

**RULES FOR EXECUTING NEGOTIATED DEALS ON
NASD OTC SECURITIES EXCHANGE**

1. DEFINITIONS

S/N	SUBJECT	DEFINITION
1.	COMMISSION	Securities and Exchange Commission.
2.	PARTICIPATING INSTITUTIONS	A firm duly registered with the Securities and Exchange Commission and licensed with NASD to participate on the NASD OTC Securities Exchange.
3.	RELATED PARTY	A person or an entity that is related to or associated with the company whose securities are to be valued.
4.	NEGOTIATED DEAL	A transaction whose price is different from the prevailing price on the NASD OTC Securities Exchange and has been agreed to by a buyer and seller.

2. INTRODUCTION

To improve transparency and price discovery on the OTC market, NASD sets out these rules for the execution of Negotiated Deals on securities newly admitted to the NASD OTC Securities Exchange.

3. NEW ADMISSIONS

- 3.1. Where a newly introduced security is accompanied by a valuation sheet prepared by an independent party, Negotiated Deals can be executed *only* after three (3) months of entry to the OTC market.
- 3.2. Where a newly introduced security is accompanied by a valuation sheet prepared by a related party, Negotiated Deals can be executed *only* after six (6) months of entry to the OTC market.

4. POST ADMISSION/CURRENTLY ADMITTED SECURITIES

- 4.1. NASD reserves the right to decline a Negotiated Deal request following a consideration of several factors including but not limited to value of transaction, frequency of transaction and market information.
- 4.2. Any deals negotiated outside the prevailing price band shall attract additional administrative costs as approved by the Commission to be estimated based on the volume and value of the transaction.
- 4.3. Negotiated Deals priced outside the prevailing price band can be executed by following the procedure below:
 - a. download and complete NASD Form 7a, 7b or 7c (as applicable) from our website (http://www.nasdaq.com/process/form_downloads).
 - b. the forms must be signed by the Chief Executive officer and the Compliance officer of the Participating Institution and returned to NASD - together with;
 - c. A signed client mandate (Buy and Sell) that clearly states that your client(s) is (are)

aware of the market opening price as at the date of the Negotiated Deal.

5. HIGH VOLUME TRADES

High Volume Trades are trades in equities which represent more than 5% of the total issued and fully paid capital of the company's shares.

- 5.1. Participating Institutions are required to obtain the written consent of NASD prior to executing High Volume Trades, i.e. pre-approval is required.
- 5.2. An application to execute a High Volume Trade shall be accompanied by:
 - a. Application letter highlighting the rationale behind the transaction, pricing, volume and beneficial holding of the securities prior to and after executing the transaction; and
 - b. Completed NASD Form 7 (buyer and seller mandates).
- 5.3. NASD shall communicate its decision on the Application within forty-eight hours (48) of receiving the completed Application.

Approved by the Securities and Exchange Commission

27 November 2019