

## THE INX DIGITAL COMPANY, INC.

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### INFORMATION CIRCULAR MAY 2, 2022

#### INTRODUCTION

This information circular (the "**Information Circular**") accompanies the notice of annual general and special meeting of shareholders (the "**Notice**") of The INX Digital Company, Inc. (the "**Company**") and is furnished to shareholders (each, a "**Shareholder**") holding common shares (each, a "**Share**") in the capital of the Company in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the "**Meeting**") of the Shareholders to be held at 10:00 a.m. (EST) on Wednesday, June 22, 2022. The Company is holding the Meeting as a completely virtual meeting, which will be conducted live via webcast at [web.lumiagm.com/245-685-328](http://web.lumiagm.com/245-685-328).

#### Date and Currency

The date of this Information Circular is May 2, 2022. Unless otherwise stated, (i) all amounts herein are in US dollars, the lawful currency of the United States, and (ii) all the information herein is as of May 2, 2022.

#### PROXIES AND VOTING RIGHTS

##### Management Solicitation

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specially engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representation must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

##### Appointment of Proxy

Registered Shareholders are entitled to vote at the Meeting. Shareholders are entitled to one vote for each Share held on the record date of May 18, 2022, on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders in the enclosed form of proxy (the "**Designated Persons**") are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.**

**A SHAREHOLDER MAY EXERCISE THIS RIGHT BY INSERTING THE NAME OF SUCH OTHER PERSON IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW**

**THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

The Shareholder may vote by mail, by telephone or via the Internet by following instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. The Chairman of the Meeting, in his sole discretion, may accept completed forms of proxy on the day of the Meeting or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder's attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

**Revocation of Proxies**

A Shareholder who has given a proxy may revoke it at anytime before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder's attorney-in-fact, authorized in writing, or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

**Voting of Shares and Proxies and Exercise of Discretion by Designated Persons**

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. **The Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Shares on any matter, the Shares that are the subject of the abstention or withholding will be counted for determination of a quorum but will not be counted as affirmative or negative on the matter to be voted upon.

**ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set out in this section is of significant importance to those Shareholders who do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting.** If Shares are listed in an account statement provided by a broker, then in almost all cases those Shares will not be registered in the Beneficial Shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the Beneficial Shareholder's broker or an agent of that broker. In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The

Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to the names of all Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by his, her or its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Shares to be voted at the Meeting. If Beneficial Shareholders receive the voting instruction forms from Broadridge, they are requested to complete and return the voting instruction forms to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Shares directly at the Meeting - the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the applicable Shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his, her or its broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his, her or its broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his, her or its Shares.

Beneficial Shareholders consist of non-objecting beneficial owners and objecting beneficial owners. A non-objecting beneficial owner is a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner does not object, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators. An objecting beneficial owner means a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner objects, for that account, to the intermediary disclosing ownership information about the beneficial owner under NI 54-101.

The Company is sending proxy-related materials directly to non-objecting beneficial owners of the Shares. The Company will not pay for the delivery of proxy-related materials to objecting beneficial owners of the Shares under NI 54-101 and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary*. The objecting beneficial owners of the Shares will not receive the materials unless their intermediary assumes the costs of delivery.

All references to Shareholders in this Information Circular are to registered Shareholders, unless specifically stated otherwise.

## **ACCESSING AND VOTING AT THE VIRTUAL MEETING**

### **Voting at the Meeting**

Registered Shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below. See "How do I attend and participate at the Meeting?"

Beneficial Shareholders who have not duly appointed themselves as proxyholder will not be able to attend, participate or vote at the Meeting. This is because the Company and its transfer agent do not have a record of the beneficial Shareholders of the Company, and, as a result, will have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder. If you are a beneficial Shareholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder, by inserting your own name in the space provided on the voting instruction form sent to you and must

follow all of the applicable instructions provided by your intermediary. See "Appointment of a Third Party as Proxy" and "How do I attend and participate at the Meeting?".

### **Appointment of a Third Party as Proxy**

The following applies to Shareholders who wish to appoint a person (a "**third party proxyholder**") other than the management nominees set forth in the form of proxy or voting instruction form as proxyholder, including beneficial Shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint a third party proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Shares MUST submit their proxy or voting instruction form (as applicable) appointing such third party proxyholder AND register the third party proxyholder, as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Username to attend, participate or vote at the Meeting.

- **Step 1: Submit your proxy or voting instruction form:** To appoint a third party proxyholder, insert such person's name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form. If you are a beneficial Shareholder located in the United States, you must also provide Odyssey with a duly completed legal proxy if you wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder. See below under this section for additional details.

- **Step 2: Register your proxyholder:** To register a proxyholder, Shareholders MUST send an email to [appointee@odysseytrust.com](mailto:appointee@odysseytrust.com) by 10:00 a.m. (EST) on June 22, 2022 and provide Odyssey with the required proxyholder contact information, amount of Shares appointed, name in which the Shares are registered if they are a registered Shareholder, or name of broker where the Shares are held if a beneficial Shareholder, so that Odyssey may provide the proxyholder with a Username via email. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting.

If you are a beneficial Shareholder and wish to attend, participate or vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described above. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. Please also see further instructions below under the heading "How do I attend and participate at the Meeting?".

### **Legal Proxy – US Beneficial Shareholders**

If you are a beneficial Shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above and below under "How do I attend and participate at the Meeting?", you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Odyssey. Requests for registration from beneficial Shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail to [issuename@odysseytrust.com](mailto:issuename@odysseytrust.com) and received by 10:00 a.m. (EST) on June 22, 2022.

### **How do I attend and participate at the Meeting?**

The Company is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person. In order to attend, participate or vote at the Meeting (including for voting and asking questions at the Meeting), shareholders must have a valid Username.

Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at [web.lumiagm.com/245-685-328](http://web.lumiagm.com/245-685-328). Such persons may then enter the Meeting by clicking "I have a login" and entering a Username and Password before the start of the Meeting:

- **Registered shareholders:** The control number located on the form of proxy is the Username. The Password to the Meeting is "INX2022" (case sensitive). If as a registered Shareholder you are using your control number to login to the Meeting and you have previously voted, you do not need to vote again when the polls open. By voting at the meeting, you will revoke your previous voting instructions received prior to voting cutoff.

- **Duly appointed proxyholders:** Odyssey will provide the proxyholder with a Username by e-mail after the voting deadline has passed. The Password to the Meeting is " INX2022" (case sensitive). Only registered Shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting. Beneficial Shareholders who have not duly appointed themselves as proxyholder will not be able to attend, participate or vote at the Meeting. Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting (including beneficial Shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting) MUST submit their duly completed proxy or voting instruction form AND register the proxyholder. See "Appointment of a Third Party as Proxy".

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Shares without par value. As of the record date, determined by the board of directors of the Company (the "**Board**") to be the close of business on May 18, 2022 (the "**Record Date**"), a total of 204,120,650 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares, other than as set forth below:

Name of Shareholder	Number of Common Shares Owned	Percentage of Outstanding Common Shares <sup>(1)</sup>
Shy Datika	41,652,811 <sup>(2)</sup> (including shares held by Triple-V (1999) Ltd., a company wholly owned by Shy Datika)	20.41%

1. Based on 204,120,650 Shares issued and outstanding as of the Record Date.
2. Including, options, warrants, debentures or other convertible securities currently exercisable or convertible (or exercisable within 60 days).

### FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2021, together with the auditor's report thereon, will be presented to the Shareholders at the Meeting. The Company's financial statements and management discussion and analysis are on available on SEDAR at [www.sedar.com](http://www.sedar.com).

### NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at seven (7), which is an increase of two (2) to the current number of directors, which is five (5). An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management of the Company recommends that Shareholders vote FOR setting the number of directors of the Company at seven (7).**

**In the absence of instructions to the contrary, Shares represented by proxies received by management will be voted FOR setting the number of directors of the Company at seven (7).**

### ELECTION OF DIRECTORS

Shareholders will be asked to elect seven (7) directors: Mr. Shy Datika, Mr. David Weild, Mr. Thomas Lewis, Mr. Nicholas Thadaney, and Ms. Hilary Kramer, all of whom are presently members of the Board, and Mr. Alan Silbert and Ms. Demetra Kalogerou, as new Board members (the "**Proposed Directors**"). The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's articles or until such director's earlier death, resignation or removal.

Management of the Company recommends that Shareholders vote **FOR** the election of each of the Proposed Directors.

In the absence of instructions to withhold a vote in respect of a nominee, Shares represented by proxies received by management will be voted **FOR** the Proposed Directors.

### Majority Voting Policy

In accordance with the Company's Majority Voting Policy, which can be found on the Company's website at [www.inx.co](http://www.inx.co), any individual director nominee that, in respect of the votes submitted at a meeting to elect directors, has more than 50% of the votes withheld from rather than voted for his or her election would, subject to the very limited discretion of the Board, not be accepted as a director. If more than 50% of the votes are withheld from rather than voted for a director's election (any such director being a "Resigning Director"), in the case of an incumbent director, such director shall immediately tender his or her resignation to the Board, which resignation shall be accepted and effective, absent exceptional circumstances, within 90 days of the shareholders meeting.

In such an event, the directors who did receive the vote or at least the majority of the votes cast shall decide whether to recommend to the Board that the Board accept the resignation of the director. In recommending to the Board whether to accept the resignation of the director or not, such elected directors will consider any factors or other information they consider appropriate and relevant including, but not limited to: the underlying reasons why Shareholders withheld their votes from such Resigning Director (if ascertainable), any alternatives for curing the underlying cause of the withheld votes, the Resigning Director's tenure, the Resigning Director's qualifications, the Resigning Director's past and expected future contributions to the Corporation and Board, the overall composition of the Board, including relative mix of skills and experience, whether by accepting such resignation the Corporation would no longer be in compliance with any applicable law, rule, or regulation, or securities exchange listing or other governance requirements, and whether or not accepting the resignation is in the best interest of the Corporation.

### Director Nominees

Information concerning the Proposed Directors, as furnished by the individual nominees, is as follows:

Name, Province, Country of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years	Periods during which Nominee has Served as a Director	Number of Shares Owned <sup>(1)</sup>
<i>Mr. Shy Datika, Israel Director</i>	President, CEO, and founder INX Limited.  Angel investor and board member in several start up tech companies. Formerly, founder and Chief Executive Officer of ILS Brokers and formerly Chief Executive Officer of Anyoption IL from 2015 to 2017. Member of Altshuler Shaham's (Israel's biggest provident and pension fund, \$70B AUM) board as Independent Director and member of the Audit and Investment Committees.	January 10, 2022 to present	41,652,811 <sup>(3)</sup>
<i>Mr. David Weild <sup>(6)</sup>, TN, USA Director</i>	Independent Director of INX Limited since April 15, 2018. Chairman of the Board of INX Limited since July 13, 2021.  Founder, chairman and CEO of Weild & Co, Inc.	January 10, 2022 to present	Nil
<i>Mr. Thomas Lewis<sup>(2)</sup> <sup>(5)</sup> <sup>(6)</sup>, UT, USA Director</i>	Independent director of INX Limited since October 5, 2018.  Founder of Noble 4 Advisors, LLC, founded in September 2012.	January 10, 2022, to present	Nil
<i>Mr. Nicholas Thadaney<sup>(2)</sup> <sup>(5)</sup> <sup>(6)</sup>, Ontario, Canada Director</i>	Independent director of INX Limited since July 11, 2018.  Formerly, President and CEO, Global Equity Capital Markets of TMX Group until February 2018.	January 10, 2022 to present	Nil

<i>Ms. Hilary Kramer</i> <sup>(2) (5)</sup> , NY, USA <i>Director</i>	Independent director of INX Limited since January 10, 2022. Chief Investment Officer at Kramer Research Capital.	January 10, 2022 to present	Nil
<i>Mr. Alan Silbert, MD, USA</i> <i>New Director</i>	CEO, North America, Secretary and Non-independent director of INX since April 1, 2021. Mr. Silbert is engaged with INX Limited since March 1, 2018.  Formerly, Senior Vice President at Capital One Commercial Bank, from December 2015 to March 2018 and prior to that, founder and CEO of BitPremier from February 2013 to October 2017, Senior Vice President and Vice President at GE Capital from February 2008 to November 2015, and various roles at Merrill Lynch Capital from January 2004 to February 2008	N/A	3,912,995 <sup>(4)</sup>
<i>Ms. Demetra Kalogerou, Cyprus</i> <i>New Director</i>	Independent director of INX Limited since February 8, 2022.  Mrs. Demetra Kalogerou (BSc, MSc, MPhil) from September 2011 to September 2021 was the Chairwoman of the Cyprus Securities and Exchange Commission (CYSEC), the independent public supervisory Authority responsible for the supervision of the Capital Markets, the investment services market, all the transactions in transferable securities and other financial instruments carried in and out of the Republic of Cyprus and the collective investment and asset management sector. It also supervises firms offering administrative services as well as cryptocurrency exchanges only in terms of AML issues and financial terrorism. From 2011 to 2021, she participated in the board of supervisors of the European Securities and Markets Authority (ESMA). Also, from November 2012 until February 2021, she was a member of the Cyprus Public Audit Oversight Board, which has been established for the oversight of auditors and audit firms. Furthermore, from November 2019 until June 2021 Mrs. Kalogerou chaired the ad-hoc tripartite committee and she was also a member of the four-party committee concerning the investigation of the naturalization of all persons done through the CIP.	N/A	Nil

(1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Record Date, based upon information furnished to the Company by the individual directors. Options, warrants, debentures or other convertible securities currently exercisable or convertible, or exercisable or convertible within 60 days, are counted as outstanding for computing the percentage of the person holding such options, warrants or other convertible securities, but are not counted as outstanding for computing the percentage of any other person.

(2) Member of the Audit Committee.

(3) Comprised of: (a) 40,552,013 Shares, (b) 687,221 warrants, each of which is exercisable into one Share, at a price of US\$0.161722 per Share, all of which may be exercised or converted within the next 60 days, and (b) 383,577 warrants, each of which is exercisable into one Share, at a price of US\$0.186228 per Share, all of which may be exercised or converted within the next 60 days, (c) 30,000 warrants, each of which is exercisable into one Share, at a price of CAD\$1.88 per Share, all of which may be exercised or converted within the next 60 days.

(4) Comprised of: (a) 3,012,849 options, each of which is exercisable into one Share, at a price of US\$0.03737 per Share, all of which may be exercised or converted within the next 60 days, (b) 2,073,410 options, each of which is exercisable into one Share, at a price of US\$1.06092 per Share, 900,146 of which may be exercised or converted within the next 60 days, and (c) 509,617 options, each of which is exercisable into one Share, at a price of CAD\$0.64 per Share, none of which may be exercised or converted within the next 60 days.

(5) Member of the Governance and Nominating Committee.

(6) Member of the Compensation Committee.

## Orders

Except as disclosed below under "Penalties and Sanctions", or otherwise in this Information Circular, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director,

chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

### *Bankruptcies*

To the best of management's knowledge, no proposed director of the Company is, or within ten (10) years before the date of this Information Circular, has been, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency.

To the best of management's knowledge, no proposed director of the Company has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### *Penalties and Sanctions*

Except as disclosed below, to the best of management's knowledge, no proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

On September 17, 2015, The Financial and Consumer Affairs Authority of Saskatchewan ("FCAA") issued a temporary cease trade order against Anyoption and Ouroboros Derivatives Trading Ltd. At the time the cease trade order was issued, Mr. Shy Datika, the Chief Executive Officer of the Company and one of its directors, was, and continued to be until the resolution of the matter, the Chief Executive Officer Anyoption IL and the executive director of Ouroboros Derivatives Trading Ltd. The cease trade order was issued as a result of Anyoption and Ouroboros Derivatives engaging in the business of trading in securities in Saskatchewan (through soliciting, advising and trading on behalf of locally resident individuals) without the required registration.

On June 21, 2016, Anyoption & Ouroboros Derivatives Trading Ltd. were provided with a notice of first appearance and statement of allegations. On July 6, 2016, Anyoption & Ouroboros Derivatives Trading Ltd. were provided with an order setting the hearing dates. On August 25, 2017, Anyoption and Ouroboros entered into a settlement agreement (the "**Settlement Agreement**") with the FCAA pursuant to which, among other things, Anyoption and Ouroboros agreed to not trade in, advise on in any securities or derivatives in Saskatchewan without first becoming registered under the Securities Act (Saskatchewan) and to pay an administrative penalty of \$20,000.

On October 17, 2017, the FCAA approved the Settlement Agreement and issued a final order giving effect to the Settlement Agreement.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **General**

The Company's Statement of Executive Compensation, in accordance with the requirements of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (Form "**51-102F6V**"), is set forth below, which contains information about the compensation paid to, or earned by, Company's NEOs (as defined below) for the year ended December 31, 2021.

On January 10, 2022, the Company completed the previously announced reversed takeover (the "**RTO**") with INX Limited ("**INX**") pursuant to which the Company acquired all of the issued and outstanding securities of INX under the terms of an amended and restated securities exchange agreement dated November 3, 2021. INX has continued as a wholly-owned subsidiary of the Company. Concurrently with the closing of the RTO, a new slate of directors was elected and new officers were appointed. The disclosure under this "Statement of Executive Compensation" section reflects the information required by Form 51-102 F6V, as the Company was a venture issuer until completion of the RTO. In addition, the Company has provided certain selected information with respect to its executive compensation following the RTO. See below under "Executive Compensation Following Completion of the RTO".



In the financial year ended December 31, 2021, Company's NEOs were:

1. James Decker, CEO and Director; and
2. Johnny Ciampi CFO, Corporate Secretary and Director.

For the purpose of this Statement of Executive Compensation:

**"compensation securities"** includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

**"NEO" or "named executive officer"** means:

- each individual who served as chief executive officer ("**CEO**") of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- each individual who served as chief financial officer ("**CFO**") of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year, and
- each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries (if any), nor acting in a similar capacity, at the end of that financial year;

**"plan"** includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

**"underlying securities"** means any securities issuable on conversion, exchange or exercise of compensation securities.

**Director and Named Executive Officer Compensation, excluding Compensation Securities during the 2-years period prior to the fiscal year ended December 31, 2021 (i.e., 2020-2021)**

The following table (presented in accordance with National Instrument Form 51-102F6V – *Statement of executive Compensation – Venture Issuers*) sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company:

Name and Position	Fiscal Year Ended December 31	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites <sup>(1)</sup> (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
James Decker <sup>(2)</sup> CEO and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Johnny Ciampi <sup>(3)</sup> CFO, Corporate Secretary and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Neil Currie <sup>(4)</sup> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Jonathan McNair <sup>(5)</sup> Director	2020 <sup>1</sup>	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

<sup>(1)</sup> "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.

<sup>(2)</sup> Mr. Decker was appointed the CEO and a director of the Company on August 22, 2018 until January 10, 2022.

<sup>(3)</sup> Mr. Ciampi was appointed the CFO and a director of the Company on August 22, 2018 and the Corporate Secretary on January 14, 2019, until January 10, 2022.

<sup>(4)</sup> Mr. Currie was appointed a director of the Company on February 15, 2019, until January 10, 2022.

<sup>(5)</sup> Mr. McNair was appointed a director of the Company on August 22, 2018, until January 10, 2022.

#### Stock Options and Other Compensation Securities

The Company did not grant any compensation securities to its directors and NEOs during the year ended December 31, 2021, other than as set out below. As of December 31, 2021, none of the aforementioned directors or NEOs of the Company held any compensation securities of the Company.

- (a) On February 11, 2021, James Decker, the CEO and a director of the Company, was granted 112,500 compensation securities, comprised solely of stock options, each of which was exercisable into one Share at an exercise price of \$0.075 until February 11, 2031. Mr. Decker previously owned an aggregate of 250,000 compensation securities, comprised solely of stock options, each of which was exercisable into one Share at an exercisable at a price of \$0.10 per Share until May 27, 2029. Mr. Decker exercised all such stock options on April 9, 2021. In connection with the de-listing of the Company from the TSX Venture Exchange on November 16, 2021, all the Shares received by Mr. Decker from the exercise of such stock options were cancelled.
- (b) On February 11, 2021, Johnny Ciampi, the CFO, Corporate Secretary and a director of the Company, was granted 112,500 compensation securities, comprised solely of stock options, each of which was exercisable into one Share at an exercise price of \$0.075 until February 11, 2031. Mr. Ciampi previously owned an aggregate of 250,000 compensation securities, comprised solely of stock options, each of which was exercisable into one Share at an exercisable at a price of \$0.10 per Share until May 27, 2029. Mr. Ciampi exercised all such stock options on April 9, 2021. In connection with the de-listing of the Company from the TSX Venture Exchange on November 16, 2021, all the Shares received by Mr. Ciampi from the exercise of such stock options were cancelled.
- (c) On February 11, 2021, Neil Currie, a director of the Company, was granted 112,500 compensation securities, comprised solely of stock options, each of which was exercisable into one Share at an exercise price of \$0.075 until February 11, 2031. Mr. Currie previously owned an aggregate of 100,000 compensation securities, comprised solely of stock options, each of which was exercisable into one Share at an exercisable at a price of \$0.10 per Share until May 27, 2029. Mr. Currie exercised all such stock options on April 9, 2021. In connection with the de-listing of the Company from the TSX Venture Exchange on November 16, 2021, all the Shares received by Mr. Currie from the exercise of such stock options were cancelled.

- (d) On February 11, 2021, Jonathan McNair, a director of the Company, was granted 112,500 compensation securities, comprised solely of stock options, each of which was exercisable into one Share at an exercise price of \$0.075 until February 11, 2031. Mr. McNair previously owned an aggregate of 100,000 compensation securities, comprised solely of stock options, each of which was exercisable into one Share at an exercisable at a price of \$0.10 per Share until May 27, 2029. Mr. McNair exercised all such stock options on April 9, 2021. In connection with the de-listing of the Company from the TSX Venture Exchange on November 16, 2021, all the Shares received by Mr. McNair from the exercise of such stock options were cancelled.

#### **Exercise of Compensation Securities by Directors and NEOs**

On April 9, 2021, each of the above-mentioned Company's NEOs and directors exercised all of the options held by them as described above under "Stock Options and Other Compensation Securities", resulting in the issuance of a total of 1,150,000 Shares for an aggregate exercise price of \$103,750. In connection with the de-listing of the Company from the TSX Venture Exchange on November 16, 2021, all of such Shares were cancelled.

#### **Stock Option Plans and Other Incentive Plans**

Subject to proposed amendments to be considered at the Meeting (see "*Particulars of Matters to be Acted Upon - Stock Option Plan Amendments*", below, for more information, and **SCHEDULE "B"** for a copy of the amended Plan), the Company is party to an Omnibus Equity Incentive Compensation Plan (the "**Plan**") pursuant to which incentive awards are granted to eligible individuals. The current version of the Plan was last approved by shareholders of the Company on December 24, 2021.

The following is a brief description of the key provisions of the Plan, which is qualified in its entirety by the full text of the Plan, as set out in **SCHEDULE "B"** hereto:

- **Eligible Persons.** The Company may grant Awards (as defined below) to eligible Employees, Consultants, Officers, Directors or service providers (each as defined in the Plan) provided that persons performing investor relations activities shall only be eligible for grants of stock options and shall not be eligible for grants of other equity awards.
- **Incentive Awards.** The Plan includes incentive awards in addition to stock options. The available awards that may be granted under the Plan include: (a) stock options, (b) restricted shares; and (c) restricted share units (collectively, the "**Awards**").
- **Fixed Plan.** The Equity Incentive Plan is a "fixed" plan, such that the total number of Shares reserved and made available for grant and issuance pursuant to the Awards shall not exceed 25,352,832, which is being proposed to be increased at the Meeting to 37,408,948.
- **Exercise Price.** Subject to any vesting requirements described in each individual Award agreement, Awards may be exercised in whole or in part at any time prior to their lapse or termination. The exercise price shall be payable upon the exercise of the Award in a form satisfactory to the Board, including, but not limited to, cash, Shares (actually or by attestation), other securities, other Awards or other property, or any combination thereof, having a Market Value on the exercise date equal to the applicable exercise price, in which payment of the exercise price with respect thereof may be made or deemed to have been made. "Market Value" means at any date when the market value of shares of the company is to be determined, the closing price of the shares on the trading day prior to such date on the principal stock exchange on which the shares are listed, or if the shares of the Company are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith based on the reasonable application of a reasonable valuation method not inconsistent with the *Income Tax Act* (Canada). The Board shall have the authority to postpone the date of payment on such terms as it may determine.
- **Limitations on Grants.**
  - Awards granted to any one individual in any 12-month period cannot exceed more than 5% of the issued Shares, unless the Company has obtained disinterested shareholder approval.
  - Awards granted to any one Consultant, in aggregate, in any 12-month period cannot exceed more than 2% of the issued Shares.

- Stock options granted to all persons, in aggregate, conducting investor relations activities in any 12-month period cannot exceed more than 2% of the issued Shares.
- Term. Each Award shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed 10 years.
- Expiry and Termination. Unless otherwise determined by the Board and/or set forth in grantee's award agreement, if the engagement of a grantee is terminated or if he ceases to serve as an Officer, Consultant, Employee or Director or service provider of the Company or of a subsidiary (as the case may be) prior to the complete exercise of an Award,
  - by reason of death or disability (as determined by the Board in its absolute discretion), the Award shall remain exercisable for a period of one year following such termination (but only to the extent exercisable at termination of engagement or appointment, as the case may be, and not beyond the scheduled expiration date);
  - by reason of retirement, pursuant to applicable law with the approval of the Board, the Award shall remain exercisable for a period of 180 days following such termination (but only to the extent exercisable at termination of engagement or appointment, as the case may be, and not beyond the scheduled expiration date);
  - for any other reason other than for cause, the Award shall remain exercisable for a period of 90 days following the earlier of such termination or notice of termination (but only to the extent exercisable at the earlier of termination or notice of termination of engagement or appointment, as the case may be, and not beyond the scheduled expiration date); or
  - for cause, as shall be determined by the Board, all Awards held by or on behalf of such grantee shall immediately expire upon the earlier of such termination or notice of termination.
- Foreign Participants. The Plan is designed to enable Awards to be granted to eligible persons in various jurisdictions. The Board in its sole discretion has the authority to determine which individuals outside of Canada are eligible to participate in the Plan. Any participants in the Plan who are resident in either (a) Israel or (b) the United States of America will be subject to sub-plans which contain unique terms relevant to those jurisdictions. The U.S. subplan and the Israeli sub-plan are appended to the Plan. For greater certainty, any issuance to participants to the sub-plans shall only be issuable provided they are in accordance with the rules of the NEO.
- Trustee. Shares issued upon the exercise of an Award are to be issued to a grantee or to a Board-appointed "trustee", who has all the rights of the grantee, including voting rights and entitlement to review notice.

#### **Employment, Consulting and Management Agreements**

The Company was not, during 2021, party to any formal, written employment, consulting or management agreements with any of the above-mentioned NEO or director.

#### **Oversight and Description of Director and NEO Compensation**

The Company did not adopt or have in place a formal or informal compensation program during 2021. Except as set out below or otherwise disclosed in this Information Circular, no payment of any kind has been made, or will be made, directly or indirectly, by the Company to a non-arm's length party to the Company or to any person engaged in investor relations activities in respect of the securities of the Company or any resulting issuer by any means, including:

1. remuneration, which includes but is not limited to:
  1. salaries;
  2. consulting fees;
  3. management contract fees or directors' fees;
  4. finder's fees;
  5. loans, advances, bonuses; and
  6. deposits and similar payments.

Although the Company may reimburse non-arm's length parties for the Company's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("**Permitted Reimbursement**"), there have been no such Permitted Reimbursements since incorporation. No Permitted Reimbursement may be made for any payment made to lease or buy a vehicle.

#### **Pension Plan Benefits**

The Company did not have any pension, defined benefit, defined contribution or deferred compensation plans in place during 2021.

#### **Executive Compensation Following Completion of the RTO**

As of the date hereof, the Company's NEOs are:

1. Mr. Shy Datika, Company's president, Chief Executive Officer and director;
2. Ms. Renata Szkoda, Chief Financial Officer;
3. Mr. Itai Avneri, Chief Operating Officer;
4. Mr. Alan Silbert, CEO, North America and Secretary; and
5. Mr. Douglas Borthwick, Chief Business Officer.

#### Mr. Shy Datika

On June 25, 2018, INX, a wholly owned subsidiary of the Company, entered into an amended and restated consultancy agreement with Triple-V (1999) Ltd., an Israeli incorporated company wholly owned by Mr. Datika ("**Triple-V**"), amended on May 1, 2018 and on January 1, 2021. pursuant to which Triple-V provides consultancy services and has such duties, authorities and responsibilities as shall be determined by the board of directors of INX (the "**INX Board**"), through the personal services of Mr. Shy Datika. On April 28, 2021, Mr. Datika was appointed as the CEO of INX by the INX Board. On December 14, 2021, Mr. Datika was appointed as a member of the INX Board and on January 10, 2022, as the President, Chief Executive Officer and director of the Company.

#### Ms. Renata Szkoda

On March 31, 2022, INX Digital, Inc. ("**INX Digital**"), INX's wholly owned subsidiary, entered into an executive employment agreement with Ms. Renata Szkoda in connection with the appointment of Ms. Szkoda as the Chief Financial Officer of INX, effective as of May 2, 2022.

#### Mr. Itai Avneri

Effective as of January 4, 2021, Mr. Avneri serves as INX's Chief Operating Officer and as INX'S Deputy CEO as of March 2022.

#### Mr. Alan Silbert

Effective as of January 1, 2021, INX Digital and Mr. Silbert entered into an executive employment agreement, as amended on April 1, 2021 (the "**Silbert Employment Agreement**"), which replaced the previous employment agreement between Mr. Silbert and INX Services, Inc. ("**INX Services**") dated June 25, 2018, (effective March 1, 2018) as amended. Pursuant to the Silbert Employment Agreement, Mr. Silbert provides services to INX Digital, INX and the Company, including Mr. Silbert's service as a member of the INX Board, CEO, North America, and as the Company's secretary.

#### Mr. Douglas Borthwick

Effective as of January 1, 2021, Mr. Borthwick and INX Digital, entered into employment agreement as amended on March 25, 2021, which replaced the previous engagement agreement between Mr. Borthwick and INX Services Effective September 1, 2019 and amended on October 1, 2020.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Plan, being the Company's only equity compensation plan, as of December 31, 2021:

Plan Category	Number of shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders	Nil	N/A	25,481,194
Equity compensation plans not approved by shareholders	Nil	N/A	Nil
<b>Total</b>	<b>Nil</b>	<b>N/A</b>	<b>25,481,194</b>

A copy of the Plan is available at [www.sedar.com](http://www.sedar.com). A copy of the Plan is also available for review at the registered offices of the Company, at #2900 - 550 Burrard Street Vancouver, BC V6C 0A3, during normal business hours up to and including the date of the Meeting.

A copy of the amended Plan, as suggested under the below item, is attached as **SCHEDULE "B"**. See "*Particulars of Matters to be Acted Upon - Approval of Stock Option Plan*", below, for more information.

### RATIFICATION AND APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to pass an ordinary resolution to ratify the appointment Ernst & Young Israel (Kost Forer Gabbay & Kasierer), Chartered Professional Accountants, as auditors of the Company for the fiscal year ending December 31, 2021, and to appoint Ernst & Young Israel (Kost Forer Gabbay & Kasierer), Chartered Professional Accountants, as auditors of the Company for the fiscal year ending December 31, 2022, and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2021 and December 31, 2022 in connection with their audit and audit-related services and any other ancillary services. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management of the Company recommends that Shareholders vote FOR the ratification of appointment and appointment of Ernst & Young Israel (Kost Forer Gabbay & Kasierer), Chartered Professional Accountants, as the Company's auditors for the Company's fiscal years ending December 31, 2021 and December 31, 2022, respectively, and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2022 and December 31, 2022 in connection with their audit and audit-related services and any other ancillary services.**

**In the absence of instructions to withhold a vote, Shares represented by proxies received by management will be voted FOR the ratification of appointment and appointment of Ernst & Young Israel (Kost Forer Gabbay & Kasierer), Chartered Professional Accountants, as the Company's auditors for the Company's fiscal years ending December 31, 2021 and December 31, 2022, respectively, and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2021, and December 31, 2022 in connection with their audit and audit-related services and any other ancillary services.**

### AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), a reporting issuer is required to provide disclosure annually with respect to its audit committee, including the text of its audit committee charter, information regarding the composition of the audit committee, and information regarding fees paid to its external auditor. The Company provides the following disclosure with respect to its audit committee (the "**Audit Committee**").

## **Audit Committee Charter**

The full text of the Audit Committee charter is attached as **Schedule "D"** to this Information Circular.

## **Composition of the Audit Committee**

The Company's Audit Committee is currently comprised of three directors, consisting of Mr. Thomas Lewis, Mr. Nicholas Thadaney and Ms. Hilary Kramer, each of whom is "independent" as defined in NI 52-110.

All of the Audit Committee members are "financially literate", as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as an understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries, and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

## **Relevant Education and Experience**

All of the members of the Audit Committee are able to understand and interpret information related to financial statement analysis. Each of the members of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financial statements and will seek clarification from the Company's auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies. The relevant experience of the current members of the Audit Committee is as follows:

### *Mr. Thomas Lewis*

Mr. Lewis was the Founder of Noble 4 Advisors, LLC, a company he founded in September 2012 that develops and provides methodologies, technologies and guidance that assist boards, CEOs, investors and senior executives in defining and implementing plans to improve operating performance. Mr. Lewis retired from Noble 4 Advisors in January 2020. Mr. Lewis has served as CEO of four companies, including The Green Exchange, a federally regulated futures and options exchange in New York and London, from September 2009 to July 2012; Automated Power Exchange Inc. (APX), a venture-backed wholesale power markets and renewable energy services provider, from August 2003 to October 2007; Ameritrade, an online retail broker, from February 1999 to August 2000; and Campus Pipeline, an educational software company. Prior to that, Mr. Lewis served in technology leadership positions with American Express, Credit Suisse First Boston, USF&G Insurance and Marriott Corporation. Mr. Lewis has served on the boards of The New York Ledger Exchange, aka LedgerX (from 2014 to 2017), Green Exchange Holdings, LLC (2009 to 2012), Evolution Markets, Inc. (2007 to 2009), Automated Power Exchange Inc. (2003 to 2007) and Neovest Holdings, Inc. (2001 to 2004). Mr. Lewis has served on the advisory board of Xpansiv Limited, a global marketplace for ESG commodities, including carbon, RECs, digital fuels, and water rights, since 2021. Mr. Lewis holds an honorary doctorate, a master's degree in computer and information science, and a bachelor's degree, magna cum laude, in business administration from the University of New Haven in Connecticut, where he was honored as a distinguished alumnus. He served as chairman of the Board of Trustees of the Henry Lee Institute of Forensic Science, and served for twelve years as a member of the Board of Trustees of the University of New Haven. He has also served as a member of the Advisory Board of the Johns Hopkins Carey Business School at Johns Hopkins University. Mr. Lewis served as Executive in Residence and Assistant Professor at Johns Hopkins University, Carey Business School. Mr. Lewis also served as the head of technology for the Executive Office of the President of the United States during the Ronald Reagan Administration.

### *Mr. Nicholas Thadaney*

Mr. Nicholas (Nick) Thadaney most recently founded Partners Capital Corp. in 2019, a firm focused on advising, co-investing and partnering with entrepreneurs and their management teams to accelerate the growth of their businesses through innovative capital and strategic solutions. Mr. Thadaney was previously President and Chief Executive Officer, Global Equity Capital Markets, and a member of the senior management team of TMX Group until February 2018. In his roles with TMX Group, Mr. Thadaney was responsible for all equity listing and trading activity across the company's equities markets and alternative trading systems, including heading the Toronto Stock Exchange, TSX Venture Exchange, Alpha, TMX Select, and TSX Private Markets. He also oversaw TSX Trust - TMX Group's transfer agency and corporate trust services provider. Prior to joining TMX Group in 2015, Mr. Thadaney was Chief Executive Officer of ITG Canada Corp. (now Virtu Financial) since 2005, with responsibility for managing all aspects of the business, as well as a Member of ITG's Global Executive Committee. He joined ITG Canada as Director of Sales and Trading in 2000. Before his tenure at ITG, Mr. Thadaney was Vice-President,

Business Development (Equities) at C.T. Securities Inc.(Canada Trust), which was later acquired by T.D. Securities Inc.(TD Bank) in 1999. Mr. Thadaneý has been a board & committee member of a number of prominent businesses, industry associations, and registered charities, including: Bermuda Stock Exchange; CanDeal; Investment Industry Regulatory Organization of Canada (IIROC); Investment Industry Association of Canada; JA (Junior Achievement) Canada; Mount Sinai Hospital Asset Management Industry Hold'em for Life Charity (Co-Chair); Toronto Financial Services Alliance (now Toronto Finance International); Young Presidents Organization (Ontario Chapter); and the World Federation of Exchanges SME Advisory Board. Mr. Thadaneý also currently serves as a senior advisor to a number of firms and a director on the boards of Coinsquare Inc., DVX Capital Markets, Tetra Trust Company and Agrinam Acquisition Corporation.

*Ms. Hilary Kramer*

Ms. Hilary Kramer is a former analyst and investment banker at Morgan Stanley and Lehman Brothers, founded and ran a long-short hedge fund and has been chief investment officer overseeing more than \$5 billion of debt and equity portfolios. Ms. Kramer served as the co-head and board member of a \$1.0 billion private equity fund jointly owned by Hicks, Muse that developed and invested in new programming content as well as serving on the advisory board of numerous companies including international TV Satellite Company--DirecTV. Ms. Kramer has served as a director to four publicly-traded companies and consults into family offices and institutions, such as Montgomery Asset Management, Freddie Mac, and families on the Forbes list of global billionaires ranging from Latin America to the Middle East. Ms. Kramer authors the futurist and investment newsletter GameChangers published by Eagle Financial Publications and has a nationally syndicated investment radio show, Kramer's Millionaire Maker, on the Salem Network in 140 markets. She is the author of *Ahead of the Curve* (Simon & Schuster 2007) and *The Little Book of Big Profits from Small Stocks* (Wiley 2012). Her latest book, *Game Changing Investing* (Regnery 2020) is on the best-selling lists at "The Wall Street Journal", "USA TODAY" and on Amazon.com. Ms. Kramer was a founding member of the Wall Street Journal Women in Business. Ms. Kramer holds an MBA from the Wharton School of the University of Pennsylvania and a BA with honors from Wellesley College.

#### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

#### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-Audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) '*Circumstance Affecting the Business or Operations of the Venture Issuer*', 6.1.1(5) '*Events Outside Control of Member*' and 6.1.1(6) '*Death, Incapacity or Resignation*' provide exemptions from the requirement that a majority of the members of the Company's Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

#### **Pre-Approval Policies and Procedures**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board and the Audit Committee, on a case-by-case basis as applicable.

#### **External Auditor Service Fees**

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories. The aggregate fees billed by the Company's external auditor in the last two fiscal years, by category, are as follows:



Year Ended December 31	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2021 <sup>(1)</sup>	\$7,000	Nil	\$635	\$12,913
2020 <sup>(2)</sup>	\$7,000	Nil	\$5,775	Nil

1. For the period from January 1 to December 31, 2021.

2. For the period from January 1 to December 31, 2020.

\*The data in the above table do not refer to the fees of similar services rendered by other external auditor in relation to the INX Group in the reporting years (before the completion of the merger)

### Exemption

In respect of its most recently completed financial year, the Company is relying on the exemption provided by Section 6.1 of NI 52-110, which provides that the Company, as it was a venture issuer during such year, was not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this Information Circular, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Shares or who exercises control or direction of Shares, or a combination of both carrying more than ten percent of the voting rights attached to the Shares outstanding (each, an "**Insider**"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Shares, where such person will receive no extra or special benefit or advantage not shared on a *pro rata* basis by all holders of the same class of Shares.

### MANAGEMENT CONTRACTS

There were no management functions of the Company, which were, to any substantial degree, performed by persons other than the directors or executive officers of the Company.

### CORPORATE GOVERNANCE

#### General

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), as adopted by the Canadian Securities Administrators, prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

#### Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through meetings of the Board.

Mr. Shy Datika and Mr. Alan Silbert are not considered to be independent as they are officers of the Company and Mr. David Weild, Mr. Nicholas Thadaney, Mr. Thomas Lewis, Ms. Demetra Kalogerou and Ms. Hilary Kramer are considered to be independent in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the respective director's ability to act with the best interests of the Company, other than the interests and relationships arising from being Shareholders.

#### Directorships

The following table sets out information regarding other directorships presently held by directors of the Company with other reporting issuers (or the equivalent) in Canada or any foreign jurisdiction:

Name of Director	Names of Other Reporting Issuers	Securities Exchange
David Weild	INX Limited	US <sup>(1)</sup>
	BioSig	NASDAQ
	Scopus BioPharma	NASDAQ
Nicholas Thadaney	INX Limited	US <sup>(1)</sup>

Thomas Lewis	INX Limited	<u>US</u> <sup>(1)</sup>
Alan Silbert (New Director) <sup>(2)</sup>	INX Limited	<u>US</u> <sup>(1)</sup>
Shy Datika	INX Limited	<u>US</u> <sup>(1)</sup>
Demetra Kalogerou (New Director) <sup>(2)</sup>	INX Limited	<u>US</u> <sup>(1)</sup>
Hilary Kramer	INX Limited	<u>US</u> <sup>(1)</sup>

(1) Reporting Issuer under US jurisdiction.

(2) Assuming his/her appointment to the Board according to this report.

### Orientation and Continuing Education

New directors of the Company will be expected to participate in an initial information session on the Company in the presence of its senior executive officers to learn about, among other things, the business of the Company, its financial situation and its strategic planning. In addition, new directors will be furnished with appropriate documentation, providing them with information about, among other matters, the corporate governance practices of the Company, the structure of the Board and its committees, the Company's history, its activities, its corporate organization, the charters of the Board and its committees, the Company's articles and other relevant corporate policies.

The Company will encourage all directors to attend continuing education programs and intends to facilitate such continuing education of its directors by providing them with information on upcoming courses and seminars that may be relevant to their role as directors or hosting brief information sessions during Board meetings by invited external advisors. In addition, Company's management will periodically make presentations to the directors on various topics, trends and issues related to the Company's activities during meetings of the Board or its committees, which will be intended to help the directors to constantly improve their knowledge about the Company and its business.

### Ethical Business Conduct

The Company adopted on February 8, 2022, a written code of ethics applicable to all its employees, executive officers and directors (the "**Code of Ethics**"). Among other things, the Code of Ethics provides guidance on appropriate conduct within the organization amongst shareholders, customers, vendors and other third parties, as well as outlines the appropriate course of action to ensure regulatory compliance and avoid conflicts of interests, bribes and kickbacks, and other unethical practices. The purpose of the Code of Conduct is to establish a workspace with integrity and ethical standards, and it applies in addition to any legal, contractual obligations or regulatory obligations. The Chief Financial Officer is responsible for reporting any material issues relating to the Code of Ethics to the Audit Committee.

### Nomination of Directors

Management of the Company are in contact with individuals involved in the technology and blockchain sector. From these sources management has made a number of contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. Management will conduct reference and background checks on suitable candidates. New nominees generally must have public company board experience and a track record in business management, areas of strategic interest to the Company, the ability to devote the time required to carry out the obligations and responsibilities of a director and a willingness to serve in that capacity.

### Compensation Committee

The Company has a compensation committee (the "**Compensation Committee**") to assist the board of directors of the Company in fulfilling its responsibilities for compensation philosophy and guidelines, and fixing compensation levels for the Company's executive officers.

The members of the Compensation Committee, among other things:

- consider and recommend for approval by the Board the appointment of the executive officers of the Company;
- review existing management resources and plans for ensuring that qualified personnel will be available as required and to report on this matter to the Board;
- review and assess annually the performance of the Chief Executive Officer and other officers of the Company against pre-set specific corporate and individual goals and objectives;

- oversee and recommend for approval by the Board the executive compensation principles, policies, programs, grants of equity-based incentives and processes and specifically consider and recommend annually or as required;
- review the compensation discussion and analysis and related executive compensation disclosure for inclusion in the Company's public disclosure documents, in accordance with applicable rules and regulations; and
- review, monitor, report and where appropriate, provide recommendations to the Board on the Company's exposure to risks related to executive compensation policies and practices, if any, and identify compensation policies and practices that mitigate any such risk.

The Compensation Committee has the authority to engage outside counsel or other outside advisors as it deems appropriate to assist the Compensation Committee in the performance of its functions.

The Compensation Committee may also recommend to the Board further changes to the existing executive compensation regimes and severance pay practices, employment agreements for executive officers and adoption of stock ownership guidelines.

The members of the Compensation Committee of the Company include the following three directors: Mr. Thomas Lewis, Mr. Nicholas Thadane and Mr. David Weild, each of whom has a working familiarity with human resources and compensation matters.

The full text of the Compensation Committee charter (the "**Compensation Charter**") is attached as **Schedule "E"** to this Information Circular.

#### **Governance and Nominating Committee**

The Company has a governance and nominating committee (the "**Governance and Nominating Committee**"). The overall purpose of the Governance and Nominating Committee is to develop and monitor the Company's approach to: (i) matters of governance, and (ii) the nomination of directors to the board of the Company. The members of the corporate Governance and Nominating Committee of the Company include the following three directors: Mr. Thomas Lewis, Mr. Nicholas Thadane and Ms. Hilary Kramer.

The full text of the Governance and Nominating Committee charter (the "**Governance and Nominating Committee Charter**") is attached as **Schedule "F"** to this Information Circular.

#### **Other Board Committees**

The Board has no committees other than the Audit Committee, the Compensation Committee and the Governance and Nominating Committee.

#### **Assessments**

The Board regularly monitors the adequacy and effectiveness of information given to directors, communications between the Board and management, and the strategic direction and processes of the Board and its committees.

#### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, or any associate or affiliate of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

Directors, executive officers, proposed nominees for election as director of the Company may be interested in the approval of the Company's stock option plan, pursuant to which they may be granted stock options. See "*Particulars of Matters to be Acted Upon - Approval of Stock Option Plan*", below, for more information.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Stock Option Plan Amendments (the “Plan” or the “ESOP”)

At the Meeting, disinterested Shareholders will be asked to pass an ordinary resolution to approve the Plan, as amended. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management of the Company recommends that Shareholders vote in favor of the Plan Resolution at the Meeting.**

**In the absence of instructions to the contrary, Shares represented by proxies received by management will be voted FOR the Plan Resolution.**

The current Plan provides that the number of Shares reserved for issuance will not exceed 10% of the issued and outstanding Shares as at the closing of the transactions contemplated by the Securities Exchange Agreement. Accordingly, the maximum number of Shares reserved under the Plan is currently 25,352,832 Shares. The Company is proposing to increase of the number of shares underlying the Plan by 12,056,116 shares, which is equal to 5.91% of the current number of issued and outstanding Shares.

The current Plan provides in section 6.03 that the approval of Disinterested Shareholders (meaning Insiders and their Associates (as those terms are defined in the *Securities Act* (British Columbia))) is required for certain issuances to Insiders and their Associates, as well as any reduction in the exercise price of awards granted under the Plan to Insiders (the “Disinterested Shareholder Thresholds”):

6.03 Disinterested Shareholder Approval. Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Company’s other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result in or allow at any time:

- (a) the number of Shares reserved for issuance pursuant to Awards granted to Insiders exceeding 10% of the outstanding Shares at the time of granting the Awards;
- (b) the issuance to Insiders, within a one year period, of a number of Shares exceeding 10% of the outstanding Shares at the time of granting the Awards;
- (c) issuance to any one Insider and such Insider’s Associates, within a one year period, of a number of Shares exceeding 5% of the outstanding Shares at the time of granting the Awards; or
- (d) any reduction in the exercise price of Awards granted to any person who is an Insider at the time of the proposed reduction.

The Company is proposing to amend the Disinterested Shareholder Thresholds to be consistent with those in section 10.12(7)(b) of the NEO Exchange Listing Manual:

10.12(7) Notwithstanding subsection 10.12(6), security holder approval, excluding security holders that would receive, or would be eligible to receive, a material benefit resulting from the following actions, is required for any of the following:

- (a) an increase to the maximum number of securities issuable where, following the increase, the total number of securities issuable under all Security Based Compensation Plans of the Listed Issuer is equal to or greater than 10% of the securities of the Listed Issuer (calculated on a non-diluted basis) outstanding as of the date the Security Based Compensation Arrangement was last approved by security holders;
- (b) a re-pricing of an Award benefiting a Related Person of a Listed Issuer;
- (c) an extension of the term of an Award benefiting a Related Person of a Listed Issuer;
- (d) an extension of the term of an Award, where the exercise price is lower than the prevailing market price;
- (e) any amendment to remove or to exceed the limits set out in a Security Based Compensation Arrangement on Awards available to Related Persons of the Listed Issuer; or

(f) amendments to an amending provision within a Security Based Compensation Arrangement.

A copy of the current Plan is available on SEDAR at [www.sedar.com](http://www.sedar.com). A copy of the amended Plan is attached as **Schedule "B"**.

At the Meeting, disinterested Shareholders will be asked to approve the following ordinary resolution (the "**Plan Resolution**"), which must be approved by at least a majority of the votes cast by disinterested Shareholders represented in person or by proxy at the Meeting who vote in respect of the Plan Resolution:

**"RESOLVED**, as an ordinary resolution of the shareholders of the Company that:

1. The increase to the number of common shares (each, a "**Share**") issuable under the Company's Omnibus Equity Incentive Compensation Plan (the "**Plan**") to a total of 37,408,948 Shares, as described in the Company's information circular dated May 2, 2022, be and is hereby ratified, confirmed and approved, subject to the acceptance of the Plan by the Exchange;
2. The amendment of the Disinterested Shareholder Thresholds to be consistent with the provisions of section 10.12(7)(b) of the NEO Exchange Listing Manual be and is hereby ratified, confirmed and approved, subject to the acceptance of the Plan by the Exchange;
3. The Board be authorized in its absolute discretion to administer the Plan and amend or modify the Plan in accordance with its terms and conditions and the policies of the Exchange; and
4. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Plan."

The form of the Plan Resolution set forth above is subject to such amendments as management of the Company may propose at the Meeting, but which do not materially affect the substance of the Plan Resolution.

The Plan and incentive awards issued thereunder may, subject to any applicable Shareholder or regulatory approval requirements, including any applicable requirements of NEO or the terms of the Plan, be amended or terminated by resolution of the Board. Unless otherwise provided for in the Plan or in the incentive award agreement, any amendment or modification of the Plan shall be deemed included in the Plan with respect to incentive awards granted or Shares issued thereunder from time to time, provided, that, except as otherwise provided for herein, no such amendment or termination shall, except with the written consent of the grantees concerned, adversely affect the rights of such grantee under such incentive award.

#### **Amendment of the Articles to Adopt Advance Notice Provisions**

The Board is expected to approve on May 16, 2022, an advance notice policy which will enter into effectiveness from such adoption until immediately after the Meeting. At the Meeting, Shareholders will be asked to consider a special resolution to amend the articles of the Company to provide for the advance notice of directors (the "**Advance Notice Provisions**").

**Management of the Company recommends that Shareholders vote in favor of the Advance Notice Resolution at the Meeting.**

**In the absence of instructions to the contrary, Shares represented by proxies received by management will be voted FOR the Advance Notice Resolution.**

The purpose of the Advance Notice Provisions is to provide shareholders, directors and management of the Company with a clear framework respecting the nomination of persons for election as directors of the Company. The Advance Notice Provisions establish a deadline by which holders of record of Shares of the Company must submit nominations for election of directors of the Company prior to any annual general meeting of shareholders or special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors. Furthermore, the Advance Notice Provisions set forth the information that a shareholder must include in a written notice to the Company in order for a nominee to be eligible for election as a director of the Company at any annual general meeting of shareholders or special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors.

Only persons who are eligible under the *Business Corporations Act* (British Columbia) and who are nominated in accordance with the procedures set forth in the Advance Notice Provisions shall be eligible for election as directors of the Company.

The Advance Notice Provisions provide that:

- where a nomination is made at an annual general meeting of shareholders, notice to the Company must be given not less than 30 days prior to the date of the annual general meeting provided however, that in the event the annual general meeting is to be held on a date that is less than 50 days after the date on which the announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such announcement; and
- in the case that the meeting is a special meeting of the shareholders (but not also an annual general meeting), such notice must be made not later than close of business on the 15th day following the date on which the announcement of the date of the special meeting was made;

provided that, in either instance, if the Company uses "notice-and-access" (as defined in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*) to send proxy-related materials to shareholders in connection with a meeting of the shareholders described in above, and the notice date in respect of the meeting is not less than fifty (50) days prior to the date of the applicable meeting, the notice must be received not less than forty (40) days prior to the date of the applicable meeting.

The Advance Notice Provisions also require that the notice of nomination include certain information on each person proposed to be nominated for election as well as certain information regarding the nominating shareholder.

A copy of the proposed Advance Notice Provisions to be included in the articles of the Company are attached as **Schedule "C"**.

At the Meeting, Shareholders will be asked to approve the following special resolution (the "**Advance Notice Resolution**"), which must be approved by at least a majority of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the Plan Resolution:

**"RESOLVED**, as a special resolution of the shareholders of the Company that:

1. The articles of the Company be amended to incorporate the advance notice provisions as set out in **Schedule "C"** of the Company's management information circular dated May 2, 2022; and
2. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions.

The form of the Advance Notice Resolution set forth above is subject to such amendments as management of the Company may propose at the Meeting, but which do not materially affect the substance of the Advance Notice Resolution.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at its registered office at #2900 - 550 Burrard Street Vancouver, BC V6C 0A3, to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "**MD&A**"). Financial information is provided in the Company's comparative annual financial statements and MD&A for its most recently completed financial year and in the financial statements and MD&A for subsequent financial periods, which are available at [www.sedar.com](http://www.sedar.com).

#### **OTHER MATTERS**

Other than as set out in this Information Circular, management of the Company knows of no other matters to come before the Meeting. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

**APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Information Circular have been approved, and the delivery of it to each Shareholder entitled thereto and to the appropriate regulatory agencies has been authorized, by the Board.

Dated at Vancouver, British Columbia as of this 2<sup>nd</sup> day of May, 2022.

**ON BEHALF OF THE BOARD OF DIRECTORS OF**

**THE INX DIGITAL COMPANY, INC.**

*"Signed by Shy Datika "*

Shy Datika

President, Chief Executive Officer and Director

**SCHEDULE "A"**

**THE INX DIGITAL COMPANY, INC.**

**MAJORITY VOTING POLICY**



**THE INX DIGITAL COMPANY, INC.**

**MAJORITY VOTING POLICY FOR ELECTION OF DIRECTORS**

**Approved by the Board of Directors  
January 10, 2022**

**THE INX DIGITAL COMPANY, INC.**

**Majority Voting Policy for Election of Directors on the Board**

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**This majority voting policy does not apply in respect of the election of directors at a contested meeting, meaning a meeting at which the number of directors nominated for election is greater than the number of seats available on the board.**

## **1. Definitions**

“**Board**” means the board of directors of The Inx Digital Company, Inc.

“**Contested Election**” means all other circumstances than an Uncontested Election.

“**Corporation**” means The Inx Digital Company, Inc.

“**Director**” means a member of the Board.

“**Majority of the Votes Cast**” means that the number of shares voted “for” a Director’s election exceeds 50% of total the number of Votes Cast with respect to that Director’s election.

“**NEO Exchange**” means Neo Exchange Inc.

“**Policy**” means this majority voting policy for election of Directors on the Board.

“**Uncontested Election**” means any shareholder meeting called for, either alone or with other matters, the election of Directors, with respect to which (i) the number of Director nominees for election is equal to the number of positions on the Board to be filled through the election to be conducted at such meeting and/or (ii) proxies are being solicited for such election of Directors solely by the Corporation.

“**Votes Cast**” means, with respect to that Director’s election, all votes express in favor or to withhold authority, but shall exclude abstentions and failures to vote with respect to that Director’s election.

## **2. Purpose**

The Board is committed to the principle that thorough review and consideration should be undertaken if Director nominees for election do not receive the vote of a majority of the shares voted in an Uncontested Election. The Board has, in light of the rules and policies of the NEO Exchange, adopted this Policy providing for majority voting in Director elections at any meeting of the Corporation’s shareholders where an Uncontested Election is held.

## **3. Policy Statement**

If a nominee for Director in an Uncontested Election of Directors does not receive the affirmative vote of at least the Majority of the Votes Cast at any meeting for the election of Directors at which a quorum has been confirmed (a “**Resigning Director**”), the Resigning Director must immediately tender his or her resignation to the Board.

For purposes of this Policy, in a Contested Election, a plurality vote standard will continue to apply.

If a majority of the members of the Board are Resigning Directors, then the Directors of the Board who received the vote of at least the majority of the votes cast (such Board members the “**Independent Members**”) may appoint a special committee amongst themselves to consider the resignations and recommend to the Board whether to accept them.

#### **4. Nominees for Directorship**

The Board shall nominate for election or re-election as Directors only candidates who agree to tender, promptly following such person’s failure to receive in an Uncontested Election the required vote for election or re-election, an irrevocable resignation that will be effective upon Board acceptance of such resignation.

#### **5. Decision by the Board**

The Independent Members of the Board shall consider the resignation and consider the action to be taken with respect to such offered resignation, which may include:

- (a) accepting the resignation;
- (b) maintaining the Resigning Director but addressing what the Board believes to be the underlying cause of the withheld votes;
- (c) resolving that the Resigning Director will not be re-nominated in the future for election; or
- (d) rejecting the resignation and explaining the basis for such determination.

The Board shall accept the resignation absent exceptional circumstances. The Board in making its decision, may consider any factors or other information that they consider appropriate and relevant, including but not limited to:

- (a) the underlying reasons why shareholders withheld their votes from such Resigning Director (if ascertainable);
- (b) any alternatives for curing the underlying cause of the withheld votes;
- (c) the Resigning Director’s tenure;
- (d) the Resigning Director’s qualifications;
- (e) the Resigning Director’s past and expected future contributions to the Corporation and Board;
- (f) the overall composition of the Board, including relative mix of skills and experience;
- (g) whether by accepting such resignation the Corporation would no longer be in compliance with any applicable law, rule, or regulation, or securities exchange listing or other governance requirements; and
- (h) whether or not accepting the resignation is in the best interest of the Corporation and its shareholders.

The Board will consider the tendered resignation and announce promptly by news release its decision whether or not to accept that resignation and the reasons for its decision (in the case that

the Board determines not to accept a resignation) no later than 90 days after the date of the relevant shareholders' meeting (and will provide a copy of the news release to the NEO Exchange or any other applicable regulatory authority).

If the Board accepts any tendered resignation in accordance with the this Policy, then the Board may (i) proceed to fill the vacancy through the appointment of a new Director, or (ii) determine not to fill the vacancy and instead decrease the size of the Board.

## **6. Rejection of Resignation**

If a Resigning Director's resignation is not accepted by the Board, such Director will continue to serve until the next annual meeting and until his or her successor is duly elected, or shall otherwise serve for such shorter time and under such other conditions as determined by the Board, considering all of the relevant facts and circumstances.

## **7. Contested Director**

Any Resigning Director who tenders his or her resignation pursuant to this Policy shall not participate in any portion of the meeting of the Board or any sub-committee of the Board at which the resignation is considered.

## **8. Disclosure of Policy and Form of Proxy**

The Corporation will describe the foregoing Policy in any management information circular.

Forms of proxy for the vote at a shareholder meeting where Directors are to be elected will enable shareholders to vote in favor of, or to withhold from voting, separately for each nominee.

## **9. Compliance with Law**

The Board may adopt such procedures as it deems necessary or advisable to assist it in determinations with respect to the implementation and administration of this Policy. To the extent any provision in this Policy conflicts with the Corporation's constating documents or applicable law, such provision in the constating documents or applicable law, as applicable, will govern.

*[Remainder of page intentionally left blank]*

**THE INX DIGITAL COMPANY, INC.**

By: “Shy Datika”  
Shy Datika, President and Chief Executive  
Officer, Director

**SCHEDULE "B"**

**THE INX DIGITAL COMPANY, INC.**

**THE PLAN**

# THE INX DIGITAL COMPANY, INC.

## OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

This omnibus equity incentive compensation plan (the “Plan”) was adopted by the directors of The INX Digital Company Inc. (formerly Valdy Investments Ltd. (a Capital Pool Company)) on April 16, 2021, and made effective on May 14, 2021. Certain amendments to the Plan were approved by the shareholders of the Company on December 24, 2021.

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### PART 1 INTERPRETATION

- 1.01 Definitions. In this Plan the following words and phrases shall have the following meanings, namely:
- (a) “**Act**” means the *Securities Act* (British Columbia), as amended from time to time.
  - (b) “**Associate**” shall have the meaning ascribed to such term in the Act.
  - (c) “**Award**” means, individually or collectively, a grant under the Plan of Options, Restricted Shares and Restricted Share Units, in each case subject to the terms of the Plan.

- (d) **“Award Agreement”** means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan, including, without limitation, the Option Agreement, the Restricted Share Agreement and the RSU Agreement.
- (e) **“Blackout Period”** means a period of time during which the grantee cannot sell Shares, due to applicable law or policies of the Company in respect of insider trading.
- (f) **“Board”** means the Board of Directors of the Company.
- (g) **“Cause”** means any of (i) a material breach by the grantee of the grantee’s obligations under any agreement with the Company or any subsidiary; (ii) the commission by the grantee of an act of fraud or embezzlement against the Company or any subsidiary or the willful taking of action injurious to the business or prospects of the Company or any subsidiary; (iii) the conviction of the grantee of a felony; and (iv) the grantee’s involvement in an act or omission which constitutes breach of trust between the grantee and the Company or any subsidiary.
- (h) **“Committee”** means a committee of the Board appointed in accordance with this Plan or, if no such committee is appointed, the Board itself.
- (i) **“Company”** means The INX Digital Company, Inc. (formerly Valdy Investments Ltd.)
- (j) **“Consultant”** means an individual, other than an Employee, senior officer or Director of the Company or of any of its subsidiaries, who:
  - (i) provides ongoing consulting, technical, management or other services to the Company or any of its subsidiaries, other than services provided in relation to a distribution of the Company’s securities,
  - (ii) provides the services under a written contract between the Company or any of its subsidiaries and the individual,
  - (iii) in the reasonable opinion of the Company spends or will spend a significant amount of time and attention on the affairs and business of the Company or any of its subsidiaries, and
  - (iv) has a relationship with the Company or any of its subsidiaries that enables the individual to be knowledgeable about the business and affairs of the Company.
- (k) **“Director”** means any director of the Company or of any of its subsidiaries.
- (l) **“Employee”** means:
  - (i) an individual who is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),
  - (ii) an individual who works full-time for the Company or any of its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Company or any of its subsidiaries over the details and methods of work as an employee of the Company or any of its subsidiaries, but for whom income tax deductions are not made at source, and



- (iii) an individual who works for the Company or any of its subsidiaries, on a continuing and regular basis for a minimum amount of time per week, providing services normally provided by an employee and who is subject to the same control and direction by the Company or any of its subsidiaries over the details and methods of work as an employee of the Company or any of its subsidiaries, but for whom income tax deductions are not made at source.
- (m) **“Exchange”** means the NEO Exchange or, if the Shares are no longer listed for trading on the NEO Exchange, such other stock exchange or quotation system on which the Shares are listed or quoted for trading.
- (n) **“Insider”** shall have the meaning ascribed to such term in the Act.
- (o) **“Investor Relations Activities”** means any activities or oral or written communications, by or on behalf of the Company or a shareholder of the Company that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
  - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
    - A. to promote the sale of products or services of the Company, or
    - B. to raise public awareness of the Company,that cannot reasonably be considered to promote the purchase or sale of securities of the Company,
  - (ii) activities or communications necessary to comply with the requirements of
    - A. applicable securities laws,
    - B. the rules and policies of the NEO, if the Shares are listed only on the NEO, or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company,
  - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if
    - A. the communication is only through the newspaper, magazine or publication, and
    - B. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer, or
  - (iv) activities or communications that may be otherwise specified by the NEO, if the Shares are listed only on the NEO.
- (p) **“Grant Date”** means, for any Award, the date specified by the Board as the grant date at the time it grants the Award or, if no such date is specified, the date upon which the Award was actually granted.

- (q) **"Market Value"** means at any date when the market value of Shares of the Company is to be determined, the closing price of the Shares on the trading day prior to such date on the principal stock exchange on which the Shares are listed, or if the Shares of the Company are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith based on the reasonable application of a reasonable valuation method not inconsistent with the *Income Tax Act* (Canada).
  - (r) **"NEO"** means the Neo Exchange Inc.
  - (s) **"Officer"** means any senior officer of the Company or of any of its subsidiaries as defined in the *Securities Act* (British Columbia).
  - (t) **"Option"** has the meaning set forth in section 4.01 of this Plan.
  - (u) **"Person"** means a natural person, company, government or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person.
  - (v) **"Plan"** means this omnibus equity incentive compensation plan as from time to time amended including all schedules and exhibits hereto.
  - (w) **"Related Person"** has the meaning set forth in the NEO Exchange Listing Manual.
  - (x) **"Restricted Period"** has the meaning set forth in section 4.02 of this Plan.
  - (y) **"Restricted Shares"** has the meaning set forth in section 4.02 of this Plan.
  - (z) **"RSU"** or **"Restricted Share Unit"** has the meaning set forth in section 4.03 of this Plan.
  - (aa) **"Security Based Compensation Arrangement"** has the meaning set forth in the NEO Exchange Listing Manual.
  - (bb) **"Shares"** means common shares without par value in the capital of the Company.
- 1.02 Gender. Throughout this Plan, words importing the masculine gender shall be interpreted as including the female gender.

**PART 2**  
**PREAMBLE; PURPOSE OF PLAN**

- 2.01 Purpose. The purpose of this Plan, as amended from time to time, is to attract and retain Employees, Officers, Directors and Consultants and to motivate them to advance the interests of the Company by affording them the opportunity to acquire an equity interest in the Company through Awards granted under this Plan. The Plan is expected to benefit the Company's shareholders by enabling the Company to attract and retain personnel of the highest caliber by offering to them an opportunity to share in any increase in the value of the Shares to which they have contributed. The Company represents that Employees, Consultants, Officers, Directors or service providers who are granted Awards will be bona fide Employees, Consultants, Officers, Directors or service providers at the time of grant.
- 2.02 Foreign Participants. The Plan is designed to enable the provision of incentives as set forth herein to grantees in various jurisdictions, with respect to which the Board, in its sole discretion, shall determine the necessary changes to be made to the Plan and set forth the relevant conditions in the Award

Agreements with the grantees in order to comply with the requirements of the tax regimes in any such other jurisdictions and its determination regarding these matters shall be final and binding.

- 2.03 Exclusivity of the Plan. Unless otherwise determined by the Board in any particular instance or as part of the Award Agreement, each grantee hereunder will be required to declare and agree that all prior agreements, arrangements and/or understandings with respect to Shares of the Company or Awards which have not actually been issued or granted prior to execution of the Award Agreement shall be null and void and that only the provisions of the Plan and/or the Award Agreement shall apply. Notwithstanding the above, the adoption of this Plan, by itself, shall not be construed as amending, modifying or rescinding any incentive arrangement previously approved by the Board (if applicable) or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of Awards otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases, subject to compliance with policies of the Exchange.

### **PART 3** **GRANTING OR AMENDING OF AWARDS**

- 3.01 Administration. This Plan shall be administered by the Board or, if the Board so elects, by a committee so designated by the Board, consisting of an odd number of members (the “**Committee**”). Any subsequent references herein to the Board shall also mean any such Committee if appointed and, unless the powers of the Committee have been specifically limited by law or otherwise, such Committee shall have all of the powers of the Board granted herein. Subject to applicable law and without derogating from the generality of the foregoing, the Board shall have plenary authority to determine: (i) the terms and conditions (which need not be identical) of all grant of Awards (including, without limitation, the terms and conditions of the issuance of Shares pursuant to the exercise thereof), including, without limitation, the purchase price of the Shares covered by each Award, (ii) the method of payment of the exercise price (whether by cash, check, shares, other securities or Awards, promissory note, a cashless exercise arrangement, or any combination of the foregoing), (iii) the individuals to whom, and the time or times at which, Awards shall be granted, (iv) the number of Shares to be subject to each Award, (v) when an Award can be exercised and whether in whole or in installments, (vi) and to make any other elections with respect to the Plan pursuant to applicable law.

- (a) Any directive or notice signed by a member of the Board authorized therefore by the Board shall constitute conclusive proof and authority for every act or decision of the Company.
- (b) No Director or Officer of the Company shall be personally liable or obligated to any grantee as a result of any decision made and/or action taken with respect to the Plan or its interpretation or execution.
- (c) Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its subsidiaries operate or have employees or other individuals eligible for Awards or to facilitate the offering and administration of the Plan in such other countries, the Board, in its sole discretion, shall have the power and authority to: (i) determine which subsidiaries shall be covered by the Plan; (ii) determine which individuals outside of Canada are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to or held by individuals outside the of Canada to comply with applicable foreign laws or facilitate the offering and administration of the Plan in view of such foreign laws; (iv) establish subplans and appendices and modify exercise procedures and other terms and procedures, to the extent the Board determines such actions to be necessary or advisable; provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 6.01 hereof and that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement to ensure or facilitate compliance

with the laws of the relevant foreign jurisdiction; and (v) take any action, before or after an Award is made, that the Board determines to be necessary or advisable to obtain approval or comply or facilitate compliance with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Board may not take any actions hereunder, and no Awards shall be granted, that would violate the any applicable law.

- 3.02 Interpretation. The Board shall have plenary authority to construe and interpret the Plan, to prescribe, amend and rescind the rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Plan, subject to compliance and any applicable law and policies of the Exchange. All determinations and decisions of the Board pursuant to the provisions of the Plan and all related orders and resolutions of the Board shall be final, conclusive and binding on all Persons, including the Company, its shareholders, grantees and their estates and beneficiaries.
- 3.03 Delegation to a Committee. If the Board so elects pursuant to Section 3.01, a Committee shall administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and either appoint new members in their place or decrease the size of the Committee, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan. A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Part 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee may vote on any matters affecting the administration of the Plan or the grant of Awards pursuant to the Plan, except that no such member shall act upon the granting of an Award to himself or herself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to granting Awards to him or her).
- 3.04 Grant by Resolution. The Board, on its own initiative or, if a Committee of the Board shall have been appointed for the purpose of administering this Plan, upon the recommendation of such Committee, may by resolution designate those Consultants, Employees, Officers, Directors and service providers to whom Awards should be granted (unless the Committee has been authorized by the Board to pass such resolution in which case they may do as so authorized).
- 3.05 Terms of Awards. The resolution of the Board, or the Committee if applicable, shall specify the number of Shares that should be placed under an Award to each grantee, the price per Share to be paid upon exercise of the Award, the vesting schedule and the period during which such Award may be exercised, such period not to exceed ten (10) years.
- 3.06 Regulatory Approvals. The Board shall obtain all necessary regulatory approvals, which may be required under applicable securities laws or the rules or policies of the Exchange. The Board shall also take reasonable steps to ensure that no Awards granted under the Plan, or the exercise thereof, shall violate the securities laws of the jurisdiction in which any grantee resides.
- 3.07 Amendment of Awards. Awards may also be amended under this Plan, whether granted under this Plan or otherwise, and the terms of this Plan shall apply mutatis mutandis.

#### **PART 4** **AWARDS**

- 4.01 Option Awards. The Board may award options to purchase Shares of the Company to any eligible grantee (“Options”). Each Option granted under this Plan shall be evidenced by a written agreement between the Company and the grantee (the “Option Agreement”), in such form as the Board shall from time to time approve. The Options shall be subject to all applicable terms of this Plan. The provisions of the various

Option Agreements entered into under this Plan need not be identical. The Option Agreement shall comply with the provisions of the Plan and applicable law.

- (a) The exercise price of an Option granted under this Plan shall be fixed by the Board or the Committee, as applicable, when such Option is granted. However, the exercise price of an Option shall not be less than the Market Value of such shares on the Grant Date.

4.02 Restricted Shares. The Board may award restricted shares to any eligible grantee ("**Restricted Shares**"). Each grant of Restricted Shares under this Plan shall be evidenced by a written agreement between the Company and the grantee (the "**Restricted Share Agreement**"), in such form as the Board shall from time to time approve. The Restricted Shares shall be subject to all applicable terms of this Plan. The provisions of the various Restricted Shares Agreements entered into under this Plan need not be identical. The Restricted Share Agreement shall comply with the provisions of the Plan and applicable law.

- (a) Each Restricted Share Agreement shall state an amount of exercise price to be paid by the grantee, if any, in consideration for the issuance of the Restricted Shares and the terms of payment thereof, which may include, payment in cash or by issuance of promissory notes or other evidence of indebtedness on such terms and conditions as determined by the Board.
- (b) Restricted Shares may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, except by will or the laws of descent and distribution (in which case they shall be transferred subject to all restrictions then or thereafter applicable thereto), until such Restricted Shares shall have vested (the period from the date on which the Award is granted until the date of vesting of the Restricted Share thereunder being referred to herein as the "**Restricted Period**"). The Board may also impose such additional or alternative restrictions and conditions on the Restricted Shares, as it deems appropriate, including the satisfaction of performance criteria. Such performance criteria may include, but are not limited to, sales, earnings before interest and taxes, return on investment, earnings per Share, any combination of the foregoing or rate of growth of any of the foregoing, as determined by the Board or pursuant to the provisions of any Company policy required under mandatory provisions of applicable law. Certificates for Shares issued pursuant to Restricted Shares shall bear an appropriate legend referring to such restrictions, and any attempt to dispose of any such Shares in contravention of such restrictions shall be null and void and without effect. Such certificates may, if so determined by the Board, be held in escrow by an escrow agent appointed by the Board. In determining the Restricted Period of an Award, the Board may provide that the foregoing restrictions shall lapse with respect to specified percentages of the awarded Restricted Shares on successive anniversaries of the date of such Award.
- (c) Subject to such exceptions as may be determined by the Board, if the grantee's continuous employment or engagement with the Company or with any subsidiary thereof shall terminate for any reason prior to the expiration of the Restricted Period of an Award or prior to the timely payment in full of the exercise price of any Restricted Shares, any Shares remaining subject to vesting or with respect to which the purchase price has not been paid in full, shall thereupon be forfeited, transferred to, and redeemed, repurchased or cancelled by, as the case may be, subject to applicable laws and the grantee shall have no further rights with respect to such Restricted Shares.
- (d) During the Restricted Period, the grantee shall possess all incidents of ownership of such Restricted Shares, subject to Section 11.04 below, including the right to vote and receive dividends with respect to such Shares. All securities, if any, received by a grantee with respect to Restricted Shares as a result of any stock split, stock dividend, combination of Shares, or other similar transaction shall be subject to the restrictions applicable to the original Award.

- (e) Persons employed in Investor Relations Activities on behalf of the Company are not eligible for grants of Restricted Shares.

4.03 **Restricted Share Units (“RSU”).** An RSU is an award covering a number of Shares that is settled, if vested and (if applicable) exercised, by issuance of those Shares. An RSU may be awarded to any eligible grantee, subject and in accordance with applicable laws. The Award Agreement relating to the grant of RSUs under this Plan (the “**RSU Agreement**”), shall be in such form as the Board shall from time to time approve. The RSUs shall be subject to all applicable terms of this Plan. The provisions of the various RSU Agreements entered into under this Plan need not be identical. RSUs may be granted in consideration of a reduction in the grantee’s other compensation.

- (a) No payment of exercise price shall be required as consideration for RSUs, unless included in the Award Agreement or as required by applicable law.
- (b) The grantee shall not possess or own any ownership rights in the Shares underlying the RSUs and no rights as a shareholder shall exist prior to the actual issuance of Shares in the name of the grantee.
- (c) Settlement of vested RSUs shall be made in the form of Shares. The number of Shares underlying such RSUs shall be subject to adjustment pursuant hereto until the grant of RSUs is settled.
- (d) Persons employed in Investor Relations Activities on behalf of the Company are not eligible for grants of RSUs.

**PART 5**  
**CONDITIONS GOVERNING THE GRANTING AND EXERCISING OF AWARDS**

5.01 **Expiry Date.** Each Award shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed ten (10) years.

5.02 **Blackout Periods.** If on the date on which an Award is schedule to expire occurs during, or within ten (10) business days after the last day of a Blackout Period applicable to such grantee, then the expiry date of such Award shall be extended to the last day of such ten (10) business day period.

5.03 **Different Exercise Periods, Prices and Number.** The Board may, in its absolute discretion, upon granting Awards under this Plan, specify different time periods following the dates of granting the Awards during which the grantees may exercise their Awards to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each grantee may exercise his/her Award during each respective time period.

5.04 **Number of Shares.** The number of Shares reserved for issuance to any one person pursuant to Awards granted under this Plan, together with any Shares reserved for issuance pursuant to Awards granted to that person during the previous 12 months, shall not exceed 5% of the issued and outstanding Shares, calculated on the date an Award is granted.

5.05 **Expiry on Termination or Cessation.** Unless otherwise determined by the Board and/or set forth in grantee’s Award Agreement, if the engagement of a grantee is terminated or if he ceases to serve as an Officer, Consultant, Employee or Director or service provider of the Company or of a subsidiary (as the case may be) prior to the complete exercise of an Award,

- (a) by reason of death or disability (as determined by the Board in its absolute discretion), the Award shall remain exercisable for a period of one (1) year following such termination (but only to the

extent exercisable at termination of engagement or appointment, as the case may be, and not beyond the scheduled expiration date);

- (b) by reason of retirement, pursuant to applicable law with the approval of the Board, the Award shall remain exercisable for a period of one hundred and eighty (180) days following such termination (but only to the extent exercisable at termination of engagement or appointment, as the case may be, and not beyond the scheduled expiration date);
- (c) for any other reason other than for Cause, the Award shall remain exercisable for a period of ninety (90) days following the earlier of such termination or notice of termination (but only to the extent exercisable at the earlier of termination or notice of termination of engagement or appointment, as the case may be, and not beyond the scheduled expiration date); or
- (d) for Cause, as shall be determined by the Board, all Awards held by or on behalf of such grantee shall immediately expire upon the earlier of such termination or notice of termination.

Unless otherwise is set forth in this Plan, Awards awarded under this Plan shall not be affected by any change of employment or engagement, as applicable, so long as the grantee continues to be an employee, director, officer, service provider, Consultant and/or advisor of the Company or a subsidiary (as the case may be). Notwithstanding the foregoing, the Board may, in its absolute discretion but subject to Section 7.01, extend the period of exercise of an Award by a grantee or grantees for such time as it shall determine either with or without conditions.

- 5.06 Leave of Absence. The Board may determine whether any given leave of absence constitutes a termination of employment engagement or appointment, as applicable.
- 5.07 Change in Time Commitment. In the event a grantee's regular level of time commitment in the performance of his or her services for the Company and any subsidiary is reduced (for example, and without limitation, if the grantee is an Employee of the Company and the Employee has a change in status from a full-time employee to a part-time employee or takes an extended leave of absence) after the Grant Date of any Award to the grantee, the Board may determine, to the extent permitted by applicable law, to make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment. In the event of any such reduction, the grantee will have no right with respect to any portion of the Award that is so reduced or extended.
- 5.08 The Absence of an Obligation to Engage. Nothing in the Plan shall be interpreted as obliging the Company or any subsidiary to employ or otherwise engage the grantee and nothing in the Plan or any Award granted pursuant thereto shall confer upon any grantee any right to continue in the employment (or other engagement or appointment, as applicable) of the Company or any subsidiary or restrict the right of the Company or any subsidiary to terminate such employment (or other engagement or appointment, as applicable) at any time. The grantee shall have no claim whatsoever against the Company or any subsidiary as a result of the termination of his or hers employment (or other engagement or appointment, as applicable), including, without limitation, any claim that such termination causes any Awards to expire or otherwise terminate and/or prevents the grantee from exercising the Awards and/or from receiving or retaining any Shares pursuant to any agreement between him and the Company, or results in any loss due to an early imposition, or earlier than anticipated imposition, of tax or other liability pursuant to applicable law.
- 5.09 Agreement to Significant Event. As a condition to the receipt of an Award under this Plan, a grantee will be deemed to have agreed that the Award will be subject to the terms of any agreement governing a Significant Event (as such term defined under this Plan) involving the Company.

- 5.10 Assignment. No Award granted under this Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession except that, if permitted by the rules and policies of the Exchange, a grantee shall have the right to assign any Award granted to him hereunder to a trust or similar legal entity established by such grantee.
- 5.11 Notice. Awards shall be exercised only in accordance with the terms and conditions of the Award Agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company at its principal place of business.
- 5.12 Payment. Subject to any vesting requirements described in each individual Award Agreement, Awards may be exercised in whole or in part at any time prior to their lapse or termination. The exercise price shall be payable upon the exercise of the Award in a form satisfactory to the Board, including, but not limited to, cash, Shares (actually or by attestation), other securities, other Awards or other property, or any combination thereof, having a Market Value on the exercise date equal to the applicable exercise price, in which payment of the exercise price with respect thereof may be made or deemed to have been made. The Board shall have the authority to postpone the date of payment on such terms as it may determine.
- 5.13 Share Certificate or DRS. As soon as practicable after due exercise of an Award, the Company shall issue a share certificate or direct registration statement (“**DRS**”) evidencing the Shares with respect to which the Award has been exercised. Without derogating from any of the provision of this Plan, until the issuance of such share certificate or DRS, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Award. No adjustment will be made for a dividend or other right for which the record date is prior to the date the share certificate or DRS is issued, except as provided in Part 8 hereof.
- 5.14 Dividends. The Shares issued as a result of the exercise of the Awards shall participate equally with the Company’s other Shares in every dividend which shall be declared and distributed subject to the following provisions:
- (a) A cash dividend shall be distributed only to persons registered in the register of shareholders as shareholders on the record date fixed for the distribution of the dividend.
  - (b) If applicable, a dividend with regard to Shares which are registered in the name of the Trustee shall be paid to the Trustee, subject to any lawful deduction of tax, whether such rate is at the usual rate applicable to a dividend or at a higher rate. The Trustee shall transfer the dividend to the grantee in accordance with instructions that he shall receive from the Company. Alternatively, the Company shall be entitled to pay the dividend directly to the grantee subject to the deduction of the applicable tax.
  - (c) Without derogating from the provisions of Section 5.14(b) hereof, the Company or the Trustee, if applicable, shall be entitled to set off and deduct at source from any dividend any sum that the grantee owes to the Company (including any subsidiary) or the Trustee, if applicable, whether under the Plan or otherwise, and/or any sum that the grantee owes to the tax or other authorities.
- 5.15 Individuals. Awards may be granted only to an individual or to a company that is wholly-owned by an individual who is eligible for an Award grant. Only individuals who are Directors, Officers, Consultants, Employees or service providers may be granted Awards. If the grantee is a company, it must agree not to effect or permit any transfer of ownership or award of Shares nor to issue further shares of any class in the company to any other individual or entity as long as the Awards remains outstanding, except with the written consent of the Exchange.



5.16 Acceleration of an Award. Unless otherwise determined by the Board or set forth in the grantee's Award Agreement:

- (a) Immediately prior to (a) the consummation of a Significant Event (as defined below) or (b) the adoption of any plan or proposal for the liquidation or dissolution of the Company, then, notwithstanding any contrary Vesting Periods (as such term is defined below) in any agreement or in this Plan, and unless in each case the applicable agreement provides otherwise, the Board may, but shall not be obligated to, determine that a certain portion of the outstanding Awards held by or for the benefit of any grantee and which have not yet vested shall be accelerated and become immediately vested and exercisable.
- (b) Each of the following shall be a "**Significant Event**", (a) a takeover bid (as defined in the Act), which is successful in acquiring Shares, (b) a change of control of the Board resulting from the election by the members of the Company of less than a majority of the persons nominated for election by management of the Company, (c) any consolidation, plan of arrangement or amalgamation of the Company, other than a transaction in which the holders of Shares immediately prior thereto have the same, or substantially similar, proportionate ownership of Shares of the surviving or resulting entity immediately after the transaction and a transaction in which the holders of Shares immediately prior thereto own a majority of the voting power of the surviving or resulting entity; (c) any sale, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets or all or substantially all of the outstanding and issued Shares of the Company; or (d) the dissolution of the Company's business or the liquidation of its assets,

5.17 Written Agreements. Every Award granted under this Plan shall be evidenced by a written agreement between the Company and the grantee or other document as shall be determined by the Board, including without limitation, the Option Agreement, the Restricted Share Agreement and the RSU Agreement (each an "**Award Agreement**"), and, where not expressly set out in the Award Agreement, the provisions of such Award Agreement shall conform to and be governed by this Plan. In the event of any inconsistency between the terms of the Award Agreement and this Plan, the terms of the Award Agreement shall govern, except for in the event that such terms are not in compliance with any applicable law or regulation (including any applicable requirement or law of NEO). The Award Agreement need not be identical with respect to each grantee. The following terms, however, shall apply to all Awards, and, mutatis mutandis, Shares, unless otherwise determined by the Board or set forth in the grantee's Agreement:

- (a) The exercise price (if applicable) shall be paid by the grantee to the Company no later than the date of exercise of the Award.
- (b) The grantee, whether as a holder of an Award, or following the exercise of an Award, as a shareholder of the Company, and whether the Shares issued to the grantee are registered in his name or otherwise, shall have no right of first refusal to purchase Shares of the Company which may be offered for sale by shareholders of the Company, and shall have no pre-emptive rights to purchase Shares which are being allotted or shall in the future be allotted by the Company, to the extent any such rights otherwise exist.
- (c) The Award and/or the right to the Award and/or to the Shares are personal and except insofar as is specified in this Plan, and, may not be transferred, assigned, pledged, withheld, attached or otherwise charged either voluntarily or pursuant to any law, except by way of transfer pursuant to the laws of inheritance or as otherwise determined by the Board, and no power of attorney or deed of transfer, whether the same has immediate effect or shall take effect on a future date, shall be given with respect thereto. During the lifetime of the grantee the Award may only be exercised by the designated grantee or, if granted to the Trustee, by the Trustee on behalf of the

designated grantee. A note as to the provisions of this sub-section or a legend may appear on any document which grants the Award and in particular in the Award Agreement, and also on any share certificate.

- (d) The right to exercise the Award shall be subject to a vesting schedule, and may be further subject to any performance goals and measurements as may be determined by the Board. Vesting shall be in installments, gradually over a period of four (4) years from the Grant Date of the Award or such other period or periods as determined by the Board (“**Vesting Periods**”). Unless otherwise determined, at the conclusion of each period for the exercise of the Award as determined in the Award Agreement, the Award may, from time to time, be exercised in relation to all the Shares allocated for that period. The Trustee shall, in the absence of a contrary determination in the Award Agreement, be entitled to exercise on behalf of the grantee and at his request 1/4 of the Awards, upon each anniversary of the Grant Date, provided that, unless otherwise determined by the Board or set forth in the respective Award Agreement, upon each of such vesting dates the grantee continues to be employed by, or provide services to, or serve as a director or officer of the Company or of a subsidiary on a continual basis from the date of the grant thereof.
- (e) In addition, during each of the Vesting Periods, the Award may be exercised in relation to all or part of the Shares allocated for any previous Vesting Period in which the Award was not fully exercised, provided that at the time of the exercise of the Award the grantee has continued to be employed by, or provide services to or serve as a director or officer of the Company or its subsidiaries on a continual basis from the date of the grant thereof and until the date of their exercise. After the end of the Vesting Periods and during the balance of the Award period, the Award may be exercised, from time to time, in relation to all or part of the Shares which have not at that time been exercised and which remain subject to the Award hereof and to any condition in the Award Agreement, including, without limitation, with respect to a minimum number of Shares with respect to which the Award may be exercised and any provision which determines the number of times that the Trustee may send the Company notice of exercise on behalf of the grantee in respect of the Award. Without derogating from any discretionary authority granted to the Board under the Plan, the Board shall be entitled at any time to shorten the vesting schedule or any Vesting Period.
- (f) Awards issued to Consultants providing Investor Relations Activities must vest (and not otherwise be exercisable) in stages over a minimum of 12 months with no more than 1/4 of the Awards vesting in any 3-month period.

## **PART 6**

### **RESERVE OF SHARES FOR AWARDS**

- 6.01 Maximum Number of Shares Reserved Under Plan. Subject to adjustment as provided in Part 8, the total number of Shares reserved and available for grant and issuance pursuant to Awards shall not exceed the number of Shares equal to 37,408,948. Such Shares may be in whole or in part, as the Board shall from time to time determine and subject to applicable law, authorized and un-issued or issued and fully paid Shares which shall have been purchased by the grantee hereunder with funds provided by the Company or reacquired by the Company, subject to applicable law. The aggregate number of shares to be delivered upon the exercise of all Awards granted under this Plan shall not exceed the maximum number of shares permitted under the rule of any stock exchange on which Shares are then listed or other regulatory body having jurisdiction. In addition, all Awards granted outside of this Plan, which are in existence on the effective date of this Plan, as amended, shall be counted as if granted under this Plan. The terms of this Plan shall not otherwise govern such pre-existing Awards.
- 6.02 Sufficient Authorized Shares to be Reserved. Whenever the articles of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of

Awards granted under this Plan or otherwise. If any Award granted under the Plan shall expire, terminate or be canceled for any reason without having been exercised in full, such Shares subject thereto shall again be available for the purposes of the Plan. For greater certainty, if any Award becomes fully vested and (if applicable) is exercised, such Shares subject thereto shall not again be available for the purposes of the Plan. Upon termination of the Plan, any such Shares which may remain un-issued and which are not subject to outstanding Awards shall cease to be reserved for the purposes of the Plan.

6.03 Security holder approval. Security holder approval, excluding security holders that would receive, or would be eligible to receive, a material benefit resulting from the following actions, is required for any of the following:

- (a) an increase to the maximum number of securities issuable where, following the increase, the total number of securities issuable under the Plan is equal to or greater than 10% of the securities of the Company (calculated on a non-diluted basis) outstanding as of the date the Security Based Compensation Arrangement was last approved by security holders;
- (b) a re-pricing of an Award benefiting a Related Person of the Company;
- (c) an extension of the term of an Award benefiting a Related Person of the Company;
- (d) an extension of the term of an Award, where the exercise price is lower than the prevailing market price;
- (e) any amendment to remove or to exceed the limits set out in a Security Based Compensation Arrangement on Awards available to Related Persons of the Listed Issuer; or
- (f) amendments to an amending provision within a Security Based Compensation Arrangement.

## **PART 7**

### **TERM OF AWARDS; EXERCISE**

7.01 Term of the Plan. The term of each Award shall be for such period as the Board shall determine, but not more than ten (10) years from the Grant Date thereof or such shorter period as is prescribed in Part 5 hereof. Awards granted prior to termination of the Plan may, subject to the terms of the Plan and any Agreement, be exercised thereafter.

7.02 Additional Powers of the Board. Unless otherwise determined by the Board, in the event of: (i) the proposed liquidation or dissolution of the Company; or (ii) a Significant Event; then (A) all outstanding Awards held by or for the benefit of any grantee and which have vested as of such time (including, without limitation, any Awards accelerated pursuant to Section 5.16 above) but have not been exercised, will terminate and expire immediately prior to the consummation or closing of such proposed action, transaction or event, and (B) all outstanding Awards which are not vested as of such time will terminate and expire immediately prior to the consummation or closing of such proposed action, transaction or event. Without derogating from any other right or authority of the Board hereunder, the Board may, in connection with any proposed liquidation or dissolution, or in connection with any Significant Event as aforesaid, determine any other date and time upon which any outstanding Award will terminate and expire.

7.03 Grantee Exercise. A grantee who desires to exercise an Award granted to him or her, shall so notify the Company in writing in the form annexed hereto as **Appendix A** or in such other form as shall be approved by the Board from time to time. As a condition for the exercise of the Award, the grantee shall pay or

otherwise make arrangements, to the Company's satisfaction for the payment of the tax and other obligatory payments applicable to her or him (including all sums payable by the Company arising out of or in connection with Company's Withholding Obligations to deduct tax and other obligatory payments at source) pursuant to applicable law and the provisions of the Plan. Upon receipt of all the requisite documents, approvals and payments from the grantee, including sufficient proof of payment or other arrangement with respect to the payment of any applicable taxes in form satisfactory to the Company, the Company shall allot the Shares in the name of the grantee.

- 7.04 Exercise on behalf of Grantee. If applicable, a grantee who desires that the Trustee exercise an Award granted to the grantee on his or her behalf shall so instruct the Company and the Trustee in writing in the form annexed hereto as **Appendix A** or in such other form as shall be approved by the Board from time to time. The notice shall be accompanied by payment of the full Award exercise price of such shares as provided in the Award Agreement. As a condition for the exercise of the Award, the grantee shall pay or otherwise make arrangements, to the Company and the Trustee satisfaction for the payment of the tax and other obligatory payments applicable to her or him (including all sums payable by the Company arising out of or in connection with Company's Withholding Obligations to deduct tax and other obligatory payments at source) pursuant to applicable law and the provisions of the Plan. Upon receipt of all the requisite documents, approvals and payments from the grantee, including sufficient proof of payment or other arrangement with respect to the payment of any applicable taxes in form satisfactory to the Company and the Trustee, the Company shall allot the shares in the name of the Trustee for the benefit of the grantee.
- 7.05 Further Authorization. Without limiting the foregoing, the Board may, with the consent of the grantee, from time to time cancel all or any portion of any Award then subject to exercise, and the Company's obligation in respect of such Award may be discharged by: (i) payment to the grantee or to the Trustee on behalf of the grantee, if applicable, of an amount in cash equal to the excess, if any, of the Market Value of the relevant Shares at the date of such cancellation subject to the portion of the Award so canceled over the aggregate exercise price of such Shares; (ii) the issuance or transfer to the grantee or to the Trustee on behalf of the grantee, if applicable, of Shares of the Company with a Market Value at the date of such transfer equal to any such excess; or (iii) a combination of cash and Shares with a combined value equal to any such excess, all as determined by the Board in its sole discretion.

## **PART 8**

### **CAPITALIZATION ADJUSTMENTS**

- 8.01 Share Consolidation or Subdivision. In the event that the Shares are at any time subdivided or consolidated, the number of Shares reserved for an Award and the price payable for any Shares that are then subject to an Award shall be adjusted accordingly.
- 8.02 Stock Dividend. In the event that the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for an Award and the price payable for any Shares that are then subject to an Award may be adjusted by the Board to such extent as they deem proper in their absolute discretion.
- 8.03 Reorganization. Subject to any required action by its shareholders, if the Company shall be a party to a reorganization, amalgamation, plan of arrangement, dissolution or sale or lease of all or substantially all of its assets, whether or not the Company is the surviving or resulting entity, the Award shall be adjusted so as to apply to the securities to which the holder of the number of shares of capital stock of the Company subject to the Award would have been entitled by reason of such reorganization, amalgamation, plan of arrangement or sale or lease of all or substantially all of its assets, provided however that the Company may satisfy any obligations to a grantee hereunder by paying to the said grantee in cash the difference between the exercise price of all unexercised Awards granted hereunder and the fair market value of the securities to which the grantee would be entitled upon exercise of all unexercised Awards,

regardless of whether all conditions of exercise relating to continuous employment have been satisfied. Adjustments under this paragraph or any determinations as to the fair market value of any securities shall be made by the Board, or any Committee thereof specifically designated by the Board to be responsible therefor, and any reasonable determination made by the said Board or Committee thereof shall be binding and conclusive.

- 8.04 Rights Offering. If at any time the Company grants to the holders of its capital stock rights to subscribe for and purchase pro rata additional securities of the Company or of any other corporation or entity, there shall be no adjustments made to the number of shares or other securities subject to an Award in consequence thereof and the said stock option of the grantee shall remain unaffected.

**PART 9**  
**EXCHANGE'S RULES AND POLICIES APPLY**

- 9.01 Exchange's Rules and Policies Apply. This Plan and the granting and exercise of any Awards hereunder are also subject to such other terms and conditions as are set out from time to time in the rules and policies on stock options of the Exchange and any securities commission having jurisdiction and such rules and policies shall be deemed to be incorporated into and become a part of this Plan. In the event of an inconsistency between the provisions of such rules and policies and of this Plan, the provisions of such rules and policies shall govern.

**PART 10**  
**AMENDMENT OF PLAN**

- 10.01 Board May Amend. Subject to any applicable shareholder or regulatory approval requirements, including any applicable requirements of NEO, the Board may, by resolution, amend or terminate this Plan. Unless otherwise provided for herein or in the Award Agreement, any amendment or modification of the Plan shall be deemed included in the Plan with respect to Awards granted or Shares issued hereunder from time to time, provided, that, except as otherwise provided for herein, no such amendment or termination shall, except with the written consent of the grantees concerned, adversely affect the rights of such grantee under such Award.

**PART 11**  
**TRUSTEE**

- 11.01 Issuance of Shares. Shares issued upon exercise of an Award shall be issued to the grantee or to the Trustee (as such term is defined below), if applicable, in the name of the grantee and/or on his/Her behalf, subject to the sole discretion of the Board.
- 11.02 Appointment of Trustee. The Board may appoint a Trustee for the purpose of this Plan (the "Trustee"). For as long as any Shares are held by a Trustee, for whatever reason, or registered in its name or for as long as the certificates representing any shares are held by the Trustee, on behalf of a grantee under this Plan, and without derogating from any provision of this Plan and subject to it, the Trustee alone shall be entitled to receive every notice to which a shareholder is entitled, or to demand any information and any financial and/or other report to which a shareholder is entitled from the Company, and only it or whomever shall be designated as a Proxy pursuant to Section 11.04 below, and the attached **Appendix B** hereto, shall be entitled to exercise every other right of the shareholders vis-a-vis the Company, including, without limitation, the right to participate and vote (or abstain) on all matters at all shareholders' meetings (whether ordinary or extraordinary) and the right to sign any resolution in writing in the name of the shareholders, if and when applicable.
- (a) The Trustee shall have all the powers provided by law, the trust agreement with the Company and the Plan and shall act pursuant to the provisions thereof, as they shall apply from time to

time. The Board shall be entitled to replace the Trustee and/or to nominate another person to serve as a Trustee in lieu of the existing Trustee at its sole discretion, subject to applicable law, and that the new Trustee shall have the same powers and authority which this Plan grants the Trustee.

- (b) Without derogating from the provisions of this Part 11 and unless otherwise determined by the Board generally or in any particular instance, the Shares issued with respect to any Awards granted hereunder and all rights deriving from or in connection therewith including, without limitation, any bonus Shares (including stock dividend) issued in connection therewith, that will be held by the Trustee and registered in its name, will continue to be held by the Trustee.
- (c) Subject to the provisions of the articles of the Company, as amended from time to time and applicable laws, Shares registered in the Trustee's name shall be represented at all meetings of shareholders of the Company and shall be voted in the same manner as the votes of the majority of shareholders of the Company present and voting at the applicable meeting.

11.03 Rights of a Shareholder. Unless otherwise determined by the Board, Awards granted hereunder shall not confer upon the grantee any of the rights of a shareholder of the Company, for as long as they have not been exercised and, once exercised, for as long as the Shares have not been issued, transferred and registered in the grantee's name in the Company's shareholder register.

11.04 Power of Attorney. Without derogating from the generality of the aforesaid and in order to guarantee the aforesaid, and because the rights of the Company and the other shareholders are dependent thereon, the grantee shall, upon signing the Award Agreement and as a condition to the grant of any Awards hereunder, execute the Proxy and Power of Attorney attached hereto as **Appendix B**, or in such other form as shall be approved by the Board, irrevocably empowering the Proxy (i) to sign any document and take any action in his/her name as aforesaid; (ii) that any Share issued upon exercise of an Award (and any other securities of the Company issued with respect thereto) shall be voted by the Proxy; and (iii) to provide for the power of such designated person(s) to act, instead of the grantee and on its behalf, with respect to any and all aspects of the grantee's shareholdings in the Company. Such person or persons designated by the Board shall be indemnified and held harmless by the Company against any costs and expenses (including counsel fees) reasonably incurred by him/her, or any liability (including any sum paid in settlement of a claim with the prior written approval of the Company) arising out of any act or omission to act in connection with the voting of such Proxy, unless arising out of such person's gross negligence, fraud or malice, all to the extent permitted by applicable law. Such indemnification shall be in addition to any rights of indemnification such person(s) may have as a director, shareholder or otherwise under the Company's articles, any agreement, insurance policy or otherwise. The Proxy shall be voted in accordance with the provisions of Section 11.02(c) above. The grantee shall have no complaint or claim against the Proxy in respect of any such signature or action. The grantee will authenticate his/her signature in the presence of a notary if he/she shall be asked to do so by the Company, in order to give full validity to the power of attorney.

11.05 Release of the Trustee, the Attorney and the Proxy from liability and indemnification. In no event shall the Trustee, and/or Company's legal counsel (the "**Attorney**"), and/or the Proxy be liable to the Company and/or any grantee under the Plan and/or any third party (including without prejudice to the generality of the foregoing, to the income tax authorities and any other governmental or administrative authority), or to a purchaser of Shares from any grantee with respect to any act or omission which has been or will be carried out in relation to the Plan, its execution and any matter connected thereto or arising therefrom.

- (a) The Company will not, and the grantee will be required to covenant upon signing the Award Agreement that he will not, make any claim against the Trustee, and/or the Attorney, and/or the Proxy in any manner whatsoever and on any ground whatsoever and they expressly agree that if the Trustee, and/or the Attorney and/or the Proxy are sued by them, then the Trustee, and/or

the Attorney and/or the Proxy shall be entitled by virtue of this Section 11.05 alone to apply to the court for dismissal of the action against them with costs. The Company covenants and agrees that if an action is commenced by any third party against the Trustee, and/or the Attorney and/or the Proxy they shall be entitled, without any objection on the Company's part to join the Company as a third party to any action and a judgment against them will be paid by the Company.

- (b) The Company covenants and the grantee will be required to covenant to indemnify the Trustee, and/or the Attorney and/or the Proxy against any liability in relation to any claim and/or demand made against the Trustee and/or the Attorney and/or the Proxy by any person whatsoever, including the tax authorities, in relation to their acts or omissions in connection with the Plan.

## **PART 12** **TAXATION**

- 12.01 General. Subject to applicable law, the grantee shall be liable for all taxes, duties, fines and other payments which may be imposed by the tax authorities (in any applicable jurisdiction worldwide) and for every obligatory payment of whatever source in respect of the Awards, the Shares (including, without limitation, upon the grant of Awards, the exercise of the Awards, the sale of the Shares or the registration of the Shares in the grantee's name) or dividends or any other benefit in respect thereof and/or for all charges which shall accrue to the grantee, the Company, any subsidiary and/or to the Trustee, if applicable, in connection with the Plan, the Awards and/or the Shares, or any act or omission of the grantee or the Company in connection therewith or pursuant to any determination of the applicable tax or other authorities.
- 12.02 Tax Withholding. The Company may withhold from any amount payable to a grantee, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Company to comply with the applicable requirements of any federal, provincial, local or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to Awards ("**Withholding Obligations**"). The Company may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Company may determine in its discretion, by:
- (a) requiring a grantee, as a condition to the exercise of any Awards, to make such arrangements as the Company may require so that the Company can satisfy such Withholding Obligations including, without limitation, requiring the grantee to remit to the Company in advance, or reimburse the Company for, any such Withholding Obligations, or
- (b) selling on the grantee's behalf without notice, or requiring the grantee to sell, any Shares acquired by the grantee under the Plan, or retaining any amount which would otherwise be payable to the grantee in connection with any such sale.
- (c) Notwithstanding the foregoing, the grantee shall be entitled to satisfy the obligation to pay any Withholding Obligations, in whole or in part, by providing the Company with funds sufficient to enable the Company to pay such Withholding Obligations.
- 12.03 Certificate of Authorization of Assessing Officer. The Company (including any subsidiary ) or the Trustee, if applicable, shall at any time be entitled to apply to the assessing officer, and in the case of a grantee abroad, to any foreign tax authority, for receipt of their certificate of authorization as to the amount of tax which the Company or any subsidiary or the grantee or the Trustee, if applicable, is to pay to the tax authorities resulting from granting the Awards or allotting the Shares, or regarding any other question with respect to the application of the Plan.

- 12.04 No Obligation to Notify or Minimize Taxes and No Liability to Claims. Except as required by applicable law the Company has no duty or obligation to any grantee to advise such holder as to the time or manner of exercising such Award. Furthermore, the Company has no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award and will not be liable to any holder of an Award for any adverse tax consequences to such holder in connection with an Award. As a condition to accepting an Award under the Plan, each grantee (i) agrees to not make any claim against the Company, or any of its Officers, Directors, Employees or subsidiaries (and their respective officers, directors, employees) related to tax liabilities arising from such Award or other Company compensation and (ii) acknowledges that such grantee was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax consequences of the Award and has either done so or knowingly and voluntarily declined to do so.
- 12.05 Withholding Indemnification. As a condition to accepting an Award under the Plan, in the event that the amount of the Company's and/or its subsidiaries Withholding Obligations in connection with such Award was greater than the amount actually withheld by the Company and/or its subsidiaries, each grantee agrees to indemnify and hold the Company and/or its subsidiaries harmless from any failure by the Company and/or its subsidiaries to withhold the proper amount.

**PART 13**  
**MISCELLANEOUS PROVISIONS**

- 13.01 Notwithstanding any provisions of this Plan to the contrary, Awards shall be subject to any terms and conditions for grantee's country of residence (and country of employment/engagement, if different) set forth in the appendix attached hereto with respect to grantees who reside in such country, if applicable. Further, if grantee transfer residence and/or employment to another country reflected in such appendix, the terms and conditions for such country will apply to the grantee to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Such appendices (including without limitation, the **Appendix C – US Appendix** and the **Appendix D– Israeli Appendix**) constitute part of this Plan.
- 13.02 Other Plans Not Affected. This Plan shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Directors, Officers and Employees.
- 13.03 Rights and/or benefits arising out of the employee/employer or other relationship. Other than with respect to social security payments if required to be made by the Company or any subsidiary as a result of its choice of the tax treatment of the Awards (if applicable), no income or gain which shall be credited to or which purports to be credited to the grantee as a result of the Plan, shall in any manner be taken into account in the calculation of the basis of the grantee's entitlements from the Company or any subsidiary or in the calculation of any social welfare right or other rights or benefits arising out of the employee/employer relationship between the parties or any other engagement by the Company of the grantee. If, pursuant to any law, the Company or any subsidiary shall be obliged for the purposes of calculation of the said items to take into account income or gain actually or theoretically credited to the grantee, the grantee shall indemnify the Company or any subsidiary, against any expense caused to it in this regard.
- 13.04 Additional Documents. Whether the Award or Shares are granted or issued in the name of the grantee, the Trustee, or otherwise, the Company shall have the right to demand from the grantee at any time that the same shall provide, and the grantee shall provide, any certificate, declaration or other document which the Company and/or the Trustee, if applicable, shall consider to be necessary or desirable pursuant to any law, whether local or foreign, including any undertaking on the part of the grantee not to sell his/her Shares during any period which shall be required by an underwriter or investment bank or advisor



of the Company for the purpose of any Share issuance whether private or public and including any certificate or agreement which the Company shall require, if any, from the grantee or any certificate, declaration or other document the obtaining of which shall be deemed by the Board and/or the Trustee, if applicable, to be appropriate or necessary for the purpose of raising capital for the Company, of merging the Company with another company (whether the Company is the surviving entity or not), or of reorganization of the Company, including, in the event of a consolidation, plan of arrangement or amalgamation of the Company or any sale, lease, exchange or other transfer of all or substantially all of the assets or Shares of the Company the sale or exchange, as the case may be, of any Shares the grantee (or the Trustee on his behalf, if applicable) may have purchased hereunder all as shall be deemed necessary or desirable by the Board and/or the Trustee, if applicable.

- 13.05 Effective Date of Plan. This Plan, as amended, shall become effective upon receipt of shareholder approval. However, Awards may be granted under this Plan as amended, prior thereto. Any Award granted prior thereto may not be exercised prior to such date
- 13.06 Use of Proceeds. Proceeds from the sale of Shares pursuant to the Awards granted and exercised under the Plan, as amended, shall constitute general funds of the Company and shall be used for general corporate purposes.
- 13.07 Plan Language. The official language of the Plan shall be English. To the extent that the Plan, as amended, or any agreement are translated from English into another language, the English version of the Plan, as amended, and agreements will always govern, in the event that there are inconsistencies or ambiguities which may arise due to such translation.
- 13.08 Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any grantee will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the grantee. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action approving the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the Award Agreement or related grant documents, the corporate records will control and the grantee will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.
- 13.09 Applicable Currency. The Award Agreement shall specify the currency applicable to such Award. The Board may determine, in its sole discretion, that an Award denominated in one currency may be paid in any other currency based on the prevailing exchange rate as the Board deems appropriate. A grantee may be required to provide evidence that any currency used to pay the exercise price or purchase price of any Award was acquired and taken out of the jurisdiction in which the grantee resides in accordance with applicable laws, including foreign exchange control laws and regulations.
- 13.10 Headings. The headings used in this Plan, as amended, are for convenience of reference only and shall not in any way affect or be used in interpreting any of the provisions of this Plan, as amended.
- 13.11 No Obligation to Exercise. Grantees shall be under no obligation to exercise Awards granted under this Plan, as amended.
- 13.12 Conflict. Where a conflict arises between any section of the Plan, as amended, the Award Agreement or their application, and the provisions of any tax law, rule or regulations, whether relied upon for tax relief or otherwise, the latter shall prevail, and the Board in its sole discretion shall determine the necessary changes to be made to the Plan, as amended, and its determination regarding this matter shall be final and binding.

- 13.13 Termination of Plan. This Plan, as amended, shall only terminate pursuant to a resolution of the Board or the Company's shareholders.
- 13.14 Severability. If all or any part of the Plan, as amended, or any agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of the Plan, as amended, or such Award Agreement not declared to be unlawful or invalid. Any Section of the Plan, as amended, or any agreement (or part of such a section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.
- 13.15 Governing Law. The Plan, as amended, and all instruments issued thereunder shall be governed by and construed in accordance with the laws of British Columbia, Canada, unless if otherwise determined by any Appendix to the Plan, as amended.

**APPENDIX A**

**NOTICE OF EXERCISE**

Date: \_\_\_\_\_

**To:** The INX Digital Company, Inc. (the “**Company**”)

**With a copy to:** The Trustee (the “**Trustee**”) under the Company’s Omnibus Equity Incentive Compensation Plan (the “**Plan**”)

Dear Sirs or Mesdames,

**Re: Notice of Exercise**

I hereby wish to inform you that it is my desire that of the Award which was granted to you on \_\_\_\_\_ to acquire \_\_\_\_\_ (\_\_\_\_\_) Shares of The INX Digital Company, Inc. (the “**Company**”) on my behalf, you exercise and acquire on my behalf \_\_\_\_\_ (\_\_\_\_\_) of the Shares subject to the said Award at a price of CA\$ \_\_\_\_ per Share, all in accordance with the Plan.

Attached to this Notice is a check in the amount of CA\$ \_\_\_\_\_ (CA\$ \_\_\_\_\_), as payment for the above mentioned Shares.

I am aware that all the Shares shall be allotted to you, registered in your name and that you shall hold all Share certificates representing such Shares.

Likewise, I am aware of and agree to all other provisions of the Plan and applicable law.

Yours sincerely,

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

**APPENDIX B**

**IRREVOCABLE PROXY AND POWER OF ATTORNEY**

I, the undersigned, \_\_\_\_\_, hereby appoint the Chairman of the Board of Directors (or any other officer designated by the Company from time to time for such purpose) of The INX Digital Company, Inc. (the “Proxy” and the “Company”, respectively) as my proxy to participate and vote (or abstain) for me and on my behalf on all matters at all meetings of shareholders (whether ordinary, extraordinary or otherwise), of the Company, on behalf of all the Shares and/or Awards of the Company held by the Trustee on my behalf, if and when applicable, and, without derogating from the generality of the above, hereby authorize and grant a power of attorney to the Trustee under the Plan and to the Proxy as follows:

I hereby authorize and grant power of attorney to the Trustee under the Plan and to the Proxy for as long as any shares and/or Awards which were allotted or granted on my behalf are held by the Trustee or registered in its name, or for as long as the certificates representing any shares are held by the Trustee, to exercise every right, power and authority with respect to the shares and/or Awards and to sign in my name and on my behalf any document (including any agreement, including a plan of arrangement or amalgamation agreement of the Company or an agreement for the purchase or sale of assets or shares (including the shares of the Company held on my behalf) and any and all documentation accompanying any such agreements, such as, but not limited to, decisions, requests, instruments, receipts and the like), and any affidavit or approval with respect to the shares and/or Awards or to the rights which they represent in the Company in as much as the Trustee under the Plan and/or Proxy shall deem it necessary or desirable to do so.

In addition and without derogating from the generality of the foregoing, I hereby authorize and grant power of attorney to Trustee under the Plan and the Proxy to sign any document as aforesaid and any affidavit or approval (such as any waiver of rights of first refusal and/or any preemptive rights or other participation rights, in as much as such rights shall exist pursuant to the Plan and the Company’s charter documents or shareholders’ agreements as shall be in effect from time to time) and/or to make and execute any undertaking in my name and on my behalf if Trustee under the Plan and/or the Proxy shall, at its/his/her sole discretion, deem that the document, affidavit or approval is necessary or desirable for purposes of any placement of securities of the Company, whether private or public (including lock-up arrangements and undertakings), for purposes of an amalgamation of the Company with another entity, in any jurisdiction worldwide, whether the Company is the surviving entity or not, for purposes of any reorganization or recapitalization of the Company, for purposes of any purchase or sale of assets or shares of the Company or for any other purpose.

**The Shares shall be voted by the proxy holder in the same manner as the votes of the majority of other shareholders of the Company present and voting at the applicable meeting.**

This Proxy and Power of Attorney shall be interpreted in the widest possible sense, in reliance upon the Plan and upon the goals and intentions thereof.

This Proxy and Power of Attorney shall be irrevocable as the rights of the Company and the Company’s shareholders are dependent hereon. The expiration of this Power of Attorney shall in no manner effect the validity of any vote, document (as aforesaid), affidavit or approval which has been taken, signed or given as aforesaid prior to the expiration hereof and in accordance herewith.

**IN WITNESS WHEREOF**, I have executed this Proxy and Power of Attorney on the \_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Name: \_\_\_\_\_

## APPENDIX C

### U.S. APPENDIX TO THE PLAN

#### 1. GENERAL

1.1 This appendix (hereinafter: the “**US Appendix**”) shall apply only to grantees who are residents or citizens of the United States or those who are deemed to be residents or citizens of the United States for the payment of tax. The provisions specified hereunder shall form an integral part of the omnibus equity incentive compensation plan (hereinafter: the “**Plan**”), which applies to the issuance of Awards to purchase common shares of The INX Digital Company, Inc. (hereinafter: the “**Company**”).

1.2 This US Appendix is to be read as a continuation of the Plan and only refers to Awards granted to U.S. employees, directors, and other individuals (“**U.S Grantees**”) so that they comply with the requirements set by the U.S. law in general and in particular with the provisions of Section 409A of the Code and Sections 421 through 424 of the Code. For the avoidance of doubt, this US Appendix does not add to or modify the Plan in respect of any other category of U.S Grantees.

1.3 The Plan and this US Appendix are complementary to each other and shall be deemed one. In any case of contradiction, whether explicit or implied, between the provisions of this US Appendix and the Plan, the provisions set out in this Appendix shall prevail with respect to Awards granted to U.S. Grantees.

1.4 Unless otherwise defined herein, the terms defined in this US Appendix shall be construed according to the interpretation given to them in the Plan. The Board shall have full and binding authority to construe and interpret the terms of this US Appendix, and any such determinations shall be final and binding on all parties.

#### 2. DEFINITIONS

2.1 “**Code**” means the United States Internal Revenue Code of 1986, as now in effect or as hereafter amended.

2.2 “**Employee(s)**” means any individual who is an employee of the Company, a Parent or a Subsidiary.

2.3 “**ISO**” means an "incentive stock option" within the meaning of Section 422 of the Code, or the corresponding provision of any subsequently enacted U.S. federal tax statute, as amended from time to time.

2.4 “**NQSO**” or “**Non-Qualified Stock Option**” means an option that does not meet the requirements of, and is not governed by, the rules of Section 422 of the Code.

2.5 “**Parent**” means any company (other than the Company) in an unbroken chain of companies ending with the Company if, at the time of granting an Award, each of the companies (other than the Company), owns stock or other securities possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other companies in such chain.

2.6 “**Services Provider**” means director, supplier, advisor or Consultant of the Company, a Parent or a Subsidiary, provided, however, that a Consultant or advisor must be an individual who is providing or will be

providing bona fide services to the Company, with such services (1) not being in connection with the offer or sale of securities in a capital-raising transaction, and (2) not directly or indirectly promoting or maintaining a market for securities of the Company.

2.7 “**Subsidiary**” means any company (other than the Company) in an unbroken chain of companies beginning with the Company if, at the time of granting an Award, each of the companies other than the last company in the unbroken chain owns stock or other securities possessing fifty percent (50%) or more of the total combined voting power of all classes of shares in one of the other companies in such chain.

2.8 “**Ten Percent Shareholder**” shall mean a person who owns shares possessing at least ten percent (10%) of the total combined voting power of all classes of shares of the Company or of any of subsidiaries.

### **3. ISSUANCE OF AWARD; ELIGIBILITY**

3.1 The terms and conditions upon which Awards shall be issued and exercised, including the vesting schedules and the Exercise Price, shall be as specified in the Awards Agreement to be executed pursuant to the Plan and to this US Appendix, unless otherwise decided by the Board. The US grantee’s form of Option Agreement is attached hereto as **Exhibit A**.

3.2 ISOs may only be granted to Employees. NQSOs may be granted to Employees and Services Providers of the Company or a Parent or a Subsidiary.

### **4. SHARES AVAILABLE FOR ISSUANCE**

Except as adjusted pursuant to Part 8 to the Plan, in no event shall more than 10% of the outstanding share capital be available for issuance pursuant to the exercise of Incentive Stock Awards in accordance with Section 422 of the Code and regulations promulgated thereunder (hereinafter: “**ISO Regulations**”) by Employees who are subject to income tax in the United States. Any changes to the Plan regarding the granting corporation, increases in the number of shares, or the type of Shares issued (i.e. shares of a different corporation or a different class of shares), will require the approval of the Company's shareholders. With respect to Part 8 to the Plan and to the ISO Regulations, in the event of stock dividends or stock splits that only change the number of shares outstanding, the ISO's shall not be considered as substituted or assumed, and the Exercise Price may be proportionally adjusted to reflect the changes in the number of Shares without being considered a modification.

### **5. EXERCISE OF AWARDS**

5.1 Awards shall be exercised by the U.S Grantee’s by giving written notice of exercise to the Company or to any third party designated by the Company (hereinafter: the “**Representative**”), in such form and method as may be determined by the Company, which exercise shall be effective upon receipt of such notice by the Company and/or the Representative and the payment of the Exercise Price for the number of Shares with respect to which the Award is being exercised and payment of the aggregate withholding and other taxes due with respect to the exercise of the Option, if applicable, in each case, made, at the Company's or the Representative's principal office. The notice shall specify the number of Shares with respect to which the Award is being exercised.

5.2 Each Award shall be exercisable following the Vesting Periods, subject to the provisions of the Plan and the number of Awards granted; provided, however, that no Award shall be exercisable after the earlier of: (i) the date set forth in the Award Agreement; (ii) in the event of the grant of ISOs, the expiration of ten (10) years from the Grant Date; (iii) in the event of the grant of ISOs to Ten Percent Shareholders, the expiration of five

(5) years from the Grant Date; or (iv) the expiration of any extended period in any of the events set forth in Part 7 of the Plan.

5.3 To the extent the aggregate Market Value (determined at the Grant Date) of the Company's shares with respect to which ISO's are exercisable for the first time by any U.S. Grantee during any calendar year under all plans of the Company and its subsidiaries exceeds US\$100,000, the Awards or portions thereof which exceed such limit (according to the order in which they were granted) shall be treated as NQSOs.

## **6. RESTRICTED SHARES**

The Board may grant Restricted Shares under the US Appendix to U.S. Grantees who meet the eligibility requirements of Section 3 under the US Appendix, in accordance with Section 4.02 of the Plan.

## **7. RESTRICTED SHARE UNITS**

7.1 Nature of Restricted Share Units. The Board may grant Restricted Share Units to U.S. Grantees who meet the eligibility requirements of Section 3 under the US Appendix, subject to the terms and conditions set forth in Section 4.03 of the Plan. Except in the case of Restricted Share Units with a deferred settlement date that complies with Section 409A, at the end of the vesting period, the Restricted Share Units, to the extent vested, shall be settled in the form of common shares. Restricted Share Units with deferred settlement dates are subject to Section 409A and shall contain such additional terms and conditions as the Board shall determine in its sole discretion in order to comply with the requirements of Section 409A.

7.2 Election to Receive Restricted Share Units in Lieu of Compensation. The Board may, in its sole discretion, permit a U.S. Grantee to elect to receive a portion of future cash compensation otherwise due to such U.S. Grantee in the form of an award of Restricted Share Units. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Board and in accordance with Section 409A and such other rules and procedures established by the Board. Any such future cash compensation that the U.S. Grantee elects to defer shall be converted to a fixed number of Restricted Share Units based on the Market Value of the common shares on the date the compensation would otherwise have been paid to the U.S. Grantee if such payment had not been deferred as provided herein. The Board shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Board deems appropriate. Any Restricted Share Units that are elected to be received in lieu of cash compensation shall be fully vested, unless otherwise provided in the Agreement.

## **8. OTHER SHARE-BASED AWARDS**

The Board may grant to U.S. Grantees who meet the eligibility requirements of Section 3 under the Appendix any other share-based award.

## **9. EXERCISE PRICE**

In the case of an ISO, the Exercise Price shall be determined subject to the following:

9.1 in case of an ISO granted to a Ten Percent Shareholder, the Exercise Price shall be no less than one hundred and ten percent (110%) of the Market Value per Share on the Grant Date.

9.2 in case of an ISO granted to any other Employee, the Exercise Price shall be no less than one

hundred percent (100%) of the Market Value per Share on the Grant Date.

9.3 In the case of a NQSO, the Exercise Price shall be no less than one hundred percent (100%) of the Market Value per Share on the Grant Date.

**HOWEVER, AND NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE COMPANY DISCLAIMS ANY REPRESENTATIONS AND WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THE VALIDITY OR ACCURACY OF SUCH MARKET VALUE AND THE U.S GRANTEE SHALL SOLELY AND EXCLUSIVELY BEAR ALL RISKS AND IMPLICATIONS IN THIS RESPECT AND IN ADDITION U.S GRANTEE WAIVES FULLY ABSOLUTELY AND IRREVOCABLE ANY RIGHT, DEMAND, CLAIM OR SUIT IN THIS RESPECT INCLUDING AGAINST THE COMPANY AND/OR ITS RELATED COMPANIES AND THEIR SHAREHOLDERS AND/OR DIRECTORS AND/OR OFFICE HOLDERS AND/OR EMPLOYEES AND/OR CONSULTANTS AND/OR SERVICES PROVIDER AND/OR ANY OTHER THIRD PARTIES, INCLUDING WITHOUT LIMITATION THOSE WHO HAVE PROVIDED THE COMPANY WITH THE VALUATION, ESTIMATION OR OPINION WITH RESPECT TO THE MARKET VALUE PER SHARE.**

#### **10. RESTRICTIONS ON ASSIGNABILITY AND SALE OF AWARDS**

Unless otherwise determined by the Board and subject to any applicable law, no Award or any right with respect thereto, purchasable hereunder, whether fully paid or not, shall be assignable, transferable or given as collateral to any third party whatsoever, other than by will, pursuant to a domestic relations order, or by the laws of descent and distribution or as specifically otherwise allowed under this Plan, and during the lifetime of the U.S Grantee, each and all of such U.S Grantee's rights to exercise Shares hereunder shall be exercisable only by the U.S Grantee.

Any such action made directly or indirectly, for enabling the non-compliance with that stated above shall be null and void and has no effect whatsoever.

#### **11. EFFECTIVE DATE OF THE PLAN**

11.1 This US Appendix shall be effective as of the earlier of (i) the adoption date of the Plan or (ii) the date of shareholder approval (hereinafter: the “**Effective Date**”) and shall terminate upon the expiration of ten (10) years from the Effective Date (hereinafter: the “**Termination Date**”). No ISO may be granted under the US Appendix after the Termination Date. The US Appendix shall be approved by the shareholders of the Company, which approval shall be received within twelve (12) months following the adoption date of the Plan. All and any grants of ISOs to U.S Grantees under this US Appendix as of the Effective Date shall be subject to the said shareholder approval.

#### **12. AMENDMENT TO THE PLAN AND APPENDIX**

The Company shall obtain the approval of the Company's shareholders for any amendment to the Plan and this US Appendix, if shareholders' approval is necessary or desirable to comply with any applicable law, including Section 422 of the Code, which approval shall be received not later than twelve (12) months after the adoption of such amendment by the Board.

#### **13. TAX CONSEQUENCES**

13.1 To the extent permitted by applicable law, any tax consequences arising from the grant or exercise of any Award, from the payment for Shares covered thereby or from any other event or act (of the Company and/or its Parent and/or its Subsidiaries, or the U.S Grantee), hereunder, shall be borne solely by the U.S



Grantee and the U.S Grantee waives fully, absolutely and irrevocably on any right or claim in this respect. The Company and/or its Parent or Subsidiary shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the U.S Grantee shall agree to compensate and indemnify the Company and/or its Parent or Subsidiary and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the U.S Grantee.

13.2 The Company shall not be required to release any Share certificate to a U.S Grantee until all required payments have been fully made.

#### **14. SECTION 409A OF THE CODE**

Awards granted under the U.S Appendix are intended to be administered in a manner so that awards hereunder are exempt from Section 409A of the Code except to the extent specifically provided otherwise in an award agreement. For avoidance of doubt, Awards are intended to qualify for the stock rights exemptions from Section 409A of the Code. Where reasonably possible and practicable, the US Appendix shall be administered in a manner to avoid the imposition on Grantees of immediate tax recognition and additional taxes pursuant to such Section 409A of the Code. Notwithstanding the foregoing, neither the Company nor the Board shall have any liability to any person in the event Section 409A applies to any such award in a manner that results in adverse tax consequences for the Grantee or any of his or her transferees.

#### **15. CONVERSION OF ISOs INTO NQSOs; TERMINATION OF ISOs**

The Board, at the written request of any U.S Grantee, may in its sole and absolute discretion after verifying the implications of applicable tax law including the provisions of Section 409A of the Code and the regulations promulgated thereunder, take such actions as may be necessary to convert such U.S Grantee's ISOs (or any portions thereof) that have not been exercised on the date of conversion into NQSOs, at any time prior to the expiration of such ISOs, regardless of whether the U.S Grantee is an Employee of the Company or a Parent or a Subsidiary at the time of such conversion. Such actions may include, but not be limited to extending the exercise period. At the time of such conversion, the Board (with the consent of the U.S Grantee) may impose such conditions on the exercise of the resulting NQSOs as the Board in its discretion may determine, provided that such conditions shall not be inconsistent with the Plan and/or with this US Appendix. Nothing in the Plan and/or in this US Appendix shall be deemed to give any U.S Grantee the right to have such U.S Grantee 's ISOs converted into NQSOs, and no such conversion shall occur unless and until the Board takes appropriate action. The Board, with the consent of the U.S Grantee, may also terminate any portion of any ISO that has not been exercised at the time of such conversion.

Notwithstanding the foregoing, Options designated as ISOs that fail to meet the requirements of Section 422 of the Code shall be redesignated as NQSOs automatically without further action by the Board on the date of such failure to meet the requirements of Section 422 of the Code.

Should any Award for any reason expire or be canceled prior to its exercise or relinquishment in full, the Share underlying to such Award may again, according to the Board's sole and absolute discretion, be subject to an Award under the Plan (whether granted to an Employee or service provider under or any country tax track) or under the Company's other share award plans, provided, however, that Shares that have actually been issued under the Plan shall not be returned to the Plan and shall not become available for future distribution under the Plan.

**16. NOTICE TO COMPANY OF DISQUALIFYING DISPOSITION**

Each Employee who receives an ISO must agree to notify the Company in writing immediately after the Employee makes a Disqualifying Disposition of any Shares acquired upon the exercise of an ISO. A Disqualifying Disposition is any disposition (including any sale) of such Shares before the later of (a) two (2) years after the date the Employee was granted the ISO, or (b) one (1) year after the date the Employee acquired Shares by exercising the ISO. If the Employee has died before such Share is sold, these holding period requirements do not apply and no Disqualifying Disposition can occur thereafter.

**Signed:**

\_\_\_\_\_  
**THE INX DIGITAL COMPANY, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**  
**US OPTION AGREEMENT FORM**

*[see attached]*

**THE INX DIGITAL COMPANY, INC.**

**OMNIBUS LONG TERM INCENTIVE COMPENSATION PLAN**

**U.S. OPTION AGREEMENT**

By and between

THE INX DIGITAL COMPANY, INC.  
A Canadian Company  
(the "**Company**")

**of the first part**

and

Name \_\_\_\_\_

ID \_\_\_\_\_

(the "**Grantee**")

**an Employee or Services Provider (as defined in the U.S. Appendix)**

**of the second part**

Unless otherwise defined herein, the terms defined in this Option Agreement (the “**Option Agreement**”) shall be construed according to the interpretation given to them in the Plan and in the U.S. Appendix, attached hereto as **Schedule A**.

**I. NOTICE OF OPTION GRANT**

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_  
\_\_\_\_\_

The undersigned Grantee has been granted an Option to purchase Shares, subject to the terms and conditions of the Plan, the US Appendix and this Option Agreement, as follows:

**Grant Number:** \_\_\_\_\_

**Grant Date:** \_\_\_\_\_

**Exercise Price per Share:** **USD** \_\_\_\_\_

**Total Number of Options Granted:** \_\_\_\_\_

**Total Exercise Price:** **USD** \_\_\_\_\_

- Type of Option:
- Option intended to qualify as an incentive stock option (“**ISO**”) within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “**Code**”).
  - Option not intended to qualify as an Incentive Stock Option (the “**NQSO**”).

**Term/Expiration Date:** Ten (10) years from Grant Date, unless terminated earlier in accordance with the Plan.

Vesting Periods:

The Options shall be exercisable in numbers of whole shares in the Company (the “**Shares**”), subject to Grantee's continuing to be an Employee, Services Provider or consultant on such dates, according to the following vesting schedule (the “**Vesting Schedule**”):

- The Options shall become vested gradually over a period of 48 (forty-eight) calendar months, commencing from the Grant Date of this Option Agreement, all as detailed below:
  - (a) ¼ of the Options at the end of the first 12 (twelve) calendar month period – \_\_\_ (\_\_\_\_) Options;
  - (b) ¼ of the Options at the second anniversary of the Grant Date - \_\_\_ (\_\_\_) Options;
  - (c) ¼ of the Options at the third anniversary of the Grant Date r - \_\_\_ (\_\_\_) Option; and
  - (d) ¼ of the Options at the fourth year anniversary of the Grant Date - \_\_\_ (\_\_\_) Option.

**Non-Vested Options** - All non-vested options shall expire and shall be null and void and have no effect whatsoever, automatically, absolutely and irrevocably, immediately upon the termination of the Grantee’s engagement with the Company, a Parent or a Subsidiary (unless Grantee is immediately thereafter employed by the Company, a Parent or a Subsidiary) for any reason whatsoever.

**Vested Options** - All vested options shall expire and shall be null and void and have no effect whatsoever, automatically, absolutely and irrevocably, unless exercised subject to and according to this Option Agreement and the Plan during a period of 90 (ninety) days after the termination of the Grantee's engagement with the Company, a Parent or a Subsidiary (unless Grantee is immediately thereafter employed by the Company, a Parent or a Subsidiary) for any reason whatsoever. In case of non-exercise of any vested Options during the said period, then those vested Options shall expire and shall be null and void and have no effect whatsoever, automatically, absolutely and irrevocably.

## II. OPTION AGREEMENT

### 1. GRANT OF OPTION

- (a) Subject to the terms and conditions set forth herein, in the US Appendix and in the Plan, the Company hereby grants to the Grantee named in the Notice of Option Grant above (the "**Grantee**"), an option (the "**Option**") to purchase the number of Shares set forth in the Notice of Option Grant (the "**Notice of Grant**"), at the Exercise Price per Share set forth in the Notice of Grant (the "**Exercise Price**").
- (b) In accordance with the Plan, unless specifically stated otherwise herein, in the event of a conflict between the terms and conditions of the Plan and this Option Agreement, the terms and conditions of the Option Agreement shall prevail.
- (c) **In the case of an ISO, the Option shall not be considered an ISO to the extent that the Market Value of the Shares, which may be purchased on exercise of the Option for the first time during any calendar year (under all plans of the Company and any Parent or Subsidiary of the Company), exceeds \$100,000. For purposes of this Section 1(c), ISOs shall be taken into account in the order in which they were granted. The Market Value of the Shares shall be determined as of the time the Option with respect to such Shares is granted.**
- (d) The Grantee is aware that: (i) the Company intends to issue additional shares and options in the future to various entities and individuals, as the Company in its sole and absolute discretion shall determine; and (ii) the Company may increase its share capital by new securities in such amount and compensation (if at all) as it finds suitable; and the Grantee hereby waives fully, absolutely and irrevocably on any claim and/or demand it has or may have regarding such issuance or increase.
- (e) The Grantee further represents that he/she is familiar with the Company's business and financial condition and has acquired sufficient information regarding the Company in order to reach an informed and knowledgeable decision to participate in the Plan and to be allocated the Options.

### 2. EXERCISE OF OPTION

- (a) **Right to Exercise.** This Option shall be exercisable at any time from the Grant Date and prior to the Expiration Date of the Term in accordance with the Vesting Schedule set forth in the Notice of Grant and subject to the applicable provisions of the Plan, the US Appendix and this Option Agreement.
- (b) **Method of Exercise.** This Option shall be exercisable by delivery of an exercise notice in the form attached as Schedule B hereto (the "**Exercise Notice**"), and other documentation containing such other representations and agreements as may be required from time to time by the Company. The Exercise Notice shall be accompanied by (1) payment of the aggregate Exercise Price for the number of Shares to be purchased and (2) payment of the aggregate withholding and other taxes due with respect to the exercise of the Option, if applicable.

- This Option shall be deemed to be exercised upon receipt by the Company of such fully

executed Exercise Notice accompanied by the aggregate Exercise Price and withholding and other taxes due with respect to the applicable Shares, if applicable.

- No Shares shall be issued pursuant to the exercise of an Option unless such issuance and such exercise comply with applicable laws. If any law or regulation requires the Company to take any action with respect to the Shares specified in such notice before the issuance thereof, then the date of their issuance shall be extended for the period necessary to take such action. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to the Grantee on the date on which the Option is exercised with respect to such Shares.
- (c) The Options may be exercised only with respect to whole Shares, and in no case may a fraction of a Share be exercised. If any fractional Shares would be deliverable upon exercise, such fraction shall be rounded up or down, to the nearest whole number. Half of a share will be rounded down.
- (d) **Voting Rights.** Pursuant to the terms set forth in the Plan, (unless the Board, at its sole and absolute discretion, which shall not be subject to any reasonable grounds standard, may decide otherwise), any Share issued upon exercise of Options (and any other securities of the Company issued with respect thereto) shall be voted by an irrevocable proxy (the “**Proxy**”), pursuant to the directions of the Board, such Proxy to be in favor of the person or persons designated by the Board and to provide for the power of such designated person(s) to act, instead of the Grantee and on its behalf, with respect to any and all aspects of the Grantee’s shareholdings in the Company. The form of Proxy is attached hereto as **Schedule C**. Such person or persons designated by the Board shall be indemnified and held harmless by the Company against any costs and expenses (including counsel fees) reasonably incurred by him/her, or any liability (including any sum paid in settlement of a claim with the prior written approval of the Company) arising out of any act or omission to act in connection with the voting of such Proxy, unless arising out of such person’s gross negligence, fraud or malice, all to the extent permitted by applicable law. Such indemnification shall be in addition to any rights of indemnification such person(s) may have as a director, shareholder or otherwise under the Company’s Articles of Association, any agreement, insurance policy or otherwise.
- (e) The Proxy shall be voted in the same manner as the votes of the majority of shareholders of the Company present and voting at the applicable meeting.

### **3. METHOD OF PAYMENT**

Payment of the aggregate Exercise Price shall be made in U.S. dollars, by any of the following, as shall be determined by the Administrator in its sole discretion: (1) cash, (2) check, (3) if approved by the Board, the retention of Shares otherwise issuable to the Grantee on exercise, (3) in any other form of consideration that may be acceptable to the Board and permissible under applicable law; or (4) a combination thereof (subject to the approval of the Board, as applicable) at the election of the Grantee.

### **4. RESTRICTIONS ON EXERCISE**

This Option may not be exercised until such time the Plan and the US Appendix have been approved by the shareholders of the Company or if the issuance of Shares upon such exercise or the method of payment of consideration for such Shares would constitute a violation of applicable laws.

### **5. NON-TRANSFERABILITY OF OPTIONS AND SHARES**

- (a) Options may not be transferred in any manner otherwise than by will, pursuant to a domestic relations order, or by the laws of descent or distribution and may be exercised during the lifetime of

Grantee only by Grantee. The terms of the Plan, the US Appendix and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of Grantee.

(b) [reserved]

(c) The sale or the transfer of the Shares issued under this Option Agreement and following the exercise of the Option, shall be subject for all intents and purposes to the provisions set forth in the Plan, the NEO, Company's Articles, and any documents and agreements of the shareholders in the Company, including but not limited to, in connection with, preemptive rights, right of first refusal, bring along right, tag along right, and different preference and priority rights (such as veto rights, voting rights, registration rights, liquidation preference rights, dividends preference rights, participation preference rights, etc.).

## 6. TERM OF OPTION

This Option may be exercised only during the period commencing on the Grant Date and terminating on the Expiration Date of the Term (the "**Term**") set out in the Notice of Grant, unless terminated earlier in accordance with the provisions of the Option Agreement or the Plan or the US Appendix, and may be exercised during such Term only in accordance with the Plan, the US Appendix and the terms of this Option Agreement. In the case of an ISO granted to a Ten (10) Percent Shareholder the term of the Option shall be no more than five (5) years from the Grant Date.

## 7. TAX CONSEQUENCES

Any tax consequences arising from the grant or exercise of any Option or from the disposition of the Shares or from any other event or act (whether of the Grantee or of the Company) hereunder, shall be borne solely by the Grantee and the Grantee waives fully, absolutely and irrevocably on any right or claim in this respect. The Company shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source.

Furthermore, such Grantee shall agree to compensate and indemnify the Company, its Parent, its Subsidiaries and/or their respective shareholders and/or directors and/or officers if applicable, and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Grantee, provided that they acted in due care. Except as otherwise required by law, the Company shall not be obligated to honor the exercise of any Option by or on behalf of a Grantee until all tax consequences (if any) arising from the exercise of such Options are resolved in a manner reasonably acceptable to the Company.

By accepting the Options and signing this Agreement, Grantee hereby agrees that the Company does not have a duty to design or administer the Plan or the US Appendix or its other compensation programs in a manner that minimizes Grantee's tax liabilities. Grantee will not make any claim against the Company, or any of its officers, directors, employees or affiliates related to tax liabilities arising from the Options, their exercise, or the Shares issued pursuant to the exercise of the Options.

Set forth below is a brief summary as of the date of the grant of this Option of some of the tax consequences of the exercise of this Option and the disposition of the Shares. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. THE COMPANY CANNOT PROVIDE GRANTEE WITH PERSONAL TAX ADVICE, AND THEREFORE GRANTEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THE OPTION OR DISPOSING OF THE SHARES.

(i) Exercise of NQSO. There may be a regular federal income tax liability upon the exercise of the Option. The Grantee will be treated as having received compensation income (taxable at



ordinary income tax rates) equal to the excess, if any, of the Market Value of the Shares on the date of exercise over the Exercise Price.

- (ii) Exercise of ISO. If the Option qualifies as an ISO, there will be no regular federal income tax liability upon the exercise of the Option, although the excess, if any, of the Market Value of the Shares on the date of exercise over the Exercise Price will be treated as a tax preference item for federal alternative minimum tax purposes and may subject the Grantee to the alternative minimum tax in the year of exercise.
- (iii) Disposition of Shares – NQSO. If the Shares issued in respect of the exercise of a NQSO are held for more than 12 months after the date of purchase of the Shares pursuant to the exercise of a NQSO, any gain realized on disposition of the Shares will be treated as long term capital gain.
- (iv) Disposition of Shares – ISO. If the Shares are held for more than 12 months after the date of purchase of the Shares pursuant to the exercise of an ISO and are disposed of more than two years after the Grant Date, any gain realized on disposition of the Shares will be treated as long term capital gain for federal income tax purposes. If vested Shares purchased under an ISO are disposed of within the applicable one year or two year period, it will be considered a disqualifying disposition, and therefore, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates in the year of the disposition) to the extent of the excess, if any, of the Market Value of the Shares on the date of exercise over the Exercise Price.
- (v) Notice of Disqualifying Disposition of ISO Shares. In the case of an ISO, if Grantee sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (1) the date two years after the Grant Date, or (2) the date one year after the date of exercise, Grantee shall immediately notify the Company in writing of such disposition. Grantee agrees that Grantee may be subject to income tax withholding by the Company on the compensation income recognized by Grantee.

## **8. GOVERNING LAW**

This agreement shall be governed by, and interpreted in accordance with, the laws of the State of New York, U.S.A., notwithstanding the conflicts of laws principles of any jurisdiction.

## **9. SEVERABILITY**

The provisions of this Option Agreement or Notice of Grant should be enforced to the fullest extent permissible under the law and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, in the event that any provision of this Option Agreement Notice of Grant would be held in any jurisdiction to be invalid and/or prohibited and/or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without affecting the validity and/or enforceability of the remainder of this Option Agreement Notice of Grant in that jurisdiction and/or the validity and/or enforceability of this Option Agreement or Notice of Grant, including the said provision, in any other jurisdiction.

Notwithstanding, the foregoing, if such provision could be more narrowly drawn so as not be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Option Agreement or Notice of Grant including the said provision, in any other jurisdiction.

## **10. ENTIRE AGREEMENT**

The Plan and the US Appendix are incorporated herein by reference. The Plan, the US Appendix and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and Grantee, unless otherwise is determined under the Plan.

**11. NO GUARANTEE OF CONTINUED SERVICE**

Grantee acknowledges and agrees that the vesting of shares pursuant to the Vesting Schedule hereof is earned only by continuing as an Employee or Services Provider at the will of the Company. Grantee further acknowledges and agrees that this Option Agreement, the transactions contemplated hereunder and the Vesting Schedule set forth herein do not constitute an express or implied promise of continued engagement as an Employee or Services Provider and shall not interfere in any way with Grantee's right or the Company's right to terminate Grantee's relationship as an Employee or Services Provider at any time, with or without cause.

**11. CONFIDENTIALITY**

The Grantee agrees and acknowledges that the terms and conditions of this Option Agreement, including without limitation the number of Shares for which Options have been granted, are confidential. The Grantee agrees that he will not disclose these terms and conditions to any third party, except to the Grantee's financial or legal advisors, tax advisors or family members, unless such disclosure is required by law.

**By affixing his signature hereunder, Grantee acknowledges receipt of a copy of the Plan and the US Appendix and represents that Grantee is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all of the terms and provisions thereof. Grantee has reviewed the Plan and all of its exhibits, schedules, appendixes (including without limitation the US Appendix) and this Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement and fully understands all provisions of the Option Agreement. Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board upon any questions arising under the Plan, the US Appendix or this Option Agreement. Grantee further agrees to notify the Company upon any change in the residence address indicated below.**

**GRANTEE**

**THE INX DIGITAL COMPANY, INC.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
By

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Residence Address

**Attachments:**

- **Schedule A: The Plan [including U.S. Appendix]**
- **Schedule B: Exercise Notice**
- **Schedule C: Proxy**



**Schedule A**

**The Plan [including U.S. Appendix]**

*[see attached]*

**Schedule B**

**NOTICE OF EXERCISE (U.S. HOLDERS)**

To: The INX Digital Company, Inc. (the "Company")

\_\_\_\_\_

\_\_\_\_\_

Attention: \_\_\_\_\_

1. **Exercise of Option.** Effective as of today, I, \_\_\_\_\_, the undersigned ("**Grantee**") hereby elects to exercise Grantee's option to purchase \_\_\_\_\_ Shares under and pursuant to the Omnibus Equity Incentive Compensation Plan, as amended (the "**Plan**") and the Option Agreement dated \_\_\_\_\_ (the "**Option Agreement**").
2. **Delivery of Payment.** Grantee herewith delivers to the Company the full exercise price for the Shares, as set forth in the Option Agreement and the payment of the aggregate withholding or other taxes in connection with such exercise.
3. **Rights as Shareholder.** Subject to the further provisions of the Option Agreement and of the Plan, as amended, and until the issuance of the Shares in the name of grantee (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to receive dividends or any other rights as a shareholder shall exist with respect to the Option, notwithstanding the exercise of the Option. The Shares shall be issued to Grantee as soon as practicable after the Option is exercised. No adjustment shall be made for a dividend or other right for which the record date is prior to the date of issuance except as provided in the Plan.
4. **Tax Consultation.** Grantee understands that he/she may suffer adverse tax consequences as a result of Grantee's exercise or disposition of the Shares. Grantee represents that he/she has consulted with tax consultants that Grantee deems advisable in connection with the purchase or disposition of the Shares and that Grantee is not relying on the Company, or its Parent or any Subsidiary or their respective Employees or Directors or Consultants thereof for any tax advice.

Submitted by:

Accepted by:

**Grantee**

**The INX Digital Company, Inc.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
By

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address:

\_\_\_\_\_  
Address:

**Date Received:** \_\_\_\_\_

**SCHEDULE C**

**IRREVOCABLE PROXY AND POWER OF ATTORNEY**

I, the undersigned, \_\_\_\_\_, hereby appoint the Chairman of the Board of Directors (or any other officer designated by the Company from time to time for such purpose) of The INX Digital Company, Inc. (the “Proxy” and the “Company”, respectively) as my proxy to participate and vote (or abstain) for me and on my behalf on all matters at all meetings of shareholders (whether ordinary, extraordinary or otherwise), of the Company, on behalf of all the Shares and/or Awards of the Company held by the Trustee on my behalf, if and when applicable, and, without derogating from the generality of the above, hereby authorize and grant a power of attorney to the Trustee under the Plan and to the Proxy as follows:

I hereby authorize and grant power of attorney to the Trustee under the Plan and to the Proxy for as long as any shares and/or Awards which were allotted or granted on my behalf are held by the Trustee or registered in its name, or for as long as the certificates representing any shares are held by the Trustee, to exercise every right, power and authority with respect to the shares and/or Awards and to sign in my name and on my behalf any document (including any agreement, including a plan of arrangement or amalgamation agreement of the Company or an agreement for the purchase or sale of assets or shares (including the shares of the Company held on my behalf) and any and all documentation accompanying any such agreements, such as, but not limited to, decisions, requests, instruments, receipts and the like), and any affidavit or approval with respect to the shares and/or Awards or to the rights which they represent in the Company in as much as the Trustee under the Plan and/or Proxy shall deem it necessary or desirable to do so.

In addition and without derogating from the generality of the foregoing, I hereby authorize and grant power of attorney to the Trustee under the Plan and the Proxy to sign any document as aforesaid and any affidavit or approval (such as any waiver of rights of first refusal and/or any preemptive rights or other participation rights, in as much as such rights shall exist pursuant to the Plan and the Company’s charter documents or shareholders’ agreements as shall be in effect from time to time) and/or to make and execute any undertaking in my name and on my behalf if Trustee under the Plan and/or the Proxy shall, at its/his/her sole discretion, deem that the document, affidavit or approval is necessary or desirable for purposes of any placement of securities of the Company, whether private or public (including lock-up arrangements and undertakings), for purposes of an amalgamation of the Company with another entity, in any jurisdiction worldwide, whether the Company is the surviving entity or not, for purposes of any reorganization or recapitalization of the Company, for purposes of any purchase or sale of assets or shares of the Company or for any other purpose.

**The Shares shall be voted by the proxy holder in the same manner as the votes of the majority of other shareholders of the Company present and voting at the applicable meeting.**

This Proxy and Power of Attorney shall be interpreted in the widest possible sense, in reliance upon the Plan and upon the goals and intentions thereof.

This Proxy and Power of Attorney shall be irrevocable as the rights of the Company and the Company’s shareholders are dependent hereon. The expiration of this Power of Attorney shall in no manner effect the validity of any vote, document (as aforesaid), affidavit or approval which has been taken, signed or given as aforesaid prior to the expiration hereof and in accordance herewith.

**IN WITNESS WHEREOF**, I have executed this Proxy and Power of Attorney on the \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

Name: \_\_\_\_\_

## APPENDIX D

### ISRAELI APPENDIX TO THE PLAN

#### Part 1 GENERAL

- 1.01** This appendix (the “**Israeli Appendix**”) shall apply only to grantees who are residents of the State of Israel or those who are deemed to be residents of the State of Israel for the payment of tax (“**Grantees**”). The provisions specified hereunder shall form an integral part of the omnibus equity incentive compensation plan (the “**Plan**”) which applies to the issuance of Awards to purchase Shares of The INX Digital Company, Inc. (the “**Company**”) as defined in the Plan.
- 1.02** This Israeli Appendix shall be effective with respect to Awards to be granted according to the resolution of the Board as such term is defined in the Plan and shall comply with Amendment no. 147 of the Ordinance.
- 1.03** This Israeli Appendix is to be read as a continuation of the Plan and only refers to Awards granted to Israeli Grantees so that they comply with the requirements set by the Israeli law in general, and in particular with the provisions of Section 102 of the Ordinance and with any regulations, rules, orders or procedures promulgated thereunder, as may be amended or replaced from time to time. For the avoidance of doubt, this Israeli Appendix does not add to or modify the Plan in respect of any other category of grantees.
- 1.04** The Plan and this Israeli Appendix are complementary to each other and shall be deemed one. In case of any contradiction or inconsistency between the Award Agreement and the Plan (including its Appendices), then the provisions of the Award Agreement shall prevail and supersede, with regard to all matters discussed therein. However, in the event of a conflict between the terms and conditions of the Plan or of the Award Agreement and any provision of the Tax Ordinance, rules or the trust agreement, the two latter shall govern and prevail.
- 1.05** Any capitalized terms not specifically defined in this Israeli Appendix shall be construed according to the interpretation given to them in the Plan.

#### Part 2 DEFINITIONS

- 2.01** “**Approved 102 Award**” - means an Award granted pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of the Grantee.
- 2.02** “**Capital Gain Award (CGA)**” - means an Approved 102 Award elected and designated by the Company to qualify under the capital gain tax treatment, in accordance with the provisions of Section 102(b)(2) of the Ordinance.
- 2.03** “**Companies Law**” - means Companies Law 5759-1999, and any regulations, rules, orders or procedures promulgated thereunder, as now in effect or as may be hereafter amended or replaced.
- 2.04** “**Controlling Shareholder**” - means a controlling shareholder [“*Ba'al Shlita*”] as such term is defined in Section 32(9) of the Ordinance.
- 2.05** “**Employee**” including an individual who is serving as a director or as an Office Holder but excluding any Controlling Shareholder.
- 2.06** “**Employing Corporation**” - means any subsidiary or affiliated company or group within the meaning of Section 102(a) of the Ordinance.

- 2.07** "Grantee" - a grantee under the Plan.
- 2.08** "ITA" - means the Israeli Tax Authorities.
- 2.09** "Non-Employee" - means a consultant, adviser, services provider, Controlling Shareholder or any other person who is not an Employee.
- 2.10** "Office Holders" ["*Nose Misra*"] - as such term is defined in the Companies Law, including, *inter alia*, any other person who is part of the upper management of the Company and who provides managerial services to the Company.
- 2.11** "Ordinary Income Award (OIA)" - means an Approved 102 Award elected and designated by the Company to qualify under the ordinary income tax treatment, in accordance with the provisions of Section 102(b)(1) of the Ordinance.
- 2.12** "102 Award" - means an Award that the Board intends to be a "102 Award" which shall only be granted to Employees of the Company who are holding less than 10% (ten percent) of the Company's total issued share capital, and shall be subject to and construed consistently with the requirements of Section 102 of the Ordinance. The Company shall have no liability to a Grantee or to any other party, if an Award (or any part thereof), which is intended to be a 102 Award, is not a 102 Award. Approved 102 Award may either be classified as CGA or as OIA.
- 2.13** "3(i) Award" - means Awards that do not contain such terms as will qualify under Section 102 of the Ordinance.
- 2.14** "Ordinance" - means the Israeli Income Tax Ordinance (New Version) 5721 - 1961, and any regulations, rules, orders or procedures promulgated thereunder, as now in effect or as may be hereafter amended or replaced.
- 2.15** "Section 102" - means section 102 of the Ordinance.
- 2.16** "Trustee" - shall mean any individual or entity appointed by the Company to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a).
- 2.17** "Unapproved 102 Award" - means an Award granted pursuant to Section 102(c) and not held in trust by a Trustee.

### **Part 3 ISSUANCE OF AWARDS; ELIGIBILITY**

- 3.01** The Company may designate Awards granted to Israeli Employees pursuant to Section 102 as Unapproved 102 Awards or Approved 102 Awards.
- 3.02** The grant of Approved 102 Awards shall be made under this Israeli Appendix adopted by the Board, and shall be conditioned upon the approval of this Israeli Appendix by the ITA.
- 3.03** The Company's election of the type of Approved 102 Awards as CGA or OIA granted to Israeli Employees (the "Election"), shall be appropriately filed with the ITA before the Grant Date of an Approved 102 Award under such Election. The Election shall become effective beginning the first Grant Date of an Approved 102 Award under such Election and shall remain in effect until the end of the year following the year during which the Company first granted Approved 102 Award under such Election. For the avoidance of doubt, the Election shall not prevent the Company from granting Unapproved 102 Award simultaneously.
- 3.04** All Approved 102 Award, must be held in trust by a Trustee as described in Section 4 below.



- 3.05** For the avoidance of any doubt, the designation of Unapproved 102 Award and Approved 102 Award shall be subject to the terms and conditions set forth in Section 102 of the Ordinance and the regulations promulgated there under.
- 3.06** Anything in the Plan to the contrary notwithstanding, all grants of Awards to directors and Office Holders shall be authorized and implemented in accordance with the provisions of the Companies Law.

#### **Part 4 TRUSTEE**

- 4.01** Approved 102 Awards which shall be granted under the Plan and/or any Shares allocated or issued upon exercise of such Approved 102 Awards and/or other shares received subsequently following any realization of rights including, without limitation, bonus shares, shall be allocated or issued to the Trustee (and registered in the Trustee's name in the companies registrar) and held for the benefit of the Grantees for such period of time as required by Section 102 (the "**102 Restriction Period**"). All certificates representing Shares issued to the Trustee under the Plan shall be deposited with the Trustee, and shall be held by the Trustee until such time that such Shares are released from the aforesaid trust as herein provided. In case the requirements for Approved 102 Awards are not met, then the Approved 102 Awards may be treated as Unapproved 102 Awards, all in accordance with the provisions of Section 102.
- 4.02** Notwithstanding anything to the contrary, the Trustee shall not release any Shares allocated or issued upon exercise of Approved 102 Awards prior to the full payment of the Exercise Price and the Grantees' tax liabilities arising from Approved 102 Awards, which were granted to such Grantee, and/or any Shares allocated or issued upon exercise of such Awards.
- 4.03** With respect to any Approved 102 Award, subject to the provisions of Section 102, a Grantee shall not be entitled to sell or release from trust any Share received upon the exercise of an Approved 102 Award and/or any share received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the 102 Restriction Period required under Section 102.
- 4.04** Upon receipt of Approved 102 Award, the Grantee will sign an undertaking to release the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation with the Plan and this Israeli Appendix, or any Approved 102 Award or Share granted to him there under.

#### **Part 5 FAIR MARKET VALUE FOR TAX PURPOSES**

Without derogating from the above, solely for the purpose of determining the tax liability pursuant to Section 102(b)(3) of the Ordinance, if at the Grant Date the Company's shares are listed on any established stock exchange or a national market system or if the Company's shares will be registered for trading within ninety (90) days following the Grant Date, the fair market value of a Share at the Grant Date shall be calculated similarly as the Market Value.

#### **Part 6 EXERCISE OF AWARDS**

- 6.01** Awards shall be exercised by the Grantee's giving a written notice and remitting payment of the Exercise Price to the Company or to any third party designated by the Company (the "**Representative**"), in such form and method as may be determined by the Company and by the Trustee and when applicable, in accordance with the requirements of Section 102. The exercise shall be effective upon receipt of such notice by the Company or the Representative and the payment of the Exercise Price at the Company's or the Representative's principal office. The notice shall specify the nominal value of the Share with respect to which the Award is being exercised.
- 6.02** With respect to Unapproved 102 Awards, if the Grantee ceases to be employed by the Company or any Employing Corporation, the Grantee shall extend to the Company and/or the Employing Corporation a

security or guarantee as may be determined by the Company and by the Trustee for the payment of tax due at the time of Sale of Shares, all in accordance with the provisions of Section 102.

**Part 7 INTEGRATION OF SECTION 102 AND TAX COMMISSIONER'S PERMIT**

- 7.01** With regard to Approved 102 Awards, the provisions of the Plan and/or any agreement entered into in conjunction with any Award grant (the "**Agreement**") shall be subject to the provisions of Section 102 and the Income Tax Commissioner's permit, and the said provisions and permit shall be deemed an integral part of the Plan and of the Agreement.
- 7.02** Any provision of Section 102 and/or the said permit which is necessary in order to receive and/or to keep any tax benefit pursuant to Section 102, which is not expressly specified in the Plan or the Agreement, shall be considered binding upon the Company and the Grantees.

**Part 8 TAX CONSEQUENCES**

- 8.01** To the extent permitted by applicable law, any tax consequence and liabilities, of any sort and kind, including but not limited to, capital gain tax or income tax, arising from and/or in connection with the grant of Awards, exercise of any Award or sale of Shares received upon the exercise of Awards (including any kind of proceeds revenues and dividends, which resulted in that respect), from the payment for Shares covered thereby or from any other event or act (of the Company, and/or any Employing Corporation, and/or the Trustee or the Grantee), hereunder, shall be borne solely and exclusively by the Grantee. The Company and/or any Employing Corporation and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Grantee agrees to indemnify the Company and/or any Employing Corporation and/or the Trustee and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Grantee.
- 8.02** The Company and/or the Trustee shall not be required to release any Share certificate to a Grantee until all required payments have been fully made by the Grantee.

**Part 9 GOVERNING LAW & JURISDICTION**

Notwithstanding any other provision of the Plan, with respect to Grantees that are subject to this Israeli Appendix, the Plan and all instruments issued thereunder or in connection therewith shall be governed by, and interpreted in accordance with, the laws of the State of Israel applicable to contracts made and to be performed therein without giving effect to the principles of conflict of laws. Notwithstanding anything stated herein to the contrary, if and to the extent any issue or matter arises hereunder which involves the application of another jurisdiction or the requirements relating to the administration of share Award of any stock exchange or quotation system, then such laws and requirements shall apply and shall govern such issues or matters, with accordance with any applicable laws. The competent courts of Tel-Aviv, Israel shall have the sole and exclusive jurisdiction to adjudicate any dispute that may arise in connection with the Plan with regard to this Israeli Appendix, interpretation or enforcement of Section 102 including (without limitation) matters involving the Trustee and the Israeli tax consequences of the Awards or the Shares in trust and the release and transfer of such Awards or Shares by the Trustee.

**Part 10 ASSIGNABILITY**

As long as Awards or Shares are held by the Trustee for the benefit of the Grantees, all rights of the Grantees over the Shares are personal, cannot be transferred, assigned, pledged or mortgaged, other than by will or laws of descent and distribution.

**Part 11 SEVERABILITY**

The provisions of this Israeli Appendix should be enforced to the fullest extent permissible under the law and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, in the event that any provision of this Plan would be held in any jurisdiction to be invalid and/or prohibited and/or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without affecting the validity and/or enforceability of the remainder of this Plan in that jurisdiction and/or the validity and/or enforceability of this Plan, including the said provision, in any other jurisdiction.

Notwithstanding, the foregoing, if such provision could be more narrowly drawn so as not be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Israeli Appendix, including the said provision, in any other jurisdiction.

---

**THE INX DIGITAL COMPANY, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A-1**

**ISRAELI OPTION AGREEMENT FORM – CONSULTANTS/SERVICE PROVIDERS**

*[see attached]*

## OPTION AGREEMENT

THIS OPTION AGREEMENT (this “**Agreement**”) is made and entered into as of \_\_\_\_\_, by and between The INX Digital Company Inc., a company registered under the laws of Canada (the “**Company**”) and \_\_\_\_\_ (the “**Grantee**”) (the Company and the Grantee shall sometimes be referred to, each as a “**Party**” and collectively, as the “**Parties**”).

**WHEREAS:** The Grantee serves as a consultant of the Company and/or of an Employing Corporation; and

**WHEREAS:** The Company desires to grant the Grantee options to purchase shares in the Company and the Grantee is interested in receiving the aforesaid options, all in accordance with and subject to the Company’s Omnibus Equity Incentive Compensation Plan, as shall be amended from time to time, and the appendices and annexes thereto (the “**Plan**”) and the provisions of this Agreement;

**NOW, THEREFORE,** it is agreed as follows:

### **1. Application of the Provisions of the Plan and the Ordinance**

- 1.1. The Grantee hereby confirms that he/she has carefully read the Plan (including all of its appendices and exhibits), the Israeli Appendix, and that he/she acknowledges and agrees to all of the provisions, conditions, limitations, authorizations, declarations and commitments included therein, except and to the extent otherwise expressly provided herein.
- 1.2. All of the provisions, conditions, limitations and declarations included and specified in the Plan and in the Israeli Appendix are hereby incorporated herein by reference and constitute an integral part of this Agreement and of the Grantee’s undertakings and obligations hereunder. Except and to the extent otherwise expressly provided herein, nothing in this Agreement or in the provisions hereof shall derogate from anything contained in the Plan or in the Israeli Appendix.
- 1.3. The Grantee acknowledges, agrees and confirms that the Plan may be amended from time to time as provided for therein. The Grantee understands that any amendment to the Plan or any document connected to the Plan, shall bind him/her as if he/she was a party thereto, provided, that, except as otherwise provided for herein or in the Plan, no amendment or modification of the Plan may, without the consent of the Grantee, adversely affect the rights of the Grantee hereunder.
- 1.4. The Grantee declares, covenants and agrees that the Ordinance, as the same shall be amended from time to time, including the trust agreement between the Company and the Trustee (the conditions whereof are accepted by the Grantee and upon signing this Agreement he/she approves them as an integral part of this Agreement) and that the notice to the Tax Assessing Officer about the allotment, are fully binding on the Grantee and, notwithstanding the provisions of Sections 1.2 and 1.3 above, shall prevail in case of contradiction over any other provision in this Agreement or in the Plan.
- 1.5. A copy of the Plan and the Israeli Appendix are attached hereto as **Schedule A** and constitutes an integral part hereof.

### **2. Grant of Option; Vesting**

- 2.1. Subject to this Agreement and the Plan, the Company shall grant to the Trustee on behalf of the Grantee, an option (the “**Option**”) to purchase \_\_\_\_\_ common shares of the Company, without par value (“**Shares**”), at an exercise price equal to \_\_\_\_\_, at the time and in the manner hereinafter provided.
- 2.2. The Option Exercise Price shall be paid on the date of the exercise thereof.

- 2.3. The term of the Option shall be ten (10) years from the date hereof or such shorter period as is prescribed herein or in the Plan (the “**Term**”).
- 2.4. The Option may be exercised during the Term, in whole or in part, by the Trustee in favor of the Grantee, pursuant to the Grantee’s instructions, by providing an exercise notice in the form attached hereto as **Schedule B.**
- 2.5. In the event that the Grantee’s engagement with the Company is terminated, then the provisions of Section 5.05 of the Plan shall apply.
- 2.6. The Option shall vest over a period of four (4) years, as follows:  
1/4 of the Shares shall vest on each anniversary of the Grant Date, over the course of the 4 years until \_\_\_\_\_, 20\_\_.

The consideration shall be paid on the date of the exercise of the Option.

### 3. **Non-Assignability**

- 3.1 All of the Grantee's rights hereunder, including without limitation, the Grantee's rights to (a) receive and exercise the Option; (b) receive all or part of the Shares; (c) require that the same shall be registered in his/her name; (d) request that the Trustee sell all or part of the Shares on his/her behalf, are personal and except insofar as is specified in this Agreement and/or in the Plan, and, where applicable, subject to the Ordinance, may not be transferred, assigned, pledged, withheld, attached or otherwise charged either voluntarily or pursuant to any law, except by way of transfer pursuant to the laws of inheritance or as otherwise determined by the Board, and no power of attorney or deed of transfer, whether the same has immediate effect or shall take effect on a future date, shall be given with respect thereto. During the lifetime of the Grantee the Option may only be exercised by the designated Grantee or, if granted to the Trustee, by the Trustee on behalf of the designated Grantee.
- 3.2 Without derogating from the aforesaid, the Shares shall be transferable only in accordance with the Articles of Association of the Company, as amended from time to time and the rules of NEO, as amended from time to time.

### 4. **Grantee Representations, Warranties and Covenants**

Without derogating in any manner from the provisions of the Plan or this Agreement, the Grantee hereby represents, warrants, agrees and undertakes as follows:

- 4.1. The Shares, if and when purchased, are purchased for the Grantee’s own account for investment purposes only and not with a view for resale or transfer, and all the rights pertaining to the Shares, by law or equity, shall be purchased and possessed by the Grantee (through the Trustee or otherwise) for the Grantee exclusively.
- 4.2. The Grantee acknowledges that the grant of the Option, the exercise thereof, the issuance of the Shares, the execution of this Agreement and the Grantee’s participation in the Plan shall have tax consequences to the Grantee, and that the Company is not able to ensure or represent to the Grantee the nature and extent of such tax consequences.
- 4.3. The Grantee acknowledges that nothing in this Agreement and/or in the Plan and/or the Israeli Appendix shall be interpreted as a commitment and/or an agreement by the Company and/or any Employing Corporation to continue the engagement of the Grantee, whether for a certain period or otherwise. The Grantee shall have no claim whatsoever against the Company and/or any Employing Corporation (including, without limitation, any of its or their officers, directors or shareholders) with respect to the termination of his/her engagement, even if such termination causes the Option or any other options, in whole or in part, to expire and/or prevents him/her from exercising the Option in whole or in part and/or from receiving or retaining the Shares, or results in any loss due to any imposition of tax liability (including any early imposition) pursuant to applicable law.

- 4.4. The Grantee acknowledges and agrees that no income or gain which the Grantee may be credited with or which purports to be credited to the Grantee as a result of the grant of the Option, the issue of the Shares, the transfer into the Grantee's name thereof or the sale thereof, if any, shall in any manner be taken into account in the calculation of the basis for the Grantee's entitlements from the Company or any Employing Corporation or in the calculation of any rights or benefits arising out of the engagement between the Company and the Grantee.

In the event that the Company and/or any Employing Corporation shall be required, pursuant to any law, to take into account for purposes of calculating any such benefits, any of the aforesaid elements of income or gain actually or theoretically credited to the Grantee, the Grantee shall promptly indemnify the Company and/or any Employing Corporation against any liability or expense caused to it in this regard, and any such amount shall be deemed a debt of the Grantee to the Company and/or any Employing Corporation, which may be deducted or set off from any amounts payable to the Grantee, subject to applicable law.

- 4.5. The Grantee acknowledges that he/she is aware of, and clearly understands: (a) the rights and limitations attached to the Shares as set forth by NEO, in the Company's Articles of Association, the Plan, the Israeli Appendix and this Agreement; (b) the limitations on transferability thereof set forth by NEO, in the Articles of Association, the Plan, the Israeli Appendix and this Agreement; (c) that the Company's Articles of Association may be amended from time to time as permitted by law; and (d) that the provisions of the Articles of Association of the Company which shall apply to the Shares shall be the provisions which shall be in effect from time to time; and that, as a result, *inter alia*, of these limitations, it may be difficult or impossible for the Grantee to realize his/her investment and/or to sell or otherwise transfer the Shares.
- 4.6. The Grantee shall have none of the rights of a shareholder of the Company, for as long as the Option has not been exercised and, once exercised, for as long as the Shares have not been transferred and registered in the Grantee's name in the Company's register of shareholders pursuant to the provisions of the Plan.
- 4.7. The shares issued with respect to the Option granted hereunder will be held by the Trustee and registered in its name.
- 4.8. In the event that the Company's Articles of Association, now or at any time hereafter, provide for a right of first refusal to purchase shares of the Company which are offered for sale by other shareholders of the Company and/or a pre-emptive right to purchase shares which are being allotted or shall in the future be allotted by the Company, or any other similar right of co-sale or tag-along, the Grantee, whether as a holder of an option, or following the exercise of an option, as a shareholder of the Company, and whether the Shares issued to the Grantee are registered in his name or otherwise, hereby irrevocably waives such rights. For the purpose of the approval of any transfer or the execution of any issue as aforesaid, this Agreement shall constitute an authorization, for the benefit of the Company and the Company's shareholders, to the Trustee or whomever he shall designate pursuant to the Proxy attached as **Appendix B** to the Plan and as **Schedule C** hereof, or in such other form as shall be approved by the Board to sign any confirmation or waiver in the name of the Grantee and on his/her behalf. The Grantee shall not sell, and shall not instruct the Trustee to sell, the Shares or any part thereof to any third party, unless such third party signs a waiver and a power of attorney as aforesaid.
- 4.9. In accordance with the Proxy and Power of Attorney, for as long as any of the Shares are held by the Trustee or registered in its name or for as long as the certificates representing any of the Shares are held by the Trustee, the Trustee alone shall be entitled to receive every notice to which a shareholder is entitled, or to demand any information, and any financial and/or other report to which a shareholder is entitled from the Company, and only the Trustee, or the Proxy shall be entitled to exercise every other right of the shareholders vis-à-vis the Company, including, without limitation, the right to participate in and to vote (or abstain) at all shareholders' meetings (whether ordinary or extraordinary) and the right to sign any resolution in writing in the name of the shareholders, if and to the extent such rights exist.
- 4.10. The Grantee shall provide at the Company's request, without limitation, any certificate, declaration or other document and shall perform any act which the Company or the Trustee or the Proxy shall consider to be necessary or desirable pursuant to any law, whether local or foreign, in accordance with the provisions of

Section 13.04 of the Plan.

In order to guarantee, and without derogating from, the aforesaid, and because the rights of the Company and the other shareholders are dependent thereon, the Grantee shall, upon signing this Agreement and as a condition to the grant of any options hereunder, execute the Proxy and Power of Attorney irrevocably empowering the Proxy to sign in his/her name as aforesaid on any document as aforesaid, and the Grantee shall have no complaint or claim against the Trustee and/or the Proxy in respect of any such signature or action, or in respect of any determination of the Trustee and/or the Proxy pursuant hereto. The Grantee will authenticate his/her signature in the presence of a notary if he/she shall be asked to do so by the Company, in order to give full validity to the proxy and power of attorney.

- 4.11. The Grantee has full knowledge of the Company and its activities, and is aware that the Company operates in a sophisticated, high tech and high risk sector, and that the market thereof is restricted and highly competitive, and that the exercise of the Option constitutes an economic risk. The Grantee undertakes that he/she shall not have any claim against the Company and/or any Employing Corporation or any of its or their officers, directors, Grantees, shareholders or advisors if the Grantee's investment in the Shares shall fail or for the payment of any tax due or for any other reason.
- 4.12. The Grantee acknowledges that except for this Agreement (subject to the Plan and its appendixes pursuant to this Agreement) there are no other agreements (oral, written or in any other form) between the Company and him/her, and that to the extent that any such agreement exists, such agreements have terminated, and he/she irrevocably waives any right derived from such agreements. In addition, the Grantee irrevocably waives any right he/she may have with respect to any services he/she provided to the Company or any Employing Corporation.
- 4.13. The Grantee acknowledges that there has not been and/or there is no and/or that this Agreement does not create any relationship of employer-employee or any other similar relationship between the Company and him/her neither now or in the past.

**5. Taxes; Indemnification of the Company, the Trustee and the Attorney**

- 5.1. Without derogating from the provisions of the Plan, the Grantee hereby covenants, whether or not the provisions of the Ordinance shall apply, to bear all tax obligations, duties, levies, fines and other payments which may be imposed by the tax authorities (whether in Israel or abroad) and any other obligation or expense from whatever source, including but not limited to, every obligatory payment of whatever source in respect of or arising out of the Plan (including granting of the Option, exercise of the Option, issue of the Shares, transfer of the Shares into the Grantee's name and the sale thereof by the Grantee and/or by the Trustee) or dividends or any other benefit in respect thereof, and/or all other charges which may accrue to the Grantee, the Company, any Employing Corporation and/or the Trustee and/or the Attorney in connection with the Plan, the Options and/or the Shares, or any act or omission of the Grantee or the Company or an Employing Corporation in connection therewith or pursuant to any determination of the applicable tax or other authorities.

Without derogating from the generality of the aforesaid and subject to applicable law, the Grantee's obligations in this regard shall include income tax, capital gains tax and any other tax, levy or payment which the Grantee or the Company and/or any Employing Corporation is or shall be obliged to pay in connection with the Option and/or the Shares (including deductions at source which the Company is obliged to make for tax imposed upon the Grantee) and the Grantee shall indemnify the Company and/or any Employing Corporation and/or the Trustee for every charge or payment as aforesaid, which may be deducted or set off from any amounts payable to the Grantee, including, without limitation, dividends, consideration for the sale of shares or from any other source, at the Company and/or Employing Corporation's sole and absolute discretion, subject to applicable law.

- 5.2. Without derogating from the above, the Grantee hereby covenants to pay the Company and/or the Trustee promptly upon their first request, any sum for which they are responsible (or, in the Board's opinion, they might be responsible for), and which is payable by the Grantee as set forth in Section 5.1 hereof to the



income tax authorities and/or any other governmental or administrative authority, whether in Israel or abroad (including for deduction of tax at source) pursuant to the Plan and/or in respect of the Grantee's participation in the Plan, whether the Company and/or the Trustee's responsibility as aforesaid shall arise directly or in respect of any responsibility of the Grantee for such payment. The Grantee covenants to promptly indemnify the Company and/or any Employing Corporation and/or the Trustee for any charge or payment as aforesaid, which may be deducted or set off from any amounts payable to the Grantee.

Furthermore, and without derogating from any of the Company's rights under the Plan (without limitations, under Section 12.02 to the Plan), the exercise of the Option and the performance of any obligation of the Company pursuant to this Agreement shall be subject to the Grantee presenting to the Company a valid tax withholding exemption certificate in connection with the Option and the Shares to the Company's satisfaction.

- 5.3. Furthermore, the Grantee acknowledges that the Grantee shall not have, and the Grantee hereby waives, any complaint and/or cause of action the same has or shall have in the future against the Trustee and/or against the Company in any way connected to any taxation resulting from the grant of the Option, the exercise thereof, the transfer of Shares into the Grantee's name, the sale of Shares by the Grantee and/or by the Trustee and/or any other matter which is in any manner whatsoever connected to the Option, the Shares and/or the participation of the Grantee in the Plan.
- 5.4. In no event shall the Trustee or the Attorney be liable to the Company and/or the Grantee and/or to any third party (including, without derogating from the generality of the aforesaid, the income tax authorities and any other governmental or administrative authority, whether in Israel or abroad) or a purchaser of Shares from the Grantee (or the Trustee), with respect to any act which has been or which shall be carried out in relation to the Plan and any matter connected thereto or arising therefrom. The Company and/or any Employing Corporation and the Grantee covenant, upon signing this Agreement, that they will not make, and they each hereby waive, any and all claims against the Trustee and the Attorney as aforesaid and each of the Company, Employing Corporation and the Grantee expressly agree that if either shall make any claim against the Trustee or the Attorney the same shall then be entitled on the grounds of this section alone to apply to the competent court for dismissal of the action against them, with costs. The Company covenants and agrees that if a claim is brought by any third party against the Trustee or the Attorney the same will be entitled without objection by the Company, to join the Company as a third party to any such action and any judgment against them shall be paid by the Company.

The Company and the Grantee hereby covenant to indemnify the Trustee and/or the Attorney against any liability in relation to any claim and/or demand made against the Trustee and/or the Attorney by any person whatsoever, including the tax authorities, in relation to their acts or omissions in connection with the Plan.

The provisions of this section and the other provisions of this Agreement and the Plan which grant any right, power, immunity or any authority to the Trustee and/or the Attorney shall operate in favor of the Trustee and the Attorney and they shall be entitled to act pursuant to and enforce such provisions, and the Company and the Grantee shall be liable to the Trustee and the Attorney as if they were parties to this Agreement.

## 6. **Miscellaneous**

- 6.1. **Preamble; Interpretation.** The preamble to this Agreement is the basis and constitutes an integral part thereof. All article and section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Agreement. Unless the context otherwise requires, capitalized terms not otherwise defined herein shall bear the meanings ascribed to them in the Plan.
- 6.2. **Entire Agreement; Amendment.** The Grantee declares and agrees that this Agreement, the Plan (including without limitation the Israeli Appendix) prevail over any previous agreement, arrangement and/or understanding, whether written or oral, between the Grantee and the Company and/or any Employing Corporation, or the officers and/or directors and/or the shareholders thereof with respect to the subject

matters hereof and thereof and that any agreement, arrangement and/or understanding as aforesaid are null and void and of no further force or effect. Subject to the provisions of this Agreement and the Plan(including without limitation the Israeli Appendix), no modification or amendment of this Agreement will be valid unless executed by the Company and the Grantee.

- 6.3. Disputes; Governing Laws. This Agreement shall be governed by and construed in accordance with the laws of the State of Israel and, subject to the provisions below, the competent courts in the Tel-Aviv district shall have exclusive jurisdiction with respect to any matter or conflict with respect thereto.

As a condition of the granting of the Option, the Grantee and the Grantee's successors and assigns agree that any dispute or disagreement which shall arise under or as a result of this Agreement shall be determined by the Board, or any committee designated by the Board pursuant to the Plan, in its sole discretion and judgment and that any such determination and any interpretation by the Board or any such committee of the terms of this Agreement shall be final and shall be binding and conclusive for all purposes. In making any such determination or interpretation the Board or any such committee shall not be bound by the rules of procedure or evidence or substantive law and shall not be required to give any reasons therefore.

- 6.4. Notices and/or Instructions. Every notice and/or instruction required or permitted to be given pursuant to this Agreement shall be given in writing and shall be deemed to have been delivered (i) on the date of its delivery to the addressee by hand, (ii) three (3) days after having been sent by registered mail or (iii) one (1) after having been sent by facsimile. The parties' addresses for the purpose of this Section shall be as communicated by each Party to the other by written notice in advance.

A stamp or a receipt on behalf of the postal service which evidences the time of delivery of the notice or a confirmation of transmission shall constitute conclusive evidence as to the date of delivery and no party shall claim that a notice delivered as aforesaid has not been received by such party.

In the event that the Grantee claims, or any court, tribunal and/or authority determines anything contrary to Sections 4.12-4.13 above the Company shall be entitled to terminate this Agreement and the Option and repurchase any of the Shares for no consideration.

*[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]*

**IN WITNESS WHEREOF**, the parties hereto have executed this Option Agreement as of the date written hereinabove.

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**THE INX DIGITAL COMPANY, INC.**

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**GRANTEE**

**Schedule A**

**Plan [including the Israeli Appendix]**

*[see attached]*

**Schedule B**

**Exercise notice**

*[see attached]*

**Schedule C**

**Proxy**

*[see attached]*

**EXHIBIT A-2**

**ISRAELI OPTION AGREEMENT FORM – EMPLOYEE**

*[see attached]*

## OPTION AGREEMENT

THIS 102 OPTION AGREEMENT (this "**Agreement**") is made and entered into as of \_\_\_\_\_, 20\_\_\_\_, by and between The INX Digital Company, Inc., a company registered under the laws of Canada (the "**Company**") and \_\_\_\_\_ (the "**Grantee**") (the Company and the Grantee shall sometimes be referred to, each as a "**Party**" and collectively, as the "**Parties**").

**WHEREAS:** The Grantee is an employee of the Company and/or of an Employing Corporation; and

**WHEREAS:** The Company desires to grant the Grantee options to purchase shares in the Company and the Grantee is interested in receiving the aforesaid options, all in accordance with and subject to Company's Omnibus Equity Incentive Plan, as shall be amended from time to time, and the annexes thereto (the "**Plan**") and the provisions of this Agreement, and their intention is that the provisions of the Ordinance, Section 102 and the Rules shall apply to the options granted and shares issued; and

**WHEREAS:** The Grantee has read Section 102, the Rules and the Plan, wishes to be bound by them and desires that they apply to the options and shares which shall be granted to him/her hereunder;

**NOW, THEREFORE**, it is agreed as follows:

### **1. Application of the Provisions of the Plan and the Ordinance**

- 1.1 The Grantee hereby confirms that he/she has carefully read the Plan (including without limitation the Israeli Appendix) and that he/she acknowledges and agrees to all of the provisions, conditions, limitations, authorizations, declarations and commitments included therein, except and to the extent otherwise expressly provided herein.
- 1.2 All of the provisions, conditions, limitations and declarations included and specified in the Plan (and its appendices and exhibits) are hereby incorporated herein by reference and constitute an integral part of this Agreement and of the Grantee's undertakings and obligations hereunder. Except and to the extent otherwise expressly provided herein, nothing in this Agreement or in the provisions hereof shall derogate from anything contained in the Plan or the Israeli Appendix.
- 1.3 The Grantee acknowledges, agrees and confirms that the Plan may be amended from time to time as provided for therein. The Grantee understands that any amendment to the Plan or any document connected to the Plan, shall bind him/her as if he/she was a party thereto, provided, that, except as otherwise provided for herein or in the Plan, no amendment or modification of the Plan may, without the consent of the Grantee, adversely affect the rights of the Grantee hereunder.
- 1.4 The Grantee declares, covenants and agrees that the Ordinance, Section 102 and the Rules, as the same shall be amended from time to time, including the trust agreement between the Company and the Trustee (the conditions whereof are accepted by the Grantee and upon signing this Agreement he/she approves them as an integral part of this Agreement) and the notice to the Tax Assessing Officer about the allotment, are fully binding on the Grantee and, notwithstanding the provisions of Sections 1.2 and 1.3 above, shall prevail in case of contradiction over any other provision in this Agreement or in the Plan.
- 1.5 A copy of the Plan including the Israeli Appendix are attached hereto as **Schedule A** and constitutes an integral part hereof.

### **2. Grant of Option; Vesting**

- 2.1. Subject to this Agreement and the Plan, the Company shall grant to the Trustee on behalf of the Grantee, a CGO Approved 102 Option (the "**Option**") to purchase \_\_\_\_\_ (\_\_\_\_\_) common shares of the Company, without par value ("**Shares**"), at an exercise price equal to \_\_\_\_\_, at the time and in the manner hereinafter provided.
- 2.2 The Option Exercise Price shall be paid on the date of the exercise thereof.

- 2.3 The term of the Option shall be ten (10) years from the date hereof or such shorter period as is prescribed herein or in the Plan (the “**Term**”).
- 2.4 The Option may be exercised during the Term, in whole or in part, by the Trustee in favor of the Grantee, pursuant to the Grantee’s instructions by providing an exercise notice in the form attached hereto as **Schedule B**.
- 2.5 The Option shall vest over a period of four (4) years, as follows:

1/4 of the Shares shall on each anniversary of the Grant Date over the course of the 4 years until \_\_\_\_\_, 20\_\_.

The consideration shall be paid on the date of the exercise of the Option. The Option shall be exercisable by the Trustee on behalf of the Grantee in progressive stages on the exercise dates as aforesaid, provided, that the Grantee shall have been continuously employed by the Company and/or an Employing Corporation, from the date hereof until each such date of exercise.

- 2.6 In the event that the Grantee’s employment with the Company is terminated, then the provisions of Section 5.05 of the Plan shall apply.

### 3. **Non Assignability; Restriction Period**

- 3.1 All of the Grantee's rights hereunder, including without limitation, the Grantee's rights to (a) receive and exercise the Option; (b) receive all or part of the Shares; (c) require that the same shall be registered in his/her name; (d) request that the Trustee sell all or part of the Shares on his/her behalf, are personal and except insofar as is specified in this Agreement and/or in the Plan, and, where applicable, subject to Section 102 and the Rules, may not be transferred, assigned, pledged, withheld, attached or otherwise charged either voluntarily or pursuant to any law, except by way of transfer pursuant to the laws of inheritance or as otherwise determined by the Board, and no power of attorney or deed of transfer, whether the same has immediate effect or shall take effect on a future date, shall be given with respect thereto. During the lifetime of the Grantee the Option may only be exercised by the designated Grantee or, if granted to the Trustee, by the Trustee on behalf of the designated Grantee.
- 3.2 Without derogating from the aforesaid, the Shares shall be transferable only in accordance with the Articles of Association of the Company, as amended from time to time and by the rules of NEO, as amended from time to time.
- 3.3 Without derogating from any provision contained herein, the Grantee declares and agrees that he/she is restricted from making any disposition of the Option or the Shares for a period of at least twenty-four (24) months from the date in which the Options are allocated to the Trustee or a shorter period as approved by the tax authorities (the “**Restriction Period**”). The Grantee acknowledges and understands that the meaning of the above restriction for purposes of the tax authorities is that if the Grantee voluntarily sells (in accordance with the meaning of Section 102 and the Rules) the Option or the Shares before the end of the Restriction Period, the Option or the Shares shall be subject to tax as ordinary income as per Sections 2(1) and 2(2) of the Ordinance and the other provisions of Section 102 and the Rules. Furthermore, all rights related to the Option or the Shares will be held by the Trustee until the end of the Restriction Period, including, without limitation, bonus shares, and will be subject to the provisions of Section 102 and the Rules.
- 3.4 Notwithstanding the above, if any such sale or transfer occurs during the Restriction Period, the sanctions under Section 102 and under the Rules or regulation or orders or procedures promulgated thereunder shall apply to and shall be borne by the Grantee.

### 4. **Grantee Representations, Warranties and Covenants**

Without derogating in any manner from the provisions of the Plan or this Agreement, the Grantee hereby represents, warrants, agrees and undertakes as follows:

- 4.1 The Shares, if and when purchased, are purchased for the Grantee’s own account for investment purposes only and not with a view for resale or transfer, and all the rights pertaining to the Shares, by law or equity, shall be purchased and possessed by the Grantee (through the Trustee or otherwise) for the Grantee exclusively.

- 4.2 The Grantee acknowledges that the grant of the Option, the exercise thereof, the issuance of the Shares, the execution of this Agreement and the Grantee's participation in the Plan shall have tax consequences to the Grantee, and that the Company is not able to ensure or represent to the Grantee the nature and extent of such tax consequences.
- 4.3 The Grantee acknowledges that nothing in this Agreement and/or in the Plan shall be interpreted as a commitment and/or an agreement by the Company and/or any Employing Corporation to employ or engage the Grantee, whether for a certain period or otherwise. The Grantee shall have no claim whatsoever against the Company and/or any Employing Corporation (including, without limitation, any of its or their officers, directors or shareholders) with respect to the termination of his/her employment or engagement, even if such termination causes the Option or any other options, in whole or in part, to expire and/or prevents him/her from exercising the Option in whole or in part and/or from receiving or retaining the Shares, or results in any loss due to any imposition of tax liability (including any early imposition) pursuant to applicable law.
- 4.4 The Grantee acknowledges and agrees that no income or gain which the Grantee may be credited with or which purports to be credited to the Grantee as a result of the grant of the Option, the issue of the Shares, the transfer into the Grantee's name thereof or the sale thereof, if any, shall in any manner be taken into account in the calculation of the basis for the Grantee's entitlements from the Company or any Employing Corporation or in the calculation of any social welfare right or other rights or benefits arising out of the employee/employer relationship, including without limitation, social security, manager's insurance, educational fund, pension funds, severance pay, holiday pay, etc.

In the event that the Company and/or any Employing Corporation shall be required, pursuant to any law, to take into account for purposes of calculating any such benefits, any of the aforesaid elements of income or gain actually or theoretically credited to the Grantee, the Grantee shall promptly indemnify the Company and/or any Employing Corporation against any liability or expense caused to it in this regard, and any such amount shall be deemed a debt of the Grantee to the Company and/or any Employing Corporation, which may be deducted or set off from any amounts payable to the Grantee, subject to applicable law.

- 4.5 The Grantee acknowledges that he/she is aware of, and clearly understands: (a) the rights and limitations attached to the Shares as set forth by NEO, in the Company's Articles of Association, the Plan, the Israeli Appendix, and this Agreement; (b) the limitations on transferability thereof set forth by NEO, in the Articles of Association, the Plan and this Agreement; (c) that the Company's Articles of Association may be amended from time to time as permitted by law; and (d) that the provisions of the Articles of Association of the Company which shall apply to the Shares shall be the provisions which shall be in effect from time to time; and that, as a result, *inter alia*, of these limitations, it may be difficult or impossible for the Grantee to realize his/her investment and/or to sell or otherwise transfer the Shares.
- 4.6 The Grantee shall have none of the rights of a shareholder of the Company, for as long as the Option has not been exercised and, once exercised, for as long as the Shares have not been transferred and registered in the Grantee's name in the Company's register of shareholders pursuant to the provisions of the Plan.
- 4.7 The shares issued with respect to the Option granted hereunder will be held by the Trustee and registered in its name.
- 4.8 In the event that the Company's Articles of Association, now or at any time hereafter, provide for a right of first refusal to purchase shares of the Company which are offered for sale by other shareholders of the Company and/or a pre-emptive right to purchase shares which are being allotted or shall in the future be allotted by the Company, or any other similar right of co-sale or tag-along, the Grantee, whether as a holder of an option, or following the exercise of an option, as a shareholder of the Company, and whether the Shares issued to the Grantee are registered in his name or otherwise, hereby irrevocably waives such rights. For the purpose of the approval of any transfer or the execution of any issue as aforesaid, this Agreement shall constitute an authorization, for the benefit of the Company and the Company's shareholders, to the Trustee or whomever he shall designate pursuant to the Proxy attached as **Appendix B** to the Plan and **Schedule C** hereto, or in such other form as shall be approved by the Board to sign any confirmation or waiver in the name of the Grantee and on his/her behalf. The Grantee shall not sell, and shall not instruct the Trustee to sell, the Shares or any part thereof to any third party, unless such third party signs a waiver and a power of attorney as aforesaid.
- 4.9 In accordance with the Proxy and Power of Attorney, for as long as any of the Shares are held by the



Trustee or registered in his name or for as long as the certificates representing any of the Shares are held by the Trustee, the Trustee alone shall be entitled to receive every notice to which a shareholder is entitled, or to demand any information, and any financial and/or other report to which a shareholder is entitled from the Company, and only the Trustee, or the Proxy, shall be entitled to exercise every other right of the shareholders vis-à-vis the Company, including, without limitation, the right to participate in and to vote (or abstain) at all shareholders' meetings (whether ordinary or extraordinary) and the right to sign any resolution in writing in the name of the shareholders, if and to the extent such rights exist.

- 4.10 The Grantee shall provide at the Company's request, without limitation, any certificate, declaration or other document and shall perform any act which the Company or the Trustee shall consider to be necessary or desirable pursuant to any law, whether local or foreign, in accordance with the provisions of Section 13.04 of the Plan.

In order to guarantee, and without derogating from, the aforesaid, and because the rights of the Company and the other shareholders are dependent thereon, the Grantee shall, upon signing this Agreement and as a condition to the grant of any options hereunder, execute the Proxy and Power of Attorney irrevocably empowering the Proxy, to sign in his/her name as aforesaid on any document as aforesaid, and the Grantee shall have no complaint or claim against the Trustee and/or the Proxy in respect of any such signature or action, or in respect of any determination of the Trustee pursuant hereto. The Grantee will authenticate his/her signature in the presence of a notary if he/she shall be asked to do so by the Company, in order to give full validity to the proxy and power of attorney.

- 4.11 The Grantee has full knowledge of the Company and its activities, and is aware that the Company operates in a sophisticated, high tech and high risk sector, and that the market thereof is restricted and highly competitive, and that the exercise of the Option constitutes an economic risk. The Grantee undertakes that he/she shall not have any claim against the Company and/or any Employing Corporation or any of its or their officers, directors, Grantees, shareholders or advisors if the Grantee's investment in the Shares shall fail or for the payment of any tax due or for any other reason.
- 4.12 The Grantee acknowledges that except for this Agreement (subject to the Plan and its appendixes pursuant to this Agreement) there are no other agreements (oral, written or in any other form) between the Company and him/her, and that to the extent that any such agreement exists, such agreements have terminated, and he/she irrevocably waives any right derived from such agreements. In addition, the Grantee irrevocably waives any right he/she may have with respect to any services he/she provided to the Company or any Employing Corporation.

## **5. Taxes; Indemnification of the Company, the Trustee and the Attorney**

- 5.1 Without derogating from the provisions of the Plan, the Grantee hereby covenants, whether or not the provisions of the Ordinance, Section 102 or the Rules shall apply, to bear all tax obligations, duties, levies, fines and other payments which may be imposed by the tax authorities (whether in Israel or abroad) and any other obligation or expense from whatever source, including but not limited to, every obligatory payment of whatever source in respect of or arising out of the Plan (including granting of the Option, exercise of the Option, issue of the Shares, transfer of the Shares into the Grantee's name and the sale thereof by the Grantee and/or by the Trustee) or dividends or any other benefit in respect thereof, and/or all other charges which may accrue to the Grantee, the Company, any Employing Corporation and/or the Trustee and/or the Attorney in connection with the Plan, the Options and/or the Shares, or any act or omission of the Grantee or the Company or a Employing Corporation in connection therewith or pursuant to any determination of the applicable tax or other authorities.

Without derogating from the generality of the aforesaid and subject to applicable law, the Grantee's obligations in this regard shall include income tax, stamp tax, employer's tax, capital gains tax, social security insurance and any other tax, levy or payment which the Grantee or the Company and/or any Employing Corporation is or shall be obliged to pay in connection with the Option and/or the Shares (including deductions at source which the Company is obliged to make for tax imposed upon the Grantee) and the Grantee shall indemnify the Company and/or any Employing Corporation and/or the Trustee for every charge or payment as aforesaid, which may be deducted or set off from any amounts payable to the Grantee, including, without limitation, dividends, consideration for the sale of shares or from any other source, at the Company and/or Employing Corporation's sole and absolute discretion, subject to applicable law.

- 5.2 Without derogating from the above, the Grantee hereby covenants to pay the Company and/or the Trustee promptly upon their first request, any sum for which they are responsible (or, in the Board's opinion, they might be responsible for), and which is payable by the Grantee as set forth in Section 5.1 hereof to the income tax authorities and/or any other governmental or administrative authority, whether in Israel or abroad (including for deduction of tax at source) pursuant to the Plan and/or in respect of the Grantee's participation in the Plan, whether the Company and/or the Trustee's responsibility as aforesaid shall arise directly or in respect of any responsibility of the Grantee for such payment. The Grantee covenants to promptly indemnify the Company and/or any Employing Corporation and/or the Trustee for any charge or payment as aforesaid, which may be deducted or set off from any amounts payable to the Grantee.
- 5.3 Furthermore, the Grantee acknowledges that the Grantee shall not have, and the Grantee hereby waives, any complaint and/or cause of action the same has or shall have in the future against the Trustee and/or against the Company in any way connected to any taxation resulting from the grant of the Option, the exercise thereof, the transfer of Shares into the Grantee's name, the sale of Shares by the Grantee and/or by the Trustee and/or any other matter which is in any manner whatsoever connected to the Option, the Shares and/or the participation of the Grantee in the Plan.
- 5.4 In no event shall the Trustee or the Attorney be liable to the Company and/or the Grantee and/or to any third party (including, without derogating from the generality of the aforesaid, the income tax authorities and any other governmental or administrative authority, whether in Israel or abroad) or a purchaser of Shares from the Grantee (or the Trustee), with respect to any act which has been or which shall be carried out in relation to the Plan and any matter connected thereto or arising therefrom. The Company and/or any Employing Corporation and the Grantee covenant, upon signing this Agreement, that they will not make, and they each hereby waive, any and all claims against the Trustee and the Attorney as aforesaid and each of the Company, Employing Corporation and the Grantee expressly agree that if either shall make any claim against the Trustee or the Attorney the same shall then be entitled on the grounds of this section alone to apply to the competent court for dismissal of the action against them, with costs. The Company covenants and agrees that if a claim is brought by any third party against the Trustee or the Attorney the same will be entitled without objection by the Company, to join the Company as a third party to any such action and any judgment against them shall be paid by the Company.

The Company and the Grantee hereby covenant to indemnify the Trustee and/or the Attorney against any liability in relation to any claim and/or demand made against the Trustee and/or the Attorney by any person whatsoever, including the tax authorities, in relation to their acts or omissions in connection with the Plan.

The provisions of this section and the other provisions of this Agreement and the Plan which grant any right, power, immunity or any authority to the Trustee and/or the Attorney shall operate in favor of the Trustee and the Attorney and they shall be entitled to act pursuant to and enforce such provisions, and the Company and the Grantee shall be liable to the Trustee and the Attorney as if they were parties to this Agreement.

## 6. **Miscellaneous**

- 6.1 **Preamble; Interpretation.** The preamble to this Agreement is the basis and constitutes an integral part thereof. All article and section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Agreement. Unless the context otherwise requires, capitalized terms not otherwise defined herein shall bear the meanings ascribed to them in the Plan.
- 6.2 **Entire Agreement; Amendment.** The Grantee declares and agrees that this Agreement and the Plan prevail over any previous agreement, arrangement and/or understanding, whether written or oral, between the Grantee and the Company and/or any Employing Corporation, or the officers and/or directors and/or the shareholders thereof with respect to the subject matters hereof and thereof and that any agreement, arrangement and/or understanding as aforesaid are null and void and of no further force or effect. Subject to the provisions of this Agreement and the Plan, no modification or amendment of this Agreement will be valid unless executed by the Company and the Grantee.
- 6.3 **Disputes; Governing Laws.** This Agreement shall be governed by and construed in accordance with the

laws of the State of Israel and, subject to the provisions below, the competent courts in the Tel-Aviv district shall have exclusive jurisdiction with respect to any matter or conflict with respect thereto.

As a condition of the granting of the Option, the Grantee and the Grantee's successors and assigns agree that any dispute or disagreement which shall arise under or as a result of this Agreement shall be determined by the Board, or any committee designated by the Board pursuant to the Plan, in its sole discretion and judgment and that any such determination and any interpretation by the Board or any such committee of the terms of this Agreement shall be final and shall be binding and conclusive for all purposes. In making any such determination or interpretation the Board or any such committee shall not be bound by the rules of procedure or evidence or substantive law and shall not be required to give any reasons therefore.

- 6.4 Notices and/or Instructions. Every notice and/or instruction required or permitted to be given pursuant to this Agreement shall be given in writing and shall be deemed to have been delivered (i) on the date of its delivery to the addressee by hand, (ii) three (3) days after having been sent by registered mail or (iii) one (1) after having been sent by facsimile. The parties' addresses for the purpose of this Section shall be as communicated by each Party to the other by written notice in advance.

A stamp or a receipt on behalf of the postal service which evidences the time of delivery of the notice or a confirmation of transmission shall constitute conclusive evidence as to the date of delivery and no party shall claim that a notice delivered as aforesaid has not been received by such party.

*[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]*

*[Signature Page to The INX Digital Company, Inc.. Option Agreement]*

**IN WITNESS WHEREOF**, the parties hereto have executed this Option Agreement as of the date written hereinabove.

---

**THE INX DIGITAL COMPANY, INC.**

---

**GRANTEE**

By: \_\_\_\_\_

**Schedule A**

**Plan [including the Israeli Appendix]**

*[see attached]*

**Schedule B**

**Exercise notice**

*[see attached]*

**Schedule C**

**Proxy**

*[see attached]*

**EXHIBIT A-3**

**ISRAELI RESTRICTED SHARE GRANT AGREEMENT**

*[see attached]*

**THE INX DIGITAL COMPANY, INC.**  
**RESTRICTED SHARE GRANT AGREEMENT**  
**(the "RS Agreement")**

Made as of \_\_\_\_\_

**BETWEEN:**                   **The INX Digital Company, Inc.**  
A company incorporated in British Columbia, Canada  
(hereinafter the "**Company**")

**AND:**  
  
\_\_\_\_\_  
(hereinafter the "**Grantee**")

**WHEREAS**           The Company desires to grant the Grantee Restricted Shares ("**RS**" as set forth in the Plan) of the Company pursuant to the terms of the Omnibus Equity Incentive Compensation Plan of The INX Digital Company, Inc., a copy of which is attached as **Exhibit A** hereto, forming an integral part hereof (the "**Plan**"); and

**WHEREAS**           The Grantee has agreed to such grant, subject to all the terms and conditions as set forth in the Plan and as provided herein;

**NOW, THEREFORE**, it is agreed as follows:

**1.     Preamble and Definitions**

- 1.1.     The preamble to this agreement constitutes an integral part hereof.
- 1.2.     Unless otherwise defined herein, capitalized terms used herein shall have the meaning ascribed to them in the Plan.
- 1.3.     "**Approved 102 RS**" means RS granted pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of the Grantee.

**2.     Grant of RS**

- 2.1.     The Company hereby grants to the Grantee the number of RS as set forth in **Exhibit B** hereto, subject to the terms and the conditions as set forth in the Plan and as provided herein.
- 2.2.     The Grantee is aware that the Company intends in the future to issue additional shares and to grant additional Options and RS to various entities and individuals, as the Company in its sole discretion shall determine.

**3.     Period of RS**

The terms of this RS Agreement shall commence on the Date of Grant and terminate at the Expiration Date or as long as the RS are being held by the Trustee.

**4.     Adjustments**

As set forth in the Plan.

**5.     Vesting or Reverse Vesting during the Restricted Period (as defined in the Plan)**

The RS shall vest during the Restricted Period (as defined in the Plan) as set forth in **Exhibit B** hereto.

**6.     Issuance of RS**

- 6.1.     The Company shall not be obligated to issue to the Grantee any RS unless the issuance and delivery of such RS shall comply with all relevant provisions of law and other legal requirements including, without limitation, any applicable federal or state securities laws and the requirements of any stock exchange upon which shares of Common Stock may then be listed.
- 6.2.     In order for the Company to issue the RS to the Grantee, the Grantee hereby agrees to sign any and all documents required by any applicable law and/or by the Company's Articles of Association.

## **7. Restrictions on Transfer of RS**

- 7.1. The transfer of RS shall be subject to the limitations set forth in the Plan, the Company's Articles of Association and any applicable law.
- 7.2. With respect to any Approved 102 RS, subject to the provisions of Section 102 and any rules or regulation or orders or procedures promulgated thereunder, a Grantee shall not sell or release from trust any Share received and/or any share received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the holding period required under Section 102 of the Ordinance. Notwithstanding the above, if any such sale or release occurs during the holding period, the sanctions under Section 102 of the Ordinance and under any rules or regulation or orders or procedures promulgated thereunder shall apply to and shall be borne by such Grantee.
- 7.3. The Grantee shall not dispose of any RS in transactions which violate, in the opinion of the Company, any applicable laws, rules and regulations.
- 7.4. The Grantee agrees that the Company shall have the authority to endorse upon the certificate or certificates representing the RS such legends referring to the foregoing restrictions, and any other applicable restrictions as it may deem appropriate (which do not violate the Grantee's rights according to this RS Agreement).

## **8. Taxes; Indemnification; Irrevocable Proxy and Power Of Attorney**

- 8.1. The receipt of the RS may result in tax consequences. THE GRANTEE IS ADVISED TO CONSULT A TAX ADVISER WITH RESPECT TO THE TAX CONSEQUENCES OF RECEIVING THIS RS OR DISPOSING OF THE RS.
- 8.2. Any tax consequences arising from the grant of any RS, from the payment related thereby or from any other event or act (of the Company and/or its Affiliates, the Trustee or the Grantee), hereunder, shall be borne solely by the Grantee. The Company and/or its Affiliates and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Grantee hereby agrees to indemnify the Company and/or its Affiliates and/or the Trustee and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Grantee.
- 8.3. The Grantee will not be entitled to receive from the Company and/or the Trustee any shares allocated or issued prior to the full payments of the Grantee's tax liabilities arising from RS which were granted to him. For the avoidance of doubt, neither the Company nor the Trustee shall be required to release any share certificate to the Grantee until all payments required to be made by the Grantee have been fully satisfied.
- 8.4. With respect to Approved 102 RS held by a Trustee, the Grantee hereby acknowledges that he is familiar with the provisions of Section 102 and the regulations and rules promulgated thereunder, including without limitations the type of RS granted hereunder and the tax implications applicable to such grant.
- 8.5. The Grantee accepts the provisions of the Irrevocable Proxy and Power of Attorney, attached as **Exhibit C** hereto (the "**Proxy**"), and agrees to be bound by its terms. Promptly upon execution of this Agreement, the Grantee shall execute the Proxy and provide the Company with an executed copy thereof.

## **9. Miscellaneous**

- 9.1. Confidentiality. The Grantee shall regard the information in this RS Agreement and its exhibits attached hereto as confidential information and the Grantee shall not reveal its contents to anyone except when required by law or for the purpose of gaining legal or tax advice.
- 9.2. Continuation of Service. Neither the Plan nor this RS Agreement shall impose any obligation on the Company or an Affiliate to continue the Grantee's service and nothing in the Plan or in this RS Agreement shall confer upon the Grantee any right to continue in the service of the Company and/or an Affiliate or restrict the right of the Company or an Affiliate to terminate such service at any time.



- 9.3. Entire Agreement. Subject to the provisions of the Plan, to which this RS Agreement is subject, this RS Agreement, together with the exhibits hereto, constitute the entire agreement between the Grantee and the Company with respect to RS granted hereunder, and supersedes all prior agreements, understandings and arrangements, oral or written, between the Grantee and the Company with respect to the subject matter hereof.
- 9.4. Failure to Enforce - Not a Waiver. The failure of any party to enforce at any time any provisions of this RS Agreement or the Plan shall in no way be construed to be a waiver of such provision or of any other provision hereof.
- 9.5. Provisions of the Plan. The RS provided for herein are granted pursuant to the Plan and said RS and this RS Agreement are in all respects governed by the Plan and subject to all of the terms and provisions of the Plan.
- Any interpretation of this RS Agreement will be made in accordance with the Plan but in the event there is any contradiction between the provisions of this RS Agreement and the Plan, the provisions of the RS Agreement will prevail.
- 9.6. Binding Effect. The Plan and this RS Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereof.
- 9.7. Notices. All notices or other communications given or made hereunder shall be in writing and shall be delivered or mailed by registered mail or delivered by email to the Grantee and/or to the Company at the addresses designate by a written notice of each of the parties to the counterparty. The Grantee is responsible for notifying the Company in writing of any change in the Grantee's address, and the Company shall be deemed to have complied with any obligation to provide the Grantee with notice by sending such notice to the address indicated below.

Attachments:

- Exhibit A: Omnibus Equity Incentive Compensation Plan of The INX Digital Company, Inc.  
Exhibit B: Terms of the RS  
Exhibit C: Irrevocable Proxy and Power of Attorney

**Company's Signature:**

---

**The INX Digital Company, Inc.**  
(the "Company")

Name: \_\_\_\_\_

Position: \_\_\_\_\_

I, the undersigned, hereby acknowledge receipt of a copy of the Plan and accept the RS subject to all of the terms and provisions thereof. I have reviewed the Plan and this RS Agreement in its entirety, have had an opportunity to obtain the advice of counsel prior to executing this RS Agreement, and fully understand all provisions of this RS Agreement. I agree to notify the Company upon any change in the residence address indicated above.

**Grantee's Signature:**

---

\_\_\_\_\_  
(the "Grantee")

**EXHIBIT A**

**Omnibus Equity Incentive Compensation Plan of The INX Digital Company, Inc.**

(Attached)

**EXHIBIT B**

**TERMS OF THE RS**

<b>Name of the Grantee:</b>	_____
<b>Date of Grant:</b>	_____
<b>Designation:</b>	<input checked="" type="checkbox"/> Approved 102 RS: <input checked="" type="checkbox"/> Capital Gain RS with trustee; or <input type="checkbox"/> Ordinary Income RS <input type="checkbox"/> 3(i) RS
1. Number of RS granted:	_____
2. Exercise Price per Share:	_____
3. Vesting Date(s) / Restricted Period (as defined in the Plan):	_____
4. Expiration Date:	As set forth in the Plan.

\_\_\_\_\_  
**The INX Digital Company, Inc.**  
(the "Company")

\_\_\_\_\_  
(the "Grantee")

Name: \_\_\_\_\_

Position: \_\_\_\_\_

**EXHIBIT C**

**THE INX DIGITAL COMPANY, INC.**

**PART 14 IRREVOCABLE PROXY AND POWER OF ATTORNEY**

I, the undersigned, \_\_\_\_\_, hereby appoint the Chairman of the Board of Directors (or any other officer designated by the Company from time to time for such purpose) of The INX Digital Company, Inc. (the "**Proxy**" and the "**Company**", respectively) as my proxy to participate and vote (or abstain) for me and on my behalf on all matters at all meetings of shareholders (whether ordinary, extraordinary or otherwise), of the Company, on behalf of all the Shares and/or Awards of the Company held by the Trustee on my behalf, if and when applicable, and, without derogating from the generality of the above, hereby authorize and grant a power of attorney to the Trustee under the Plan and to the Proxy as follows:

I hereby authorize and grant power of attorney to the Trustee under the Plan and to the Proxy for as long as any shares and/or Awards which were allotted or granted on my behalf are held by the Trustee or registered in his / her name, or for as long as the certificates representing any shares are held by the Trustee, to exercise every right, power and authority with respect to the shares and/or Awards and to sign in my name and on my behalf any document (including any agreement, including a merger agreement of the Company or an agreement for the purchase or sale of assets or shares (including the shares of the Company held on my behalf) and any and all documentation accompanying any such agreements, such as, but not limited to, decisions, requests, instruments, receipts and the like), and any affidavit or approval with respect to the shares and/or Awards or to the rights which they represent in the Company in as much as the Trustee under the Plan and/or Proxy shall deem it necessary or desirable to do so.

In addition and without derogating from the generality of the foregoing, I hereby authorize and grant power of attorney to Trustee under the Plan and the Proxy to sign any document as aforesaid and any affidavit or approval (such as any waiver of rights of first refusal and/or any preemptive rights or other participation rights, in as much as such rights shall exist pursuant to the Plan and the Company's charter documents or shareholders' agreements as shall be in effect from time to time) and/or to make and execute any undertaking in my name and on my behalf if Trustee under the Plan and/or the Proxy shall, at his / her sole discretion, deem that the document, affidavit or approval is necessary or desirable for purposes of any placement of securities of the Company, whether private or public (including lock-up arrangements and undertakings), for purposes of a merger of the Company with another entity, in any jurisdiction worldwide, whether the Company is the surviving entity or not, for purposes of any reorganization or recapitalization of the Company, for purposes of any purchase or sale of assets or shares of the Company or for any other purpose.

**The Shares shall be voted by the Proxy in the same manner as the votes of the majority of other shareholders of the Company present and voting at the applicable meeting.**

This Proxy and Power of Attorney shall be interpreted in the widest possible sense, in reliance upon the Plan and upon the goals and intentions thereof.

This Proxy and Power of Attorney shall be irrevocable as the rights of the Company and the Company's shareholders are dependent hereon. The expiration of this Power of Attorney shall in no manner effect the validity of any vote, document (as aforesaid), affidavit or approval which has been taken, signed or given as aforesaid prior to the expiration hereof and in accordance herewith.

**IN WITNESS WHEREOF**, I have executed this Proxy and Power of Attorney on the \_\_\_ day of \_\_\_\_\_.

Name: \_\_\_\_\_

**SCHEDULE "C"**

**THE INX DIGITAL COMPANY, INC.**

**ADVANCE NOTICE PROVISIONS**

**THE INX DIGITAL COMPANY, INC.**  
**ADVANCE NOTICE POLICY**

## **Introduction**

The INX Digital Company, Inc. (the “**Company**”) is committed to: (i) facilitating an orderly and efficient process for the election of directors (as defined below) at annual general meetings of shareholders and special meetings (which are not also annual general meetings) of shareholders called for the purpose of electing directors; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all director nominees; and (iii) allowing shareholders to make an informed vote after having been afforded reasonable time for appropriate deliberation.

The purpose of this Advance Notice Policy (the “**Policy**”) is to provide shareholders, directors and management of the Company with a clear framework respecting the nomination of Persons (as defined below) for election as directors of the Company. This Policy establishes a deadline by which holders of record of common shares of the Company must submit nominations for election of directors of the Company prior to any annual general meeting of shareholders or special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors. Furthermore, this Policy sets forth the information that a shareholder must include in a written notice to the Company in order for a nominee to be eligible for election as a director of the Company at any annual general meeting of shareholders or special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors.

It is the position of the Board that this Policy is in the best interests of the Company, its shareholders and other stakeholders. This Policy will be subject to review by the Board from time to time, and may be amended by a majority vote of the Board for purposes of, among other things, complying with the requirements of Applicable Securities Laws (as defined below) or stock exchanges, or so as to meet industry or good governance standards.

## **1 Definitions**

For purposes of this Policy:

- (a) “**Applicable Securities Laws**” means the applicable securities statutes of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada;
- (b) “**Board**” shall mean the board of directors of the Company;
- (c) “**Person**” includes an individual, firm, association, trustee, executor, administrator, legal or personal representative, body corporate, company, corporation, trust, partnership, limited partnership, joint venture, syndicate or other form of unincorporated association, a government and its agencies or instrumentalities, any entity or group (whether or not having legal personality), any successor (by merger, statutory amalgamation or otherwise) and any of the foregoing acting in any derivative, representative or fiduciary capacity; and
- (d) “**Public Announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

## **2 Nominations Of Directors**

Only Persons who are eligible under the *Business Corporations Act* (British Columbia) (the “**Act**”) and who are nominated in accordance with the procedures set forth in this Policy shall be eligible for election as directors of the Company. At any annual general meeting of shareholders, or any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors, nominations of Persons for election to the Board may be made only:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a “proposal” made in accordance with Part 5, Division 7 of the Act, or pursuant to a requisition of the shareholders made in accordance with Section 167 of the Act; or
- (c) by any Person (a “**Nominating Shareholder**”): (i) who, at the close of business on the date that the Nominating Shareholder’s Notice (as defined below) is given and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such ownership that is satisfactory to the Company, acting reasonably; and (ii) who complies with all notice procedures set forth herein.

## **3 Timely Notice**

In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with Section 4 below) and in proper written form (in accordance with Section 5 below) to the General Counsel of the Company at the registered office of the Company (as set out in paragraph 8 of this Policy).

## **4 Manner of Timely Notice**

To be timely, the Nominating Shareholder’s Notice to the General Counsel of the Company must be made:

- (a) in the case of an annual general meeting of shareholders, not less than thirty (30) days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that is less than fifty (50) days after the date (the “**Notice Date**”) on which the first Public Announcement of the date of the annual general meeting was made, the Nominating Shareholder’s Notice may be made not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15<sup>th</sup>) day following the day on which the first Public Announcement of the date of the special meeting of shareholders was made,

provided that, in either instance, if the Company uses “notice-and-access” (as defined in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*) to send proxy-related materials to shareholders in connection with a meeting of the shareholders described in Section 4(a) or 4(b) above, and the Notice Date in respect of the meeting is not less than fifty (50) days prior to the date of the applicable meeting, the notice must be received not less than forty (40) days prior to the date of the applicable meeting.

## 5 Proper Form of Timely Notice

To be in proper written form, a Nominating Shareholder's notice to the General Counsel of the Company must set forth:

- (a) as to each Person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the Person; (ii) the present principal occupation or employment of the Person and the principal occupation or employment within the five years preceding the notice; (iii) the country of residence of such Person; (iv) the class or series and number of shares in the capital of the Company which are directly or indirectly controlled or directed or which are owned beneficially or of record by the Person as of the record date for the annual general meeting of shareholders, or the special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors, (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (v) any other information relating to the Person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and
- (b) as to the Nominating Shareholder giving the notice, (i) details of any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; (collectively with Section 5(a), the "**Nominating Shareholder's Notice**").

The Company may require any proposed nominee to furnish such other information as may be required to be contained in a dissident's proxy circular or by Applicable Securities Laws to determine the independence of the Proposed Nominee or the eligibility of such proposed nominee to serve as an independent director of the Company.

## 6 Notice to be Updated

To be considered timely and in proper written form, the Nominating Shareholder's Notice will be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such Nominating Shareholder's Notice will be true and correct as of the record date for the annual general meeting of shareholders, or the special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors.

## 7 Eligibility for Nomination as a Director

No Person shall be eligible for election as a director of the Company (except pursuant to this Part 2(a)) unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at any annual general meeting of shareholders, or any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors, of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act or at the discretion of the Chair of the Board. The Chair of the Board of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the provisions of this Policy, and, if any proposed nomination is not in compliance with such provisions, to declare that such defective nomination shall be deemed voided and subsequently disregarded.

## 8 Delivery of Notice

Notwithstanding any other provision of this Policy, notice given to the General Counsel of the Company pursuant to this Policy may only be given by personal delivery or facsimile transmission, and shall be deemed to have been given and made only at the time it is served by personal delivery or sent by facsimile transaction (provided that receipt of confirmation of such transmission has been received) to the General Counsel at the registered office of the Company as follows:

The INX Digital Company, Inc.  
550 Burrard Street, Suite 2900  
Vancouver, British Columbia  
V6C 0A3

provided that if such delivery or facsimile transmission is made on a day which is not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or facsimile transmission shall be deemed to have been made on the subsequent day that is a business day.

## 9 Board's Discretion

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any and all requirements in this Policy.

## 10 Effective Date

This Policy was approved and adopted by the Board on May 12, 2022 (the "**Effective Date**") and is and will be effective and in full force in accordance with its terms and conditions from and after such date until immediately after the next meeting of shareholders validly held following the Effective Date, at which time this Policy shall cease to be effective and be void and of no further force and effect.

## 11 Governing Law

This Policy will be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in that province.



**SCHEDULE "D"**

**THE INX DIGITAL COMPANY, INC.**

**AUDIT COMMITTEE CHARTER**

**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. Any controlling shareholder or a relative of such a person;
2. 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;
3. 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
4. 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.

**SCHEDULE "E"**

**THE INX DIGITAL COMPANY, INC.**

**COMPENSATION COMMITTEE CHARTER**

# **The INX Digital Company, Inc.**

## **CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**

(the “Charter”)

*Approved by the Board of Directors of The INX Digital Company, Inc. on February 8, 2022*

If any provision of this Charter contradicts the applicable requirements under Canadian Law (as further defined), then the terms and provisions of the Canadian Law shall prevail.

### **PURPOSES:**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of The INX Digital Company, Inc. (the “Company”) shall be (i) to assist the Board in setting the compensation of the Company’s executive officers. In addition, the Committee shall review the performance of management and make recommendations to the Board on matters relating to their remuneration and terms of employment, review and evaluate the compensation plans, policies and programs of the Company, and make recommendations to the Board and shareholders of the Company relating to compensation to be provided to directors, and, if applicable, executive officers; (ii) assist the Board in administering the Company's equity incentive plan; and (iii) review all disclosure of executive compensation, including compensation philosophy, prior to public release and prepare any executive compensation report required by regulatory requirements for inclusion in the Company’s annual report, proxy statement, information circular or other regulatory filings, to the extent required under applicable securities laws and the rules and regulations promulgated thereunder. The Committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board from time to time prescribes, subject to any limitations set under the *Business Corporations Act* (British Columbia), the *Securities Act* (British Columbia) and under any other Canadian substantive law (the “Canadian Law”), and subject to the provisions of Canadian Law and any applicable law.

This Charter shall not derogate from nor supersede, and instead will be read in conjunction with, any terms set forth under Company’s internal compensation policies, as adopted by the Committee or the Board from time to time. If any term of this Charter contradicts the requirements under the Canadian Law, then Canadian Law will prevail.

The purposes and further provisions specified in this Charter are meant to serve as guidelines, are subject to applicable law, and the Committee is delegated the authority to adopt such additional procedures and standards as it deems necessary or advisable from time to time to fulfill its responsibilities. Unless otherwise prescribed in this Charter, the Notice of Articles of the Company or applicable law, 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 Canadian Law, the laws of Gibraltar or U.S. federal law for directors of a corporation.

### **MEMBERSHIP:**

The Committee will be appointed by, and will serve at the discretion of the Board. The Committee shall consist of as many members as the Board shall determine, but in any event no fewer than three

(3) members. The members of the Committee shall be independent in accordance with the independence standard under section 1.4 of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (an “Independent Director”). All members of the Committee must also be Board members. Any director who is employed by the Company, by a controlling shareholder or by a corporation controlled by a controlling shareholder, or any director who otherwise provides the Company, a controlling shareholder or a corporation controlled by a controlling shareholder with services on a regular basis (other than in his/her capacity as a Board member) or whose main livelihood is dependent on a controlling shareholder, nor a controlling shareholder or any relative thereof, shall be members of the Committee.

The members of the Committee must meet the independence requirements of any exchange listing rules (to the extent relevant to the Company). In determining whether a director is eligible to serve on the Committee, the Board shall also consider (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director, and (ii) whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company to determine whether such affiliation would impair the director’s judgment as a member of the Committee. Compensatory fees shall not include: (A) fees received as a member of the Committee, the Board or any other Board committee; or (B) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided that such compensation is not contingent in any way on continued service). 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.

Unless otherwise determined or there is continuity in office, the Board shall annually appoint the members of the Committee and elect the Chair of the Committee, as soon as practical after the Company’s annual meeting of shareholders shall not hold such position for a period exceeding nine years.

#### **RESPONSIBILITIES:**

The responsibilities of the Committee shall include the following:

1. Without derogating from the Committee's obligations under Canadian Law, the Committee shall annually review and recommend to the Board, for the chief executive officer (“CEO”) and other executive officers of the Company (a) the annual base compensation as employee or other structure of engagement, (b) the annual incentive bonus, including the specific goals and amount, (c) equity and/or token compensation, (d) employment agreements, severance arrangements, and change in control agreements/provisions, and (e) any other benefits, compensation, compensation policies or arrangements. In reviewing and recommending such matters, the Committee shall consider such matters as it deems appropriate, including the Company’s financial and operating performance, the alignment of the interests of the executive officers and the Company’s shareholders, the performance of the Company’s securities and the Company’s ability to attract and retain qualified individuals, and in each case taking into account any compensation practices or policies of the Company.

2. The Committee shall annually review and make recommendations to the Board regarding the compensation policy for officers of the Company as directed by the Board and based on relevant data and information provided to it.
3. The Committee shall act as Plan Administrator (as defined therein) of the Company's equity compensation plans (to the extent allowed by applicable law and the relevant plan) and any subsequent employee benefit plans adopted and approved by the Company's Board and shareholders, if appropriate. In its administration of the plans, the Committee may, pursuant to authority delegated by the Board, exercise all rights, authority and functions of the Board under all of the Company's equity compensation plans, including without limitation, the authority to interpret the terms thereof, to grant options thereunder and to make stock and/or token awards thereunder; provided, however, that, except as otherwise expressly authorized to do so by a plan or resolution of the Board, the Committee shall not be authorized to amend any such plan. The Committee shall also make recommendations to the Board with respect to equity incentive plans and, amendments to the plans, including changes in the number of shares reserved for issuance thereunder.
4. The Committee may review and make recommendations to the Board regarding other plans that are proposed for adoption or adopted by the Company for the provision of compensation to employees of, directors of and consultants to the Company.
5. The Committee may recommend a compensation philosophy, strategy and plan to the Board. In recommending such matters, the Committee shall consider and refer to the following criteria, in accordance with Canadian Law and any other applicable laws: (a) the executive officer's education, skills, expertise, professional experience and achievements, (b) the executive officer's position, responsibilities and his or her previous compensation arrangements, (c) the ratio between the executive officer's office and employment terms and the salary of other Company employees and contractors, and in particular the ratio between the average salary and the median salary of such employees and the effect of differences between such on work relations in the Company, (d) if office and employment terms include variable components - the possibility of reducing such variable components at the discretion of the Board and the possibility of setting a limit to the realizable value of variable components of equity which are non-cash disposed, (e) if office and employment terms include a severance arrangement - the officer's term of office or employment, the office and employment terms during this period, the Company's performance during this period, the officer's contribution to achieve Company goals and for maximizing profits and circumstances of retirement.
6. The Committee shall approve (subject to additional required Board approvals if any and applicable law) the employment terms and compensation of executive officers as required under Canadian Law and shall further approve any exemption from the need to obtain shareholders' approval with respect to employment terms and compensation of a potential officers, in accordance with Canadian Law, evaluating the performance of the CEO and other officers in light of such goals and objectives, and determining the compensation of the officers of the Company based on such evaluation.

7. The Committee shall determine whether to approve transactions with officers that include employment or retention terms that require approval of the Company's organs as set under Canadian Law.
8. The Committee shall oversee compliance with the compensation reporting requirements of Canadian securities laws to the extent applicable.
9. The Committee may authorize the repurchase of shares, options or tokens from terminated employees or former directors or consultants subject to additional required Board approvals if any, and applicable law.
10. The Committee shall review any issues concerning the legal compliance and maintenance of the Company's employee benefit plans.
11. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

#### **MEETINGS:**

The Committee shall meet as often as necessary to carry out its responsibilities.

The Committee Chairman shall preside at each meeting. In the event the Committee Chairman is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting. Those who may not be members of the Committee shall not be present at Committee meetings during discussion and resolution-making, unless the Committee Chairman has determined such individual is required for the presentation of a certain topic. However – (a) a Company employee who is not a controlling shareholder or its relative may be present at Committee meetings during discussion, so long as the resolution be made in his absence; (b) without derogating from section (a) above, the legal counsel and Company's secretary who are not a controlling shareholder or its relative may be present at Committee meetings during discussion and resolution-making. The CEO shall not be present during voting or deliberations on his or her compensation.

The chairman of the Committee shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and Company management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practicable, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

At least once a year the Committee will consider equity compensation plans, performance goals and incentive awards, and the overall coverage and composition of the compensation package to the Company's executive officers.

A majority of the Committee members shall constitute a quorum. The action of a majority of those present at a meeting, at which a quorum is present, shall be the act of the Committee.

Subject to applicable law, the Committee may delegate its authority to subcommittees established from time to time by the Committee. Such subcommittees shall consist of one or more members of the Committee or the Board and shall report to the Committee.

**MINUTES:**

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

**REPORTS:**

The Committee will provide written reports to the Board regarding recommendations of the Committee submitted to the Board for action.

Any decisions or recommendations made by the Committee and requiring the Board's approval shall be communicated to the members of the Board sufficiently in advance before the Board's meeting in order to permit meaningful review. In the event of any extraordinary and material findings within the scope of the Committee's duties, the chairman of the Committee shall without delay inform the chairman of the Board of such findings.

**AUTHORITY:**

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser and shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee. The Committee shall have sole authority to approve the payment of reasonable compensation to a compensation consultant, legal counsel or other adviser retained by the Committee, and other retention terms, and the Company shall provide for the funding for such compensation. Subject to the foregoing authority, the Committee may select, or receive advice from a compensation consultant, legal counsel or other adviser to the Committee (other than in-house legal counsel) only after taking into consideration the factors regarding independence assessments of compensation advisers (if relevant), which factors are, as of the date of adoption of this charter, as follows:

- (a) The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- (b) The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenues of the person that employs the compensation consultant, legal counsel or other adviser;
- (c) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- (d) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- (e) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; or
- (f) any business or personal relationship of the compensation consultant, legal counsel or other adviser or the person employing the adviser with an executive officer of Company;



provided, however, that the Committee need not conclude that the compensation consultant, legal counsel or other adviser is independent after considering such factors; and provided, further, that the Committee need not consider such factors if an adviser's role is limited to either (i) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company and is available to all salaried employees of the Company and/or (ii) providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

The Committee may form and delegate authority to subcommittees when appropriate, subject to applicable law.

**COMPENSATION:**

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

**REVIEW:**

The Committee shall from time to time review and assess the adequacy of this Charter (including the structure, processes and membership requirements of the Committee) and recommend any proposed changes to the Board for approval. In addition, the Committee shall annually review its own performance.

**SCHEDULE "F"**

**THE INX DIGITAL COMPANY, INC.**

**GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

# The INX Digital Company, Inc.

## CHARTER OF THE GOVERNANCE AND NOMINATING COMMITTEE (the “Committee”)

*Approved by the Board of Directors of The INX Digital Company, Inc. on February 8, 2022*

1. The Committee is a standing committee of the Board of Directors of the Company (the “Board”) charged with assisting the Board in fulfilling its responsibility to:
  - 1.1 establish the Company’s corporate governance policies and practices generally;
  - 1.2 identify individuals qualified to become members of the Board; and
  - 1.3 review the composition and effectiveness of the Board.
2. The Committee membership shall be structured as follows:
  - 2.1 The Board shall annually appoint a minimum of three directors to the Committee all of whom shall be directors of the Company who are independent as defined in National Instrument 52-110 – *Audit Committees*, unless otherwise determined by the Board.
  - 2.2 The members of the Committee shall have appropriate post-secondary education and professional training including as a lawyer, professional accountant, or other relevant professional qualifications.
  - 2.3 Members of the Committee shall typically be appointed at the first meeting of the Board held following each annual meeting of the shareholders of the Company.
  - 2.4 A member may resign or be removed from the Committee at any time and thereafter shall be replaced by the Board. A member of the Committee will automatically cease to be a member at such time as that individual ceases to be a director of the Company.
3. The Committee shall be responsible to:
  - 3.1 approve all transactions involving the Company and “related parties” (collectively, “Related Party Transactions”) and if required by the Board, to monitor any Related Party Transactions and report to the Board on a regular basis regarding the nature and extent of the Related Party Transactions;
  - 3.2 monitor the appropriateness of implementing structures from time to time to ensure that the directors can function independently of management;
  - 3.3 respond to, and if appropriate, to authorize requests by, individual directors to engage outside advisors at the expense of the Company;

- 3.4 develop the process for the assessment of the Board;
  - 3.5 oversee the assessment of the functioning of the Board, its committees and individual directors on an annual basis;
  - 3.6 consider on a regular basis the appropriate size of the Board;
  - 3.7 identify and recommend to the Board from time to time new nominees as directors of the Company, based upon the following considerations:
    - 3.7.1 the competencies and skills necessary for the Board as a whole to possess;
    - 3.7.2 the competencies and skills necessary for each individual director to possess;
    - 3.7.3 the competencies and skills each existing director possesses;
    - 3.7.4 competencies and skills which each new nominee to the Board is expected to bring; and
    - 3.7.5 whether the proposed nominees to the Board will be able to devote sufficient time and resources as a director to the Company;
  - 3.8 developing and recommending to the Board policies regarding Board diversity;
  - 3.9 review and assess the orientation and education program for new appointees to the Board and identify appropriate continuing education opportunities for all directors;
  - 3.10 oversee the development of the Company's approach to corporate governance, including, developing, reviewing and approving the Company's key corporate governance policies, in compliance with regulatory requirements and current best practice; and
  - 3.11 review and approve the annual disclosure of the Company's corporate governance practices in accordance with applicable legal requirements, including the requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.
4. The Chair of the Committee
- 4.1 The Board shall in each year appoint a chair of the committee ("Chair") from among the members of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member to act as interim Chair.
  - 4.2 The Chair shall be responsible to ensure the Committee meets regularly and performs its duties as set out herein and to report to the Board on the activities of the Committee.

5. The meetings of the Committee shall proceed as follows:
  - 5.1 The Chairman will appoint a secretary who will keep minutes of all meetings (the “Secretary”). The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair. The approved minutes of the Committee shall be circulated to the Board forthwith and shall be duly entered in the books of the Company.
  - 5.2 No business shall be transacted by the Committee unless a quorum of the Committee is present or the business is transacted by resolution in writing signed by all members of the Committee. A majority of the Committee shall constitute a quorum provided that, if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.
  - 5.3 The Committee shall meet as often as it deems necessary to carry out its responsibilities but not less frequently than twice per year.
  - 5.4 The time at which and the place where the meetings of the Committee shall be held, and the procedure in all respects of such meetings, shall be determined by the Committee, unless otherwise provided for in the articles or by-laws of the Company or otherwise determined by resolution of the Board.
  - 5.5 Meetings may be held in person, by teleconferencing or by videoconferencing.
  - 5.6 Any decision made by the Committee shall be determined by a majority vote of the members of the Committee present. A member will be deemed to have consented to any resolution passed or action taken at a meeting of the Committee unless the member dissents.
6. The Committee shall have access to management and outside advisors as follows:
  - 6.1 The Committee shall have full, free and unrestricted access to management and employees and to the relevant books and records of the Company.
  - 6.2 The Committee may invite such other persons (i.e. the CEO, CFO) to its meetings, as it deems necessary.
  - 6.3 The Committee shall have the authority to:
    - 6.3.1 retain independent legal, accounting or other relevant advisors as it may deem necessary or appropriate to allow it to discharge its responsibilities; and
    - 6.3.2 set and pay the compensation of any such advisors, at the expense of the Company.
  - 6.4 Any advisors retained by the Committee shall report directly to the Committee.

7. The Committee's reporting requirements shall be to make regular reports to the Board, through the Chair, following meetings of the Committee.
8. The Committee shall review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall review and evaluate the functioning and effectiveness of the Committee and its members annually and report to the Board.
9. The members of the Committee shall be entitled to receive such remuneration for acting as a member of the Committee as the Board may from time to time determine.