exchange Act Rule 12g3-2(b), or (iii) no longer has any class of securities registered under Section 12(g) of the Exchange Act or is no longer current in its filing responsibilities thereunder and, based on such inquiry, confirms that no such event has occurred with respect to the Company.

10.6 Initial Investment Bank PAL Letters

In the event that the Company retains an Investment Bank PAL and not an Attorney PAL or an ADR Depository PAL, the Investment Bank PAL will provide a letter for the Company in connection with the Company's application to list its securities on International OTCQX. The letter shall state that it may be relied upon only by Pink Sheets for purposes of listing the Company's securities on International OTCQX, but may not be relied upon by any other Person or for any other reason. In addition, the letter shall, in substance, make the following statements:

- a) *Investment Bank PAL Qualifications.* The Investment Bank PAL is a U.S. registered broker-dealer and member in good standing with the NASD. The Investment Bank PAL 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, her or its ability to serve as an Investment Bank PAL. The Investment Bank PAL has been approved by Pink Sheets to serve as an Investment Bank PAL, continues to satisfy the standards for serving as an Investment Bank PAL, as provided in its Application to Serve as an Investment Bank Principal American Liaison, and is competent and able to serve and to exercise independent judgment as the Company's Investment Bank PAL without reservation.

- b) *Appointment as an Investment Bank PAL.* The Investment Bank PAL has been appointed by the Company to provide advice with respect to its eligibility to meet the tier eligibility requirements of International OTCQX and to educate, advise and use its best efforts to assist the Company in the Company's responsibilities for complying with its U.S. disclosure obligations; *provided, however*, that in rendering such advice, the Investment Bank PAL has not been required to engage in the practice of law.
- c) *Company's Formal Compliance.* Based on available information, the Investment Bank PAL has a reasonable belief that the Company complies as to form with these OTCQX Rules.
- d) *No Disqualifying Events.* The Investment Bank PAL has made specific inquiry of the Company with respect to whether the Company (i) has been delisted, removed or suspended from a Qualifying Foreign Stock Exchange, (ii) has failed to submit materials to the SEC that are required under Exchange Act Rule 12g3-2(b), or (iii) no longer has any class of securities registered under Section 12(g) of the Exchange Act or is no longer current in its filing responsibilities thereunder and, based on such inquiry, confirms that no such event has occurred with respect to the Company.

10.7 Initial ADR Depositary PAL Letters

In the event that the Company appoints an ADR Depositary PAL and not an Attorney PAL or Investment Bank PAL, the ADR Depositary PAL will provide a letter for the Company in connection with the Company's application to list its securities on International OTCQX. The letter shall state that it may be relied upon only by Pink Sheets for purposes of listing the Company's securities on International OTCQX, but may not be relied upon by any other Person or for any other reason. In addition, the letter shall, in substance, make the following statements:

- a) *Appointment as an ADR Depositary PAL.* The Company has appointed the ADR Depositary PAL for purposes of listing the Company's securities on International OTCQX and such ADR Depositary PAL serves as the ADR Depositary for the Company's sponsored ADR program.
- b) *Company's Formal Compliance.* Based solely on information and representations provided by the Company, the Company complies as to form with these OTCQX Rules.
- c) *No Disqualifying Events.* The ADR Depositary PAL has made specific inquiry of the Company with respect to whether the Company (i) has been delisted, removed or suspended from a Qualifying Foreign Stock Exchange, (ii) has failed to submit or make available materials, as required under Exchange Act Rule 12g3-2(b), (iii) no longer has any class of securities registered under Section 12(g) of the Exchange Act or is not current in its filing responsibilities thereunder, or (iv) has terminated, or announced the termination, of its sponsored ADR

program and, based on such inquiry, confirms that no such event has occurred with respect to the Company.

11. International OTCQX Fees

11.1 Company Fees

- a) *Initial Admission Fees.* At the time the Company's application for listing on International OTCQX is submitted to Pink Sheets, the Company shall pay Pink Sheets:
- i. A non-refundable Listing Application Fee of \$5,000 (U.S.), if Pink Sheets receives the Company's application for listing on International OTCQX by April 30, 2007, unless otherwise amended from time to time; or
 - ii. A non-refundable Listing Application Fee of \$10,000 (U.S.), if Pink Sheets receives the Company's application for listing on International OTCQX after April 30, 2007, unless otherwise amended from time to time.
- b) *Listing Fees.* Upon acceptance by Pink Sheets of the Company's application for listing on International OTCQX, the Company shall pay a non-refundable annual Listing Fee to Pink Sheets as follows, unless otherwise amended from time to time in accordance with these OTCQX Rules:
- i. \$5,700 (U.S.) per year, with no increases for as long as the Company remains listed on International OTCQX, if Pink Sheets received the Company's application for listing on International PrimeQX or International PremierQX by January 31, 2007;
 - ii. \$11,400 (U.S.) per year, with a maximum annual increase of 10%, if Pink Sheets receives the Company's application for listing on International PrimeQX or International PremierQX by April 30, 2007;
 - iii. \$18,000 (U.S.) per year, with no limit on fee increases, if Pink Sheets receives the Company's application for listing on International PrimeQX after April 30, 2007, or
 - iv. \$24,000 (U.S.) per year, with no limit on fee increases, if Pink Sheets receives the Company's application for listing on International PremierQX after April 30, 2007;

11.2 Attorney PAL Fees

- a) *Initial Fee.* At the time the Attorney PAL's "Application to Serve as an Attorney Principal American Liaison" is submitted to Pink Sheets, the Attorney PAL shall pay a non-refundable Attorney PAL Application Fee of \$500 (U.S.), unless otherwise amended from time to time.
- b) *Annual Renewal Fee.* The Attorney PAL shall pay a non-refundable annual Attorney PAL Renewal Fee of \$500 (U.S.) to Pink Sheets, or as otherwise amended from time to time, for the continued inclusion on Pink Sheets' published list of approved Attorney PALs.

11.3 Investment Bank PAL Fees

- a) *Initial Fee.* At the time the Investment Bank PAL's "Application to Serve as an Investment Bank Principal American Liaison" is submitted to Pink Sheets, the Investment Bank PAL shall pay a non-refundable Investment Bank PAL Application Fee of \$500 (U.S.), unless otherwise amended from time to time.
- b) *Annual Renewal Fee.* The Investment Bank PAL shall pay a non-refundable annual Investment Bank PAL Renewal Fee of \$500 (U.S.) to Pink Sheets, or as otherwise amended from time to time, for the continued inclusion on Pink Sheets' published list of approved Investment Bank PALs.

11.4 ADR Depository PAL Fees

- a) *Initial Fee.* At the time the Issuer Appointment of an ADR Depository PAL is submitted to Pink Sheets, the ADR Depository PAL shall pay a non-refundable ADR Depository PAL Initial Fee of \$500 (U.S.), unless otherwise amended from time to time.
- b) *Annual Renewal Fee.* The ADR Depository PAL shall pay a non-refundable annual ADR Depository PAL Renewal Fee of \$500 (U.S.) to Pink Sheets, or as otherwise amended from time to time, for the continued inclusion on Pink Sheets' published list of ADR Depository PALs.

11.5 Fees Not Refundable

Unless otherwise provided herein, fees, including Listing Application Fees, Listing Fees, Attorney PAL Application Fees, Attorney PAL Renewal Fees, Investment Bank PAL Application Fees, Investment Bank PAL Renewal Fees, ADR Depository PAL Initial Fees and ADR Depository PAL Renewal Fees, shall not be refunded under any circumstances, including the removal of the Company from International OTCQX.

12. Application Procedures

12.1 Application Materials

Application materials shall include:

- a) Application for Listing on International OTCQX;
- b) Listing Application Fees;
- c) Issuer Appointment of an Attorney Principal American Liaison, Issuer Appointment of an Investment Bank Principal American Liaison or Issuer Appointment of an ADR Depository PAL, as applicable;
- d) Listing Agreement, including exhibits and the Cover Sheet; and
- e) As applicable, (i) an Application to Serve as an Attorney Principal American Liaison and the appropriate Attorney PAL Application Fee, (ii) an Application to Serve as an Investment Bank Principal American Liaison and the appropriate Investment Bank PAL Application Fee or (iii) the appropriate ADR Depository PAL Initial Fee, unless the prospective Attorney PAL, Investment Bank PAL or ADR Depository PAL, as applicable, is currently included on Pink Sheets' list of Attorney PALs, Investment Bank PALs or ADR Depository PALs, as applicable and as published on www.pinksheets.com or www.otcqx.com.

12.2 Submission of Application Materials

Application materials must be signed and delivered to Pink Sheets LLC, c/o International OTCQX Applications, 304 Hudson Street, Second Floor, New York, NY 10013.

12.3 Application Review

In connection with an application for listing on International OTCQX, Pink Sheets may:

- a) Require the Company, with the assistance of the Company's Attorney PAL, Investment Bank PAL or ADR Depository PAL, as applicable, to confirm, clarify or modify any information contained in the application for listing on International OTCQX and supporting documents;
- 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 for listing on International OTCQX if, in its opinion, the admission of the Company would be likely to impair the reputation or integrity of the Pink Sheets or be detrimental to the interests of investors.

12.4 Delivery Confirmation

The Company and its Attorney PAL, Investment Bank PAL or ADR Depository PAL, as applicable, will be given confirmation of receipt of the application for listing on

International OTCQX within five business days of receipt by Pink Sheets. Inquiries relating to the receipt of an application for listing on International OTCQX should be sent to issuers@pinksheets.com, with subject line "Application Receipt Status."

12.5 Notification that Initial Disclosure has been Posted

The Company's Attorney PAL, Investment Bank PAL or ADR Depository PAL, as applicable, shall notify Pink Sheets when information required pursuant to Section 8.4 hereto is posted on the Pink Sheets News Service or EDGAR. If such disclosure has not been posted within 30 days following the Company's submission to Pink Sheets of its application for listing on International OTCQX, the Attorney PAL, Investment Bank PAL or ADR Depository PAL, as applicable, shall request, in writing, an extension of time to post such disclosure with an estimate of when such disclosure shall be available.

12.6 Application Approval

The Company and its Attorney PAL, Investment Bank PAL or ADR Depository PAL, as applicable, will be notified in writing of the outcome of the Company's application for listing on International OTCQX. Upon acceptance of such application by Pink Sheets, the Company shall submit the following materials to Pink Sheets within 30 business days:

- a) The Company's logo in an EPS file format on CD-ROM;
- b) One-hundred word profile of the Company, which shall contain a factual description of the Company and its activities; and
- c) A list of any changes that would affect the information presented in the initial application for listing on International OTCQX since submission of such application to Pink Sheets.

Part G – Requirements for Continued Listing on International OTCQX

13. Obligation of Parties

13.1 Role of the Company

- a) Officers and directors of the Company are responsible for compliance with these OTCQX Rules and are solely responsible for the content of the Information, *provided, however*, that in the event that the Company has an Attorney PAL or Investment Bank PAL, such Attorney PAL or Investment Bank PAL, as applicable, shall be responsible for any disclosure in the Information relating to any conflict of interest that may affect the advice given by such Attorney PAL or such Investment Bank PAL to the Company.
- b) The Company shall seek advice from its Attorney PAL, Investment Bank PAL or ADR Depository PAL, as applicable, in relation to the Company's obligations

under these OTCQX Rules whenever appropriate and give such advice proper weight.

- c) The Company shall immediately notify Pink Sheets in writing regarding the appointment, resignation or dismissal of its Attorney PAL, Investment Bank PAL or ADR Depository PAL, as applicable, and the reasons therefor.
- d) The Company shall comply with applicable securities laws of its country of domicile and applicable U.S. federal or state securities laws. The Company shall cooperate with 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. The Company's securities shall be available for secondary transactions under the laws of each state and territory of the United States that recognizes the Blue Sky Manual Exemption by any Person who can engage in such transactions pursuant to an exemption from federal registration of securities and the Blue Sky Manual Exemption.
- e) The Company's securities that are listed on International OTCQX will be eligible for deposit with the Depository Trust Company, as determined under the Rules of the Depository Trust Company, as amended from time to time.

13.2 Role of Pink Sheets

As conditions to the Company's continued inclusion on International OTCQX, Pink Sheets may:

- a) Require the Company to provide a further undertaking or fulfill a further condition;
- b) Temporarily suspend inclusion on International OTCQX pending the completion of further due diligence;
- c) Remove the Company's securities from International OTCQX, if, in Pink Sheets' sole and absolute discretion, the Company no longer meets the eligibility or disclosure requirements of the International OTCQX tier on which such securities are listed;
- d) Remove the Company from International OTCQX, if in Pink Sheets' sole and absolute discretion, the continued inclusion of the Company would be likely to impair the reputation or integrity of the Pink Sheets or be detrimental to the interests of investors; or
- e) Remove the Company's Attorney PAL, Investment Bank PAL or ADR Depository PAL, as applicable, from the published list of Attorney PALs, Investment Bank PALs or ADR Depository PALs, if, in Pink Sheets' sole and absolute discretion, the continued inclusion of such Attorney PAL, Investment Bank PAL or ADR Depository PAL, as applicable, would be likely to impair the reputation or integrity of Pink Sheets or be detrimental to the interests of investors.

14. Ongoing Disclosure Obligations for Companies Listed on International OTCQX

14.1 Financial Reports

The Company shall either:

- a) Remain current and fully compliant in its obligations under Exchange Act Rule 12g3-2(b) and the information required under Exchange Act Rule 12g3-2(b) shall be posted in English on the Pink Sheets News Service; or
- b) 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.

14.2 Annual Blue Sky Report

Within 90 days of the end of the Company's fiscal year, the Company shall submit to Pink Sheets an updated report from a Recognized Securities Manual, which shall confirm the Company's Blue Sky exemption in several states.

14.3 Issuer Compliance Statement

The Company will publish a letter on the Pink Sheets News Service at least once a year and not later than 30 days after filing its financial statements with the Qualifying Foreign Stock Exchange on which its securities are listed that makes the following affirmations:

- a) The Company continues to satisfy the requirements for listing on the applicable International OTCQX tier; and
- b) The Company is current and fully compliant in its obligations under Exchange Act Rule 12g3-2(b) and the information required under Exchange Act Rule 12g3-2(b) is posted in English on the Pink Sheets 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.

14.4 Attorney PAL Annual Letters

In the event that the Company retains an Attorney PAL and not an Investment Bank PAL or an ADR Depositary PAL, within 45 days after the Company is required to file annual financial statements with the Qualifying Foreign Stock Exchange on which its securities are listed, the Company will provide a letter from such Attorney PAL. Such letter shall state that it may be relied upon only by Pink Sheets for purposes of the continued listing of the Company's securities on International OTCQX, but may not be relied upon by any other Person or for any other reason. In addition, the letter shall, in substance, make the following statements:

- a) *Attorney PAL Qualifications.* The Attorney PAL is a U.S. attorney, or a law firm, in good standing and not subject to any disciplinary actions within the last five years in each jurisdiction in which such person, or in the case of a firm, each person that performs services as an Attorney PAL, is licensed to practice law. The Attorney PAL 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, her or its ability to serve as an Attorney PAL. The Attorney PAL has been approved by Pink Sheets to serve as an Attorney PAL, continues to satisfy the standards for serving as an Attorney PAL, as provided in its Application to Serve as an Attorney Principal American Liaison, and is competent and able to serve and to exercise independent judgment as the Company's Attorney PAL without reservation.
- b) *Appointment as an Attorney PAL.* The Attorney PAL has been appointed by the Company to provide advice with respect to its eligibility to meet the tier eligibility requirements of International OTCQX and to educate, advise and use its best efforts to assist the Company in the Company's responsibilities for complying with its U.S. disclosure obligations.
- c) *Company's Formal Compliance.* Based on available information, the Attorney PAL has a reasonable belief that the Company complies as to form with these OTCQX Rules.
- d) *No Disqualifying Events.* The Attorney PAL has made specific inquiry of the Company with respect to whether the Company (i) has been delisted, removed or suspended from a Qualifying Foreign Stock Exchange, (ii) has failed to submit materials to the SEC that are required under Exchange Act Rule 12g3-2(b), or (iii) no longer has any class of securities registered under Section 12(g) of the Exchange Act or is no longer current in its filing responsibilities thereunder and, based on such inquiry, confirms that no such event has occurred with respect to the Company.

14.5 Investment Bank PAL Annual Letters

In the event that the Company retains an Investment Bank PAL and not an Attorney PAL or an ADR Depositary PAL, within 45 days after the Company is required to file annual financial statements with the Qualifying Foreign Stock Exchange on which its securities are listed, the Company will provide a letter from such Investment Bank PAL. Such letter shall state that it may be relied upon only by Pink Sheets for purposes of the continued listing of the Company's securities on International OTCQX, but may not be relied upon by any other Person or for any other reason. In addition, the letter shall, in substance, make the following statements:

- a) *Investment Bank PAL Qualifications.* The Investment Bank PAL is a U.S. registered broker-dealer and member in good standing with the NASD. The Investment Bank PAL 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, her or its ability to serve as an Investment Bank PAL. The Investment Bank PAL has been approved by Pink Sheets to serve as an Investment Bank PAL, continues to satisfy the standards for serving as an Investment Bank PAL, as provided in its Application to Serve as an Investment Bank Principal American Liaison, and is competent and able to serve and to exercise independent judgment as the Company's Investment Bank PAL without reservation.

- b) *Appointment as an Investment PAL.* The Investment Bank PAL has been appointed by the Company to provide advice with respect to its eligibility to meet the tier eligibility requirements of International OTCQX and to educate, advise and use its best efforts to assist the Company in the Company's responsibilities for complying with its U.S. disclosure obligations; *provided, however*, that in rendering such advice, the Investment Bank PAL has not been required to engage in the practice of law.
- c) *Company's Formal Compliance.* Based on available information, the Investment Bank PAL has a reasonable belief that the Company complies as to form with these OTCQX Rules.
- d) *No Disqualifying Events.* The Investment Bank PAL has made specific inquiry of the Company with respect to whether the Company (i) has been delisted, removed or suspended from a Qualifying Foreign Stock Exchange, (ii) has failed to submit materials to the SEC that are required under Exchange Act Rule 12g3-2(b), or (iii) no longer has any class of securities registered under Section 12(g) of the Exchange Act or is no longer current in its filing responsibilities thereunder and, based on such inquiry, confirms that no such event has occurred with respect to the Company.

14.6 Annual ADR Depository PAL Letters

In the event that the Company retains an ADR Depository PAL and not an Attorney PAL or Investment Bank PAL, within 45 days after the Company is required to file annual financial statements with the Qualifying Foreign Stock Exchange on which its securities are listed, the Company will provide a letter from such ADR Depository PAL. Such letter shall state that it may be relied upon only by Pink Sheets for purposes of the continued listing of the Company's securities on International OTCQX, but may not be relied upon by any other Person or for any other reason. In addition, the letter shall, in substance, make the following statements:

- a) *Appointment as an ADR Depository PAL.* The Company has appointed the ADR Depository PAL for purposes of the continued listing of the Company's securities on International OTCQX and such ADR Depository PAL serves as the ADR Depository for the Company's sponsored ADR program.

- b) *Company's Formal Compliance.* Based solely on information and representations provided by the Company, the Company complies as to form with these OTCQX Rules.
- c) *No Disqualifying Events.* The ADR Depository PAL has made specific inquiry of the Company with respect to whether the Company (i) has been delisted, removed or suspended from a Qualifying Foreign Stock Exchange, (ii) has failed to submit or make available materials, as required under Exchange Act Rule 12g3-2(b), (iii) no longer has any class of securities registered under Section 12(g) of the Exchange Act or is not current in its filing responsibilities thereunder, or (iv) has terminated, or announced the termination, of its sponsored ADR program and, based on such inquiry, confirms that no such event has occurred with respect to the Company.

Part H – Removal Procedures

15. Removal from International OTCQX

15.1 Removal from International OTCQX for Failure to Meet Requirements

Pink Sheets may remove the Company from an International OTCQX for failure to meet the Requirements for Continued Listing on International OTCQX, as provided in Part E of these OTCQX Rules, unless such failure is cured within 30 days after Pink Sheets gives the Company notice of such failure.

15.2 Removal from International OTCQX for Public Interest Concern

Pink Sheets may remove the Company from an International OTCQX tier, as applicable, immediately and at any time without notice when Pink Sheets, in its sole and absolute discretion, believes the continued inclusion of the Company would impair the reputation or integrity of Pink Sheets or be detrimental to the interests of investors.

15.3 Company's Voluntary Removal from International OTCQX

The Company upon 24 hours written notice to Pink Sheets may withdraw its securities from International OTCQX at any time. . Subsequent to withdrawal, of its securities from OTCQX the Company may use any Pink Sheets service for which it is subscribed, except services reserved for the use of companies with securities listed on International OTCQX.

16. Removal from International PremierQX

16.1 Removal from International PremierQX; Fast-Track Option

If the Company is removed from International PremierQX for failure to meet the continued eligibility criteria of the International PremierQX tier, the Company shall have a

fast-track option to be listed on the International PrimeQX tier, provided the Company meets the requirements of International PrimeQX.

Article Three: Definitions

The provisions of this Article Three shall apply to both OTCQX and International OTCQX.

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):

“ADR Depository” 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 Depository PAL Initial Fee” shall mean the amount established from time to time by Pink Sheets and initially set forth in these OTCQX Rules, which the ADR Depository PAL must remit to Pink Sheets in connection with its appointment as an ADR Depository PAL for the Company.

“ADR Depository PAL Renewal Fee” shall mean the amount established from time to time by Pink Sheets and initially set forth in these OTCQX Rules, which the ADR Depository PAL must remit to Pink Sheets for continued inclusion on the list of ADR Depository PALs, as published on www.pinksheets.com or www.otcqx.com.

“ADR Depository Principal American Liaison” or **“ADR Depository PAL”** shall mean the ADR Depository retained by the Company, in connection with its listing on International OTCQX, if applicable, which has the rights and responsibilities described in these OTCQX Rules and the Issuer Appointment of an ADR Depository PAL.

“Attorney DAD Application Fee” shall mean the amount established from time to time by Pink Sheets and initially set forth in these OTCQX Rules, which the Attorney DAD must remit to Pink Sheets in connection with an application to serve as an Attorney DAD.

“Attorney DAD Renewal Fee” shall mean the amount established from time to time by Pink Sheets and initially set forth in these OTCQX Rules, which the Attorney DAD must remit to Pink Sheets for continued inclusion on the list of approved Attorney DADs, as published on www.pinksheets.com or www.otcqx.com.

“Attorney Designated Advisor for Disclosure” or **“Attorney DAD”** shall mean the attorney or law firm appointed by the Company and approved by Pink Sheets to serve as the Company’s Attorney Designated Advisor for Disclosure, in connection with the listing of the Company’s securities on OTCQX, having the rights and responsibilities described in (i) these OTCQX Rules, (ii) the Application to Serve as an Attorney Designated Advisor for Disclosure and (iii) the Issuer Appointment of an Attorney Designated Advisor for Disclosure.

“Attorney PAL Application Fee” shall mean the amount established from time to time by Pink Sheets and initially set forth in these OTCQX Rules, which the Attorney PAL must remit to Pink Sheets in connection with an application to serve as an Attorney PAL.

“Attorney PAL Renewal Fee” shall mean the amount established from time to time by Pink Sheets and initially set forth in these OTCQX Rules, which the Attorney PAL must remit to Pink Sheets for continued inclusion on the list of approved Attorney PALs, as published on www.pinksheets.com or www.otcqx.com.

“Attorney Principal American Liaison” or **“Attorney PAL”** shall mean the attorney or law firm appointed by the Company and approved by Pink Sheets to serve as the Company’s Attorney Principal American Liaison, in connection with the listing of the Company’s securities on International OTCQX, having the rights and responsibilities described in (i) these OTCQX Rules, (ii) the Application to Serve as an Attorney Principal American Liaison and (iii) the Issuer Appointment of an Attorney Principal American Liaison.

“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.

“Blank-Check Company” shall mean an entity that (i) is a Development Stage Company 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.

“Blue Sky Manual Exemption” shall mean an exemption from registration of secondary transactions of securities in a state that recognizes such exemption, whereby the issuer of such securities must publish certain disclosure information on an ongoing basis in a Recognized Securities Manual.

“Bylaws” shall mean the official rules and regulations that govern a company’s management.

“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 Listing Agreement with Pink Sheets.

“Cover Sheet” shall mean the Pink Sheets OTCQX Listing Agreement Cover Sheet or the Pink Sheets International OTCQX Listing Agreement Cover Sheet, as applicable, for companies entering into the Listing Agreement.

“Depository Trust Company” shall mean the company with the same name that is a member of the Federal Reserve system, registered with the Commission and owned by the Depository Trust and Clearing Corporation that acts as a central repository to electronically transfer stock and bond certificates.

“Development Stage Company” shall mean a company in a development stage that has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies, or other entity or Person.

“Dilutive Events” shall mean the Information provided by the Company in connection with Item X (outstanding shares) and Item XI (securities offerings and shares issued for services) of the Pink Sheets Guidelines for Providing Adequate Current Information or, if the Company has a class of securities registered pursuant to Section 12(g) of the Exchange Act, Items 201 and 701 of Regulation S-B or Regulation S-K under the Securities Act, as applicable.

“EDGAR” shall mean the SEC’s Electronic Data Gathering, Analysis and Retrieval system.

“Equity Security” shall mean any stock or similar security; or any security future on any such security; or any security convertible, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security of similar nature.

“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.

“Form 211” shall mean the form with the same name, which is filed with the NASD by broker-dealers representing that all applicable requirements of Rule 15c2-11 under the Exchange Act and the filing and information requirements of NASD Rule 6740 have been satisfied.

“Information” shall mean information provided by the Company on the Pink Sheets News Service or on EDGAR; *provided, however*, that in the event the Company voluntarily delisted from the New York Stock Exchange, the American Stock Exchange, or NASDAQ, the term shall not include any such information provided on EDGAR prior to such delisting.

“International OTCQX” shall mean an electronic inter-dealer quotation system consisting of two premium tier levels, International PrimeQX and International PremierQX, where issuers listed on Qualifying Foreign Stock Exchanges must meet specified listing criteria and provide ongoing public disclosure in accordance with the applicable requirements herein.

“International PrimeQX” shall mean a tier of the International OTCQX system, which is available only to those issuers that satisfy the requirements provided herein for listing securities on International PrimeQX.

“International PremierQX” shall mean the top tier of the International OTCQX system, which is available only to those issuers that satisfy the requirements provided herein for listing securities on International PremierQX.

“Investment Bank DAD Application Fee” shall mean the amount established from time to time by Pink Sheets and initially set forth in these OTCQX Rules, which the Investment Bank DAD must remit to Pink Sheets in connection with an application to serve as an Investment Bank DAD.

“Investment Bank DAD Renewal Fee” shall mean the amount established from time to time by Pink Sheets and initially set forth in these OTCQX Rules, which the Investment Bank DAD must remit to Pink Sheets for continued inclusion on the list of approved Investment Bank DADs, as published on www.pinksheets.com or www.otcqx.com.

“Investment Bank Designated Advisor for Disclosure” or **“Investment Bank DAD”** shall mean the registered broker dealer appointed by the Company and approved by Pink Sheets to serve as the Company’s Investment Bank Designated Advisor for Disclosure, in connection with the listing of the Company’s securities on OTCQX, having the rights and responsibilities described in (i) these OTCQX Rules, (ii) the Application to Serve as an Investment Bank Designated Advisor for Disclosure and (iii) the Issuer Appointment of an Investment Bank Designated Advisor for Disclosure.

“Investment Bank PAL Application Fee” shall mean the amount established from time to time by Pink Sheets and initially set forth in these OTCQX Rules, which the Investment Bank PAL must remit to Pink Sheets in connection with an application to serve as an Investment Bank PAL.

“Investment Bank PAL Renewal Fee” shall mean the amount established from time to time by Pink Sheets and initially set forth in these OTCQX Rules, which the Investment Bank PAL must remit to Pink Sheets for continued inclusion on the list of approved Investment Bank PALs, as published on www.pinksheets.com or www.otcqx.com.

“Investment Bank Principal American Liaison” or **“Investment Bank PAL”** shall mean the registered broker dealer appointed by the Company and approved by Pink Sheets to serve as the Company’s Investment Bank Principal American Liaison, in connection with the listing of the Company’s securities on International OTCQX, having the rights and responsibilities described in (i) these OTCQX Rules, (ii) the Application to Serve as an Investment Bank Principal American Liaison and (iii) the Issuer Appointment of an Investment Bank Principal American Liaison.

“Listing Agreement” shall mean, as applicable, the (i) Pink Sheets OTCQX Listing Agreement, as amended from time to time, that provides for the listing of the Company on an OTCQX tier and certain other services or (ii) Pink Sheets International OTCQX Listing Agreement, as amended from time to time, that provides for the listing of the Company on an International OTCQX tier and certain other services.

“Listing Application Fee” shall mean the amount established from time to time by Pink Sheets and initially set forth in these OTCQX Rules, which the Company must remit to Pink Sheets to apply for listing on OTCQX or International OTCQX, as applicable.

“Listing Fee” shall mean the amount established from time to time by Pink Sheets and initially set forth in these OTCQX Rules, which the Company must remit to Pink Sheets to be listed on the OTCQX tier or the International OTCQX tier indicated on the Cover Sheet.

“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.

“Material Events” shall mean the Information provided by the Company in connection with Item XVIII (material contracts) of Pink Sheets Guidelines for Providing Adequate Current Information or, if the Company has a class of securities registered pursuant to Section 12(g) of the Exchange Act, Item 601(b)(10) of Regulation S-B or Regulation S-K under the Securities Act, as applicable.

“NASD” shall mean the National Association of Securities Dealers, Inc.

“Officers, Directors and Control Persons Disclosure” shall mean the Information provided by the Company in connection with Item XII (A), (B) and (C) (officer, directors, control persons and the relationships among them) and Item XIII (Large Shareholders) of the Pink Sheets Guidelines for Providing Adequate Current Information or, if the Company has a class of securities registered pursuant to Section 12(g) of the Exchange Act, Items 401 and 403 of Regulation S-B or Regulation S-K under the Securities Act, as applicable.

“OTC” shall mean the over-the-counter securities markets, whereby securities are traded in some context other than on a formal exchange, such as the New York Stock Exchange or NASDAQ.

“OTCQX” is an electronic inter-dealer quotation system that (i) provides a centralized information and messaging network for competitive Market Maker price quotations and execution negotiation in OTC securities and (ii) consists of two premium tier levels, PrimeQX and PremierQX, where qualified issuers must meet specified listing criteria and provide ongoing public disclosure.

“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 listed, or applying to be listed, on OTCQX.

“Pink Sheets” shall mean Pink Sheets LLC, a limited liability company organized under the laws of the State of Delaware, located at 304 Hudson Street, 2nd Floor, New York, NY 10013.

“Pink Sheets Guidelines for Providing Adequate Current Information” shall mean the document with the same name, as amended from time to time, that outlines the responsibilities of the Company to post disclosures within specified time frames and the procedures by which the Company shall notify Pink Sheets of material changes.

“Pink Sheets News Service” shall mean a service with a secure web portal, which the Company can access using credentials assigned by Pink Sheets to publish news releases, financial reports and other disclosures on www.pinksheets.com or www.otcqx.com.

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

“PremierQX” shall mean the top tier of the OTCQX system, which is available only to those issuers that satisfy the applicable requirements hereto.

“Principal Disclosure Counsel” shall mean an attorney or law firm retained by the Company to provide advice with respect to the Company’s disclosure obligations and to assist the Company in the preparation of the Information, except for the Company’s financial statements.

“Qualifying Foreign Stock Exchange” shall mean a foreign stock exchange listed on the Pink Sheets List of Qualifying Foreign Exchanges, as amended from time to time and available at <http://www.otcqx.com>.

“Recognized Securities Manual” shall mean a securities manual published by Standard and Poor’s or Mergent (formerly known as Moody’s).

“Seasoned Public Issuer” shall mean a company that has engaged in its current business operations and has had a class of its securities publicly traded on the Pink Sheets, the OTCBB® or a national securities exchange for not less than two years.

“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 Pink Sheets 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.

“Special Purpose Acquisition Company” shall mean an entity whose operations are limited to the acquisition and financing of specific assets.

“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.

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

“Worldwide (Non-U.S) Listing Standards of the New York Stock Exchange” shall mean the set of financial standards under which non-U.S. companies may qualify for listing on the New York Stock Exchange.