

THE INX DIGITAL COMPANY, INC.
CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
(the “Charter”)

If any provision of this Charter contradicts the applicable requirements under applicable law, then the terms and provisions of the applicable law shall prevail.

I. PURPOSES.

The purposes of the audit committee (the “Audit Committee”) of the board of directors (the “Board”) of The INX Digital Company, Inc. (the “Company”) shall be as provided under applicable law, and subject to the provisions of applicable law, to:

1. Oversee the accounting and financial reporting processes of the Company and audits of the financial statements of the Company, including considering and making recommendations to the Board with respect to the financial statements, reviewing and discussing the financial statements and presenting its recommendations with respect to the financial statements to the Board prior to the approval of the financial statements by the Board;
2. Recommend to the Board to recommend to the shareholders of the Company to appoint and approve the compensation of the independent registered public accounting firm engaged to audit the Company’s financial statements, including oversight of the independent registered public accounting firm and recommending the engagement, compensation or termination of engagement of the independent registered public accounting firm to the Board;
3. Recommend the terms of audit and non-audit services provided by the independent registered public accounting firm for pre-approval by the Board;
4. Oversee and monitor (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements as they relate to financial statements or accounting matters, (iii) the independent registered public accounting firm’s qualifications, independence and performance, and (iv) the Company’s internal accounting and financial controls;
5. Provide the Board with the results of its monitoring and recommendations derived therefrom;
6. Review and monitor, if applicable, legal matters with significant impact, finding of regulatory authorities’ findings, receive reports regarding irregularities and legal compliance, acting according to “whistleblower policy” and recommend to the Board if so required, and oversee the Company’s policies and procedures regarding compliance to applicable financial and accounting related standards, rules and regulations;
7. Provide to the Board such additional information and materials as it may deem necessary to make the Board aware of significant financial matters that require the attention of the Board;

8. Monitor deficiencies in the management of the Company, inter alia, in consultation with the independent registered public accounting firm and internal auditor, and advise the Board on how to correct the deficiencies;
9. Decide whether to approve and recommend to the Board to approve engagements or transactions that require audit committee approval under applicable law, relating generally to certain related party transactions;
10. Decide whether to approve certain related party transactions or transactions in which a Board member or other Officers of the Company has a personal interest and whether such transaction is material to the Company;
11. Meet and receive reports from both the internal auditors and independent registered public accounting firm dealing with matters that arise in connection with their audits; and
12. Conduct any investigation appropriate to fulfilling its responsibilities, and have direct access to the independent registered public accounting firm as well as anyone in the organization;
11. Prepare any report required to be included under applicable law, or that the Company otherwise elects to include, in the Company's information circular for the annual meeting of the Company's shareholders.

In addition, the Audit Committee will undertake those specific duties and responsibilities required under the rules and regulations of any future marketplace on which its securities are to be listed, and such other duties as the Board may from time to time prescribe.

The purposes and provisions specified in this Charter are meant to serve as guidelines, and the Committee is delegated the authority to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

Unless otherwise prescribed in this Charter, the rules and procedures applicable to the operation of the Board shall apply to the operation of the Committee with any necessary changes. Nothing herein is intended to expand applicable standards of liability under applicable law for directors of a corporation.

II. MEMBERSHIP.

Subject to applicable law concerning the appointment and qualifications required from the Audit Committee members, such members will be appointed by, and will serve at the discretion of, the Board. The Audit Committee will consist of at least three members of the Board. Members of the Audit Committee must meet the following criteria (as well as any other criteria required by applicable law):

1. Each member will be an independent director, in accordance with National Instrument 52-110-*Audit Committee* (“**NI 52-110**”) and the independence standard that is applied under to non-investment company issuers under Rule 10A-3 of the Exchange Act;
2. Each member will be financially literate and will be able to read and understand fundamental financial statements, in accordance with the Securities Exchange Commission (the “SEC”) regulations and NI 52-110;

3. No member has participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; and
4. At least one member of the Committee shall be an "audit committee financial expert" consistent with SEC rules and regulations.

To the extent required and subject to the provisions of NI 52-110 concerning the appointment and qualifications required from Audit Committee members, unless otherwise determined or there is continuity in office, the Board shall annually appoint the members of the Audit Committee as soon as practical after the Company's annual meeting of shareholders, and the Audit Committee members may elect a chairman.

Without limiting the foregoing, the following persons may not serve on the Audit Committee:

1. The chairman of the Board then in office;
2. Any controlling shareholder or a relative of such a person;
3. Any person who has any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee;
4. Any member of the Board who is employed by the Company, by a controlling shareholder of the Company or by a corporation under the control of any such controlling shareholders or executive in the Company; and
5. Any member of the Board who provides services to the Company (other than as a Board member), to any controlling shareholder thereof, or to a corporation under the control of a controlling shareholder.

Subject to applicable law, (i) Committee members shall be appointed by and serve at the discretion of the Board, (ii) Committee members shall serve until their successors are duly designated and qualified, (iii) any member of the Committee may be removed at any time, with or without cause, by a resolution of the Board, and (iv) any vacancy on the Committee occurring for any cause whatsoever may be filled by a resolution of the Board.

Subject to applicable law, the Committee's Chairperson shall be designated by the Board. A majority of the members of the Committee present shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

III. RESPONSIBILITIES.

The responsibilities of the Audit Committee shall include the following:

1. Reviewing on a continuing basis the adequacy of the Company's system of internal controls, including meeting periodically with the Company's management and the independent registered public accounting firm to review the adequacy of such controls, and to review before release the disclosure regarding such system of internal controls required under applicable law to be contained in the Company's periodic filings and the attestations or reports by the independent registered public accounting firm relating to such disclosure (to the extent such attestations or reports are required under applicable law);
2. Pre-approving audit and non-audit services provided to the Company by the independent registered public accounting firm. The Audit Committee shall consult with management but

shall not delegate these responsibilities to management. The Audit Committee shall also review and approve disclosures relating to fees and non-audit services required to be included in any disclosure documents required under applicable law. Subject to the Board and shareholder approval if and to the extent required by applicable law, the Audit Committee shall have the authority to approve all audit engagement fees and terms and all non-audit engagements, as may be permissible, with the independent registered public accounting firm and to establish pre-approval policies and procedures for the engagement of independent accountants to render services to the Company, including a delegation of authority to one or more of its members. The pre-approval of auditing and non-auditing services can be carried out with input from, but no delegation of authority to, management;

3. Reviewing on a continuing basis the activities, organizational structure and qualifications of the Company's internal audit/financial control function;
4. Reviewing and providing guidance with respect to the independent audit and the Company's relationship with its independent registered public accounting firm by (i) reviewing the independent registered public accounting firm's proposed audit scope and approach; (ii) obtaining on a periodic basis a formal written statement from the independent registered public accounting firm regarding relationships and services with the Company which may impact independence and presenting this statement to the Board; (iii) actively engaging in a dialogue with the independent registered public accounting firm with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm and recommending that the Board take appropriate action to satisfy itself with regard to the registered public accounting firm's independence; (iv) discussing with the Company's independent registered public accounting firm the financial statements and audit findings, including any significant adjustments, management judgments and accounting estimates, significant new accounting policies and disagreements with management and any other matters required to be discussed by applicable auditing standards; (v) reviewing reports submitted to the Audit Committee by the independent registered public accounting firm in accordance with any applicable law; and (vi) meeting periodically (not less than annually) in separate executive sessions with the Company's independent auditor;
5. Reviewing and evaluating the qualifications, performance and independence of the Company's independent registered public accounting firm; and of members of the independent auditor's team, in particular, the lead audit partner and the reviewing partner. Discussing with management the timing and process for the rotation of the lead audit partner and the reviewing partner as required by applicable law and rules.
6. Reviewing with management and the Company's independent registered public accounting firm such accounting policies (and changes therein) of the Company, including any financial reporting issues and financial reporting pronouncements and proposals which could have a material impact on the Company's financial statements, as are deemed appropriate for review by the Audit Committee prior to any interim or year-end filings with the SEC, any securities commission in Canada, or any other regulatory body;
7. Reviewing and discussing with management and the independent registered public accounting firm the annual audited financial statements and quarterly unaudited financial statements, prior to filing (or submission, as the case may be), to the extent required, with the SEC (whether filed as part of a Form 20-F, 10-K, or 10-Q or filed or submitted under cover of Form 6-K) or any securities commission in Canada;

8. Conducting a post-audit review of the financial statements and audit findings, including any significant suggestions for improvements provided to management by the independent registered public accounting firm;
9. Reviewing before release the unaudited interim (quarterly/semi-annual) operating results and annual audited operating results in the Company's interim (quarterly/semi-annual) earnings release;
10. Reviewing before release the disclosure regarding the Company's system of accounting and internal controls required under applicable law to be contained in the Company's periodic filings and the attestations or reports, if required under applicable law, by the independent registered public accounting firm relating to such disclosure;
11. Overseeing compliance with the requirements of applicable law for disclosure of registered public accounting firm's services and Audit Committee members, member qualifications and activities;
12. Receiving periodic reports from the Company's independent registered public accounting firm and management of the Company to review (i) the selection, application and disclosure of the Company's significant accounting policies and to assess the impact of other financial reporting developments that may have a bearing on the Company; (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, ramifications of the use of alternative disclosures and accounting treatments and the accounting treatment preferred by the independent auditor; and (iii) other material written communications between the independent auditor and management, including any management letter or schedule of adjusted differences;
13. Discuss with management generally the types of financial information (including earnings guidance) to be disclosed in earnings press releases and earnings calls, as well as to analysts and rating agencies.
14. Reviewing with management and the independent registered public accounting firm the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements;
15. Reviewing with management and the independent registered public accounting firm any correspondence with regulators or governmental agencies and any employee complaints or published reports that raise material issues regarding the Company's financial statements, internal controls, auditing matters, or accounting policies;
16. Enforcing the Company's independent registered public accounting firm's accountability to the Audit Committee and instructing the independent registered public accounting firm that they are to directly report to the Audit Committee. The Audit Committee shall be responsible for the resolution of any disagreement between management and the registered public accounting firm regarding financial reporting, for the purpose of preparing or issuing an audit report or related work;
17. Reviewing the findings of any examination by regulatory agencies regarding the Company's financial statements or accounting policies;
18. Reviewing, in conjunction with counsel, any legal matters that could have a significant impact on the Company's financial statements;
19. Reviewing the Company's policies relating to the avoidance of conflicts of interest and reviewing past or proposed transactions between the Company, members of the Board and management as well as internal control policies and procedures with respect to officers' use of

expense accounts and perquisites, including the use of corporate assets. The Audit Committee shall consider the results of any review of these policies and procedures by the Company's independent registered public accounting firm;

20. Meeting periodically (not less than annually) in separate executive sessions with the Company's chief financial officer and chief executive officer;
21. Recommending to the Board the retention and termination of the internal auditor, and the internal auditor's engagement fees and terms, in accordance with applicable law;
22. Approving the yearly or periodic work plan proposed by the internal auditor;
23. Reviewing and discussing the work of the internal auditor on a quarterly/semi-annually/other periodic basis;
24. Reviewing whether the Company should implement an internal audit function consisting of employees of the Company and, if so, review the internal audit function, including its independence, effectiveness, proposed control review plans and resources for the coming year (determining whether the internal auditor has sufficient resources and tools to dispose of its responsibilities, taking into consideration the Company's special needs and size), and the coordination of such plans with the independent public accountant;
25. Reviewing any auditing or accounting issues concerning the Company's employee benefit plans;
26. If necessary, instituting special investigations relating to financial statements or accounting policies with full access to all books, records, facilities and personnel of the Company;
27. As appropriate, obtaining advice and assistance from outside legal, accounting or other advisors, and retaining such persons to provide such services. The Company shall provide appropriate funding to the Audit Committee to pay the advisors;
28. Reviewing and approving in advance any proposed related party transactions involving an a director or other officer of the Company that may present a conflict of interest between the duties of such officer to the Company and his or her personal interests, in each case in accordance with applicable law or as referred by the Board (each, a "Related Party Transaction"). In order to assist it in carrying out such role, the Committee may apply criteria for classification of transactions and actions as extraordinary transactions and material actions and shall classify certain transactions or actions accordingly, and, if involving conflicts of interests or Related Party Transactions, shall review and consider their approval, in accordance with applicable law;
29. Establishing and maintaining free and open means of communication between the Audit Committee, the Company's independent registered public accounting firm, the Company's internal audit/financial control department and management with respect to auditing and financial control matters, including providing such parties with appropriate opportunities to meet privately with the Audit Committee;
30. Establishing procedures for receiving, retaining and treating complaints received by the Company regarding accounting, internal accounting controls or auditing matters and procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
31. Reviewing and assessing on an annual basis the adequacy of its own charter, structure, processes and membership requirements;

32. Determining the appropriate funding to be provided by the Company for payment of compensation to any legal, accounting or other advisors employed by the Audit Committee;
33. Reviewing and discussing periodically with management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses;
34. Inquiring about the application of the Company's accounting policies and its consistency from period to period, and the compatibility of these accounting policies with generally accepted accounting principles, and (where appropriate) the Company's provisions for future occurrences which may have a material impact on the financial statements of the Company;
35. Discussing periodically with the independent registered public accounting firm, without management being present, (i) their judgments about the quality, not just the acceptability of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, and (ii) the completeness and accuracy of the Company's financial statements;
36. At least annually, reviewing and discussing with management (i) the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures (including management's risk assessment and risk management policies including its investment policies and performance for cash and short-term investments); and (ii) the processes followed for assessment of internal control over financial reporting under applicable law, the disclosure regarding such assessment and any attestation by the independent auditor thereon, to the extent applicable to the Company;
37. Discuss with the independent auditor the matters required by applicable law relating to the conduct of the audit, to the extent applicable to the Company's financial statements, including any difficulties encountered in the course of the audit effort, restrictions on the scope of procedures or access to requested information and any significant disagreements with management;
38. Prepare a "Report of the Audit Committee" to be included in the Company's annual information circular, if the Company is then subject to the U.S. proxy rules;
39. Review and monitor, as appropriate, (i) litigation or other legal matters that could have a significant impact on the Company's financial results; (ii) significant findings of any examination by regulatory authorities or agencies, in the areas of securities, accounting or tax; and (iii) the Company's disclosure controls and procedures. The Committee shall be fully entitled to rely on reports that it receives and shall be under no obligation to conduct any independent investigation or verification;
40. Receive reports of suspected business irregularities and legal compliance issues through periodic and, when appropriate, immediate reporting by members of the Company's management, legal counsel, the independent or internal auditor or pursuant to any "whistleblower policy" adopted by the Committee. In the event that the Committee is informed of any irregularities, it will suggest to the Board remedial courses of action. The Committee shall be fully entitled to rely on reports that it receives and shall be under no obligation to conduct any independent investigation or verification, including reviewing and monitoring, if applicable, legal matters with significant impact, finding of regulatory authorities' findings, receive reports regarding irregularities and legal compliance, acting according to

“whistleblower policy” and recommend to our Board of Directors if so required, and oversee our policies and procedures regarding compliance to applicable financial and accounting related standards, rules and regulations;

41. Oversee the Company's policies and procedures regarding compliance with applicable financial and accounting related standards, rules and regulations;
42. Reviewing and approving any material change or waiver in the Company’s ethics codes regarding directors or senior executive officers, and disclosures made in the Company’s annual report in such regard;
43. Overseeing the hiring policies for partners, employees and former partners and employees of the present and former independent registered public accounting firm, so that such hiring shall be in compliance with any applicable laws and regulations; and
44. Performing such additional activities and consider such other matters within the scope of its responsibilities or duties according to applicable law and/or as the Audit Committee and/or the Board deems necessary or appropriate.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with U.S. generally accepted accounting principles, International Financial Reporting Standards or such other accounting standards adopted by the Company, and applicable rules and regulations.

IV. MEETINGS.

The Audit Committee will meet as often as it determines, but not less frequently than once in each financial year.

The Audit Committee, in its discretion, will ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Audit Committee will, at such times as it deems appropriate, meet separately with the chief executive officer and separately with the chief financial officer of the Company at such times as are appropriate to review the financial affairs of the Company. The Audit Committee will meet periodically in separate executive session with the independent registered public accounting firm as well as any financial controllers of the Company, at such times as it deems appropriate to fulfill the responsibilities of the Audit Committee under this charter.

The independent registered public accounting firm shall be invited to every meeting of the Audit Committee that relates to the financial statements of the Company. The internal auditor shall be invited to all Audit Committee meetings. In addition, the internal auditor may request that the chairperson of the Audit Committee convene a meeting to discuss a particular issue, and the chairperson shall convene the Audit Committee within a reasonable period of time, if the chairperson finds it appropriate to do so.

Notwithstanding the foregoing, any person who is, pursuant to applicable law, prohibited from serving as a member of the Committee, shall not be present at any meeting of the Committee (during its discussions or its decision making), unless the Committee's Chairperson has determined that such person is required during the presentation of a certain topic to the Committee, provided, however, that an employee of the Company, who is not a controlling shareholder or relative thereof, is permitted to be present for the discussions, but not the decision making, that take place at a meeting, and provided,

furthermore, that the Company's legal counsel and the Company's secretary, who are not controlling shareholders or relatives thereof, are permitted, if the Committee so requests, to be present at a meeting (during discussions or decision making).

The Company's internal auditor shall be provided with notices of all meetings of the Committee, and the Company's independent auditor shall be provided with notice of meetings in which a matter related to the audit of the financial statements or a discussion of the interim (quarterly/semi-annual) results of operation of the Company is to be discussed, and shall be entitled to attend such meetings, subject to a determination by the Committee to exclude it from all or any part of the meeting to the extent permitted under applicable law. The internal auditor may request that the Committee's Chairperson call a meeting in order to discuss a matter detailed in his or her request for a meeting, and the Chairperson shall call the meeting within a reasonable time, if the Chairperson deems fit, at his or her discretion.

The Committee shall have the power to retain, without Board approval and at the Company's expense, the services of outside counsel and other experts and consultants to assist the Committee in connection with its responsibilities and shall have the sole authority to approve such firms' fees and other retention terms.

V. MINUTES.

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

VI. COMPENSATION.

Members of the Audit Committee may receive compensation for their service as Audit Committee members, subject to the provisions of applicable law.

Members of the Audit Committee may not receive any compensation from the Company except the fees that they receive for service as members of the Board or any committee thereof.

VII. REPORTING

The Committee will apprise the Board regularly of its decisions and recommendations and of significant developments in the course of performing the above responsibilities and duties. Without derogating from the aforesaid, the Committee shall submit any recommendation or resolution which is subject to Board approval a reasonable time prior to the contemplated Board meeting.

VIII. DELEGATION OF AUTHORITY.

Subject to the provisions of applicable law, the Audit Committee may delegate to one or more designated members of the Audit Committee the authority to pre-approve audit and permissible non-audit services, provided such pre-approval decision is presented to the full Audit Committee at its first scheduled meeting following such pre-approval.