

VALDY INVESTMENTS LTD.

#902 – 510 Burrard Street
Vancouver, BC V6C 3A8

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 14, 2021**

AND

INFORMATION CIRCULAR

April 16, 2021

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.

VALDY INVESTMENTS LTD.

#902 – 510 Burrard Street

Vancouver, BC V6C 3A8

Telephone: (604) 685-0201

NOTICE OF SPECIAL MEETING

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the special meeting (the “**Meeting**”) of shareholders of Valdy Investments Ltd. (the “**Company**”) will be held at the offices of Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, BC, on Friday, May 14, 2021, at the hour of 10:00 a.m. (Vancouver time) for the following purposes:

1. to consider, and if deemed appropriate, to pass an ordinary resolution to adopt and approve a new amended and restated omnibus equity incentive compensation plan, as more particularly described in the Information Circular; and
2. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Company’s board of directors has fixed April 7, 2021 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please vote by proxy by following the instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

In view of the current and rapidly evolving COVID-19 outbreak, the Company encourages Shareholders not to attend the Meeting in person. No more than 10 persons will be permitted to attend in person at the in-person location for the Meeting. The Company may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak. As always, the Company encourages Shareholders to vote prior to the Meeting.

Any person who intends to attend the Meeting in person must register with the Company’s corporate secretary at least 72 hours in advance and receive approval, by calling Johnny Ciampi at 604.685.0201 or by email at johnny@maxamcapitalcorp.com.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a retirement savings plan, retirement income fund, education savings plan or other similar savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing, that holds your securities on your behalf (an “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia, this 16th day of April, 2021.

By Order of the Board of Directors of

VALDY INVESTMENTS LTD.

"James Decker"

James Decker

Chief Executive Officer and Director

VALDY INVESTMENTS LTD.

#902 – 510 Burrard Street
Vancouver, BC V6C 3A8
Telephone: (604) 685-0201

INFORMATION CIRCULAR

April 16, 2021

INTRODUCTION

This information circular (the “**Information Circular**”) accompanies the notice of special meeting of shareholders (the “**Notice**”) of Valdy Investments Ltd. (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 special meeting (the “**Meeting**”) of the Shareholders to be held at 10:00 a.m. (Vancouver time) on Friday, May 14, 2021 at the offices of Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, British Columbia, or at any adjournment or postponement thereof.

Date and Currency

The date of this Information Circular is April 16 2021. Unless otherwise stated, all amounts herein are in Canadian dollars.

COVID

In view of the current and rapidly evolving COVID-19 outbreak, the Company encourages Shareholders not to attend the Meeting in person. No more than 10 persons will be permitted to attend in person at the in-person location for the Meeting. The Company may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak. As always, the Company encourages Shareholders to vote prior to the Meeting.

Any person who intends to attend the Meeting in person must register with the Company’s corporate secretary at least 72 hours in advance and receive approval, by calling Johnny Ciampi at 604.685.0201 or by email at johnny@maxamcapitalcorp.com.

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 specifically 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 April 7, 2021 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.

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 April 7, 2021 (the "Record Date"), a total of 11,583,333 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 Shares Owned	Percentage of Outstanding Shares ⁽¹⁾
James Decker	1,291,000	11.14%

⁽¹⁾ Based on 11,583,333 Shares issued and outstanding as of April 7, 2021

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no (a) 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 (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 are no management functions of the Company, which are, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

AUDITOR

Davidson & Company LLP were first appointed as the auditor of the Company on December 3, 2018.

PARTICULARS OF MATTERS TO BE ACTED UPON

Adoption of Omnibus Equity Incentive Compensation Plan

At the Meeting, the Shareholders will be asked to consider and, if deemed appropriate, to pass an ordinary resolution in the form set out below (the “**Equity Incentive Plan Resolution**”), approving the adoption of a new omnibus equity incentive compensation plan (the “**Equity Incentive Plan**”) to replace the Company’s existing stock option plan (the “**Existing Plan**”). A comparison of the Existing Plan to the Equity Incentive Plan is set out in the blacklined version of the Existing Plan attached as Schedule “B” to this Information Circular.

The Company has entered into a securities exchange agreement dated March 31, 2021 with INX Limited (“**INX**”) and certain securityholders of INX, whereby the Company has agreed to acquire all of the issued and outstanding securities of INX (the “**Transaction**”), and the Transaction will constitute the Company’s Qualifying Transaction under the policies of the TSX Venture Exchange (the “**Exchange**”). The purpose of the Equity Incentive Plan is to attract and retain Employees, Officers, Directors and Consultants (each as defined in the policies of the Exchange) 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 the Equity Incentive Plan. The Equity Incentive Plan is intended to align with the current stock option plan of INX and be a more suitable plan for the Company following the closing of the Transaction (the “**Closing**”).

As of the date hereof, all stock options that were previously issued under the Existing Plan have been exercised and there are no stock options outstanding under the Existing Plan. The Company expects to terminate the Existing Plan effective as of the Closing.

The following is a brief description key provisions from the Equity Incentive Plan, including a description of some of the principal changes from the Existing Plan, which is qualified in its entirety by the fully text of the Equity Incentive Plan, a copy of which is attached as Schedule “A” to this Information Circular:

- Eligible Persons. The Company may grant Awards (as defined below) to eligible Employees, Consultants, Officers, Directors or Management Company Employees (each as defined in the Policies of the Exchange), 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 Equity Incentive Plan includes incentive awards in addition to stock options. The available awards that may be granted under the Equity Incentive Plan include: (a) stock options, (b) restricted shares; and (c) restricted share units (collectively, the “**Awards**”).
- Fixed Plan. The Equity Incentive Plan has been changed from a “10% rolling” plan to 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 10% of the issued and outstanding Shares *at the time of the closing of the Qualifying Transaction*. The Existing Plan, which was adopted on February 15, 2019 and initially approved by Shareholders on December 16, 2020, and further amended on March 12, 2021, provides that the total number of Shares reserved for issuance pursuant to options under the Existing Plan shall not exceed 10% of the Shares issued and outstanding *at the date of grant*.
- Exercise Price. The exercise price of any Award shall be determined at the discretion of the Board, provided that the exercise price shall not be less than the Discounted Market Price (as defined in the Policies of the Exchange). The Existing Plan contained an additional restriction on the minimum price, being that it could not be less than \$0.10, which is not contained in the Equity Incentive Plan.
- Limitations on Grants.
 - Awards granted to any one individual in any 12 month period cannot exceed more than 5% of the issued common shares of the Company (“**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, without the prior consent of the Exchange.
 - 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, without the prior consent of the Exchange.
 - Stock options issued to grantees performing investor relations activities will vest in stages over not less than 12 months with no more than one quarter of the options vesting in any three month period.
- Term. Each Award shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed ten (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 (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);
 - 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);

- 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
- 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 Equity Incentive 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 Equity Incentive Plan. Any participants to the Equity Incentive 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 Equity Incentive Plan that is attached to this Information Circular. 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 Exchange.
- **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 of the rights of the grantee, including voting rights and entitlement to review notice.

If not approved, or if the Transaction does not complete, the Existing Plan will continue in full force and effect.

The Board recommends the adoption of the Equity Incentive Plan Resolution and has approved the adoption of the Equity Incentive Plan and the termination of the Existing Plan to take effect as of the Closing, subject to Shareholder and Exchange approvals. The Exchange has conditionally approved the adoption of the Equity Incentive Plan, subject to Shareholder Approval. **Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Shares represented by such form of proxy, properly executed, FOR the Equity Incentive Plan Resolution.**

The text of the Equity Incentive Plan Resolution to be submitted to the Shareholders at the Meeting is set forth below:

“BE IT RESOLVED THAT:

1. subject to the approval of the Exchange, the adoption of the Company’s Equity Incentive Plan as described in this Information Circular, in the form attached as Schedule “A” to this Information Circular, is hereby authorized, ratified, confirmed and approved, subject to final regulatory approval; and
2. any director or officer of the Company, is hereby authorized and directed, for and in the name of and on behalf of the Company, to do all such acts and things and to execute, or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver, or cause to be delivered, such other agreements, certificates, documents and instruments, as may in the opinion of such director or officer of the Company be necessary or advisable to carry out and to fulfill the intent of the foregoing resolution.”

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Company at its office at #902 – 510 Burrard Street, Vancouver, BC V6C 3A8, 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.

OTHER MATTERS

Other than the above, management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of 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 16th day of April, 2021.

**ON BEHALF OF THE BOARD OF DIRECTORS OF
VALDY INVESTMENTS LTD.**

"James Decker"

James Decker
Chief Executive Officer and Director

SCHEDULE A

VALDY INVESTMENTS LTD.
(the "Corporation")

Omnibus Equity Incentive Compensation 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 ♦, 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) “**Associate**” means, where used to indicate a relationship with any person:
- (i) a partner, other than a limited partner, of that person;
 - (ii) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity;
 - (iii) a company in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the company; or
 - (iv) a relative, including the spouse or child, of that person or a relative of that person’s spouse, where the relative has the same home as that person;

and for the purpose of this definition, “spouse” includes an individual who is living with another individual in a marriage-like relationship.

- (b) **“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.
- (c) **“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.
- (d) **“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.
- (e) **“Board”** means the Board of Directors of the Company .
- (f) **“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.
- (g) **“CPC”** or **“Capital Pool Company”** has the meaning set out in the policies of the Exchange.
- (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”** has the meaning set forth in Policy 4.4 of the Exchange.
- (k) **“Director”** means any director of the Company or of any of its subsidiaries.
- (l) **“Discounted Market Price”** means the Market Price less the following maximum discounts based on closing price (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share of \$0.05):

<u>Closing Price</u>	<u>Discount</u>
up to \$0.50	25%
\$0.51 to \$2.00	20%
above \$2.00	15%
- (m) **“Disinterested Shareholder Approval”** means that the proposal must be approved by a majority of the votes cast at the shareholders’ meeting other than votes attaching to securities beneficially owned by Insiders and their Associates to whom shares may be issued pursuant to this Plan and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval.
- (n) **“Employee”** has the meaning set forth in Policy 4.4 of the Exchange.
- (o) **“Exchange”** means the TSX Venture Exchange.

- (p) **“Insider”** means:
 - (i) a director or senior officer of the Company;
 - (ii) a director or senior officer of a person that is itself an insider or subsidiary of the Company;
 - (iii) a person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company; or
 - (iv) the Company itself if it holds any of its own securities.
 - (q) **“Investor Relations Activities”** has the meaning set forth in Policy 1.1 of the Exchange.
 - (r) **“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.
 - (s) **“Management Company Employee”** has the meaning set forth in Policy 4.4 of the Exchange.
 - (t) **“Market Price”** means, subject to the exceptions prescribed by the Exchange from time to time, the last closing price of the Company’s shares before the issuance of the required news release disclosing the grant of Awards (but, if the policies of the Exchange provide an exception to such news release, then the last closing price of the Company’s shares before the grant of Awards).
 - (u) **“Officer”** means any senior officer of the Company or of any of its subsidiaries as defined in the *Securities Act* (British Columbia).
 - (v) **“Option”** has the meaning set forth in section 4.01 of this Plan.
 - (w) **“Plan”** means this omnibus equity incentive compensation plan as from time to time amended including all schedules and exhibits hereto.
 - (x) **“Qualifying Transaction”** has the meaning set out in the policies of the Exchange.
 - (y) **“Restricted Period”** has the meaning set forth in section 4.02 of this Plan.
 - (z) **“Resulting Issuer”** has the meaning set out in the policies of the Exchange
 - (aa) **“Restricted Shares”** has the meaning set forth in section 4.02 of this Plan.
 - (bb) **“RSU”** or **“Restricted Share Unit”** has the meaning set forth in section 4.03 of this Plan.
 - (cc) **“Seed Shares”** has the meaning set out in the policies of the Exchange.
 - (dd) **“Shares”** means common shares without par value in the capital of the Company.
 - (ee) **“Tier 1 Issuer”** and **“Tier 2 Issuer”** have the meanings prescribed by the Exchange.
- 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 Management Company Employees who are granted Awards will be bona fide Employees, Consultants, Officers, Directors or Management Company Employees 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, promissory note, 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 and Directors 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 Discounted Market Price, provided that:
- (i) if Options are granted within 90 days of a distribution by a prospectus, the minimum exercise price of those Options will be the greater of the Discounted Market Price and the per share price paid by the public investors for Shares acquired under the distribution;
 - (ii) the 90 day period begins on the date a final receipt is issued for the prospectus;
 - (iii) for unit offerings, the minimum Option exercise price will be the "base" (or imputed) price of the shares included in the unit; and
 - (iv) for all other financings, the minimum exercise price will be the average price paid by the public investors.
- 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 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 in the case that the Company is a Tier 2 Issuer, shall not exceed 5% of the issued and outstanding Shares, calculated on the date an Award is granted, provided that:
 - (a) the aggregate number of Awards granted to individuals employed in Investor Relations Activities on behalf of the Company shall not exceed 2% of the issued and outstanding Shares, calculated on the date an Award is granted, unless the Exchange permits otherwise; and
 - (b) the aggregate number of Awards granted to any one Consultant shall not exceed 2% of the issued and outstanding Shares, calculated on the date an Award is granted, unless the Exchange permits otherwise.

Notwithstanding the foregoing, persons employed in Investor Relations Activities on behalf of the Company are not eligible for grants of Restricted Shares or RSUs.

- 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.

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 date of grant 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 without limitation, by cash or check or any other method of payment all as shall be determined by the Board. 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. 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. All Shares acquired on exercise of Awards prior to the completion of a Qualifying Transaction must also be deposited into escrow and will be subject to escrow until the final Exchange bulletin is issued.
- 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 5.11(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 Hold Period. In addition to any resale restrictions under applicable legislation, all Awards granted hereunder and all Shares issued on the exercise of such Awards will, if applicable under the policies of the Exchange, be subject to a four month Exchange hold period from the date the Awards are granted, and the Award Agreements and the certificates representing such Shares will bear the following legend:
- “Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until **[insert date]**.”
- 5.16 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 Management Company Employees 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.

- 5.17 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) 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; or (b) 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.
- 5.18 Written Agreements. Every Award granted under this Plan shall be evidenced by a written agreement between the Company and the grantee agreement or other document as shall be determined by the Board, in the form approved by the Board from time to time, 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 this Plan shall govern. 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 date of grant of the Award or such other period or periods as determined by the Board. Unless otherwise determined, at the conclusion of each period for the exercise of the Award as determined in the Award Agreement (“**Vesting Periods**”), the Award may, from time to time, be exercised in relation to all the Shares allocated for that period in such manner that upon the first anniversary of the grant of the Award 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 (quarter) of the Awards and additional 1/16 at the end of each subsequent quarter over the course of the following three (3) years, 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) Options 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 Options 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 10% of the issued and outstanding Shares at the time of the closing of the Company’s Qualifying Transaction. 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 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) except in the case of a Tier 1 Issuer (or equivalent), the 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.

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 date of grant 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 5.15 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 B** 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 Option 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 Price 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 Price 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 Part 6, 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.
- 10.02 Exchange Approval. Any amendment to this Plan or Awards granted pursuant to this Plan shall not become effective until accepted for filing by the Exchange.

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 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 attached as **Appendix C** 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 C**, 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 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 signature in the presence of a notary if he 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, if applicable, or Company's legal counsel (the "**Attorney**"), 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, if applicable, or the Attorney, or the Proxy in any manner whatsoever and on any ground whatsoever and they expressly agree that if the Trustee, if applicable, or the Attorney or the Proxy are sued by them, then the Trustee, if applicable, or the Attorney 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, if applicable, or the Attorney 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, if applicable, 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, 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 D – US Appendix** and the **Appendix E – 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 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 grantees 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

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

[NTD: Insert address]

Attention: [NTD: Insert CEO of the Company]

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 Award Agreement dated _____ (the "Award Agreement").
2. **Delivery of Payment.** Grantee herewith delivers to the Company the full exercise price for the Shares, as set forth in the Award 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 Award Agreement and of the Plan, as amended, and until the issuance of the Shares (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 Award, notwithstanding the exercise of the Award. The Shares shall be issued to Grantee as soon as practicable after the Award 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 may suffer adverse tax consequences as a result of Grantee's exercise or disposition of the Shares. Grantee represents that he 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 any subsidiary or their respective Employees or Directors or Consultants thereof for any tax advice.

Submitted by:

Accepted by:

The INX Digital Company, Inc.

Signature

By

Print Name

Title

Address:

Address:

Date Received: _____

APPENDIX B

NOTICE OF EXERCISE

Date: _____

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

With a copy to: The Trustee (the “**Trustee**”) under the 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 abovementioned 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 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 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 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 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

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 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, in substantially the form attached hereto as **Exhibit A**, unless otherwise decided by the Board.

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 Date of Grant; (iii) in the event of the grant of ISOs to Ten Percent Shareholders, the expiration of

five (5) years from the Date of Grant; 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 Fair Market Value (determined at the Date of Grant) 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 Ordinary 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 Fair Market Value of the Ordinary 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 in accordance with Section 4.04 of the Plan.

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 Fair Market Value per Share on the Date of Grant.

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 Fair Market Value per Share on the Date of Grant.

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

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 FAIR 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 FAIR 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 shareholders 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

The Options 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, Options 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 the U.S. Appendix.

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: _____

Date of Grant: _____

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 Date of Grant, 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 Options shall become vested gradually over a period of 48 (forty-eight) calendar months, commencing from the Date of Grant of this Option Agreement, all as detailed below:
 - (a) At the end of the first 12 (twelve) calendar month period – ___ (____) Options;
 - (b) At the end of each consecutive 3 (three) month period over the second year - ___ (____) Options;
 - (c) At the end of each consecutive 3 (three) month period over the third year - ___ (____) Option; and
 - (d) At the end of each consecutive 3 (three) month period over the fourth year - ___ (____) 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 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 Fair 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 Fair 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 Date of Grant 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 **Exhibit 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 Company, 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 **Exhibit 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) Without derogating from the Company's Articles, as amended, Shares shall not be sold or transferred directly or indirectly to a competitor of the Company. The Board shall determine, in its sole and absolute discretion, whether a certain transfer of Shares is not allowed according to this Section.
- (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, 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 Date of Grant 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, 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 date of grant.

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 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.

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 Fair Market Value of the Shares on the date of exercise over the Exercise Price.

- (i) 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 Fair 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.
- (ii) 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.
- (iii) 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 date of grant, 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 Fair Market Value of the Shares on the date of exercise over the Exercise Price.
- (iv) 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 date of grant, 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. 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:

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

APPENDIX E

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 Date of Grant of an Approved 102 Award under such Election. The Election shall become effective beginning the first Date of Grant 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 "**Restricted 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 Restricted 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 Date of Grant 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 Date of Grant, the Fair Market Value of a Share at the Date of Grant shall be determined in accordance with the average value of the Company's shares on the thirty (30) trading days preceding the Date of Grant or on the thirty (30) trading days following the date of registration for trading, as the case may be.

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 subsidiary, the Grantee shall extend to the Company and/or its subsidiary 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 its subsidiaries, and/or the Trustee or the Grantee), hereunder, shall be borne solely and exclusively by the Grantee. The Company and/or its subsidiaries 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 its subsidiaries 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: _____

SCHEDULE B

VALDY INVESTMENTS LTD.
(the "Corporation")

Blackline Comparison of Existing Plan

~~VALDY INVESTMENTS LTD~~ THE INX DIGITAL COMPANY, INC.

~~AMENDED STOCK OPTION PLAN~~ OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN


~~This amended stock option plan amends the stock option plan that was adopted by the directors of Valdy Investments Ltd. on February 15, 2019 in connection with its initial public offering and listing of its common shares on the TSX Venture Exchange pursuant to the CPC program of the TSX Venture Exchange as governed by their Policy 2.4. Notwithstanding anything herein to the contrary, while the Company remains a CPC, the terms of this stock option plan and the terms of all options granted pursuant to this stock option plan shall include all terms, conditions and restrictions provided by Policy 2.4 as if such terms, conditions and restrictions were reproduced herein. While the Company is a CPC, Policy 2.4 shall prevail in the event of any inconsistency between Policy 2.4 and this stock option plan.~~ 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 , 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) **“Associate”** means, where used to indicate a relationship with any person:
 - (i) a partner, other than a limited partner, of that person;
 - (ii) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity;

- (iii) a company in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the company; or
- (iv) a relative, including the spouse or child, of that person or a relative of that person's spouse, where the relative has the same home as that person;

and for the purpose of this definition, "spouse" includes an individual who is living with another individual in a marriage-like relationship.

- (b) ~~"Board" means the Board of Directors of the Company or, if applicable, the Committee.~~ **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.
- (c) **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.
- (d) **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.
- (e) **Board** means the Board of Directors of the Company.
- (f) **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.
- (g) ~~(e)~~ **CPC** or **Capital Pool Company** has the meaning set out in the policies of the Exchange.
- (h) ~~(d)~~ **Committee** means a committee of the Board appointed in accordance with this Plan or, if no such committee is appointed, the Board itself.
- (i) ~~(e)~~ **Company** means The INX Digital Company, Inc. (formerly Valdy Investments Ltd.)
- (j) ~~(f)~~ **Consultant** means, in relation to the Company, an individual (other than an Employee or Director of the Company) or company that has the meaning set forth in Policy 4.4 of the Exchange.
 - (i) ~~is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or an affiliate of the Company, other than services provided in relation to a distribution;~~
 - (ii) ~~provides the services under a written contract between the Company or the affiliate and the individual or the company, as the case may be;~~
 - (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 an affiliate of the Company; and~~

~~(iv) — has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.~~

(k) ~~(g)~~ “**Director**” means any director of the Company or of any of its subsidiaries.

(l) ~~(h)~~ “**Discounted Market Price**” means the Market Price less the [following maximum discounts based on closing price \(and subject, notwithstanding the application of any such maximum discount set forth below, subject,](#) to a minimum price [per share](#) of ~~\$0.100.05~~):

<u>Closing Price</u>	<u>Discount</u>
up to \$0.50	25%
\$0.51 to \$2.00	20%
above \$2.00	15%

(m) ~~(i)~~ “**Disinterested Shareholder Approval**” means that the proposal must be approved by a majority of the votes cast at the shareholders’ meeting other than votes attaching to securities beneficially owned by Insiders and their Associates to whom shares may be issued pursuant to this Plan and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval.

(n) ~~(j)~~ “**Employee**” ~~means:~~ [has the meaning set forth in Policy 4.4 of the Exchange.](#)

~~(i) — an individual who is considered an employee of the Company or any of its subsidiaries under the *Income Tax Act* (i.e. for whom deductions (income tax, UIC and CPP) must be made at source);~~

~~(ii) — an individual who is a full time (i.e. 35—40 hours per week) dependent contractor, that is one who works full time for the Company or any of its subsidiaries providing services normally provided by an employee and is subject to the same control and direction by the Company or its subsidiary over the detail and methods of work as an employee of the Company or its subsidiary, but for whom income tax deductions are not made at source; or~~

~~(iii) — a part-time dependent contractor, that is 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 is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an employee of the Company or its subsidiary, but for whom income tax deductions are not made at source;~~

~~and includes Management Company Employees and Consultants.~~

(o) ~~(k)~~ “**Exchange**” means the TSX Venture Exchange.

(p) ~~(l)~~ “**Insider**” means:

(i) a director or senior officer of the Company;

(ii) a director or senior officer of a person that is itself an insider or subsidiary of the Company; ~~or~~

- (iii) a person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company; or
- (iv) the Company itself if it holds any of its own securities.

~~(q)~~ ~~(m) “Management Company Employee” means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in investor relations activities. “Investor Relations Activities” has the meaning set forth in Policy 1.1 of the Exchange.~~

~~(r)~~ ~~“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.~~

~~(s)~~ ~~“Management Company Employee” has the meaning set forth in Policy 4.4 of the Exchange.~~

~~(t)~~ ~~(n) “Market Price” means, subject to the exceptions prescribed by the Exchange from time to time, the last closing price of the Company’s shares before the issuance of the required news release disclosing the grant of ~~options~~Awards (but, if the policies of the Exchange provide an exception to such news release, then the last closing price of the Company’s shares before the grant of ~~options~~Awards).~~

~~(u)~~ ~~(o) “Officer” means any senior officer of the Company or of any of its subsidiaries as defined in the Securities Act (British Columbia).~~

~~(v)~~ ~~“Option” has the meaning set forth in section 4.01 of this Plan.~~

~~(w)~~ ~~(p) “Plan” means this ~~stock option~~omnibus equity incentive compensation plan as from time to time amended ~~including all schedules and exhibits hereto~~.~~

~~(x)~~ ~~(q) “Qualifying Transaction” has the meaning set out in the policies of the Exchange.~~

~~(y)~~ ~~“Restricted Period” has the meaning set forth in section 4.02 of this Plan.~~

~~(z)~~ ~~(r) “Resulting Issuer” has the meaning set out in the policies of the Exchange~~

~~(aa)~~ ~~“Restricted Shares” has the meaning set forth in section 4.02 of this Plan.~~

~~(bb)~~ ~~“RSU” or “Restricted Share Unit” has the meaning set forth in section 4.03 of this Plan.~~

~~(cc)~~ ~~(s) “Seed Shares” has the meaning set out in the policies of the Exchange.~~

~~(dd)~~ ~~(t) “Shares” means common shares without par value in the capital of the Company.~~

~~(ee)~~ ~~(u) “Tier 1 Issuer” and “Tier 2 Issuer” have the meanings prescribed by the ~~TSX Venture~~ Exchange.~~

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 ~~options~~Awards granted under this Plan ~~to purchase Shares~~. 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 Management Company Employees who are granted ~~options~~Awards will be bona fide Employees, Consultants, Officers, Directors or Management Company Employees 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 ~~OPTIONS~~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 not less than three (3) of its members) appointed by the Board, 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, promissory note, 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 ~~options~~Awards pursuant to the Plan, except that no such member shall act upon the granting of an ~~option~~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 ~~options~~Awards to him or her):-

~~3.02 Committee's Recommendations. The Board may accept all or any part of the recommendations of the Committee or may refer all or any part thereof back to the Committee for further consideration and recommendation. Such recommendations may include, but not be limited to, the following:~~

- ~~(a) resolution of questions arising in respect of the administration, interpretation and application of the Plan;~~

- ~~(b) reconciliation of any inconsistency or defect in the Plan in such manner and to such extent as shall reasonably be deemed necessary or advisable to carry out the purpose of the Plan;~~
- ~~(c) determination of the Consultants, Employees, Officers and Directors (or their wholly owned corporations) to whom, and when, options should be granted, as well as the number of Shares subject to each option;~~
- ~~(d) determination of the terms and conditions of the option agreement to be entered into with any optionee, consistent with this Plan; and~~
~~(e) determination of the duration and purpose of leaves of absence from employment which may be granted to optionees without constituting a termination of employment for purposes of the Plan.~~

3.04 ~~3.03~~ 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 and Directors to whom ~~options~~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 ~~3.04~~ Terms of ~~Options~~Awards. The resolution of the Board, or the Committee if applicable, shall specify the number of Shares that should be placed under ~~option~~an Award to each ~~optionee~~grantee, the price per Share to be paid upon exercise of the ~~options~~Award, the vesting schedule and the period during which such ~~options~~Award may be exercised, such period not to exceed ten (10) years.

~~3.05~~ Written Agreements. ~~Every option granted under this Plan shall be evidenced by a written agreement between the Company and the optionee and, where not expressly set out in the agreement, the provisions of such agreement shall conform to and be governed by this Plan. In the event of any inconsistency between the terms of the agreement and this Plan, the terms of this Plan shall govern.~~

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 ~~options~~Awards granted under the Plan, or the exercise thereof, shall violate the securities laws of the jurisdiction in which any ~~optionee~~grantee resides.

3.07 Amendment of ~~Options~~Awards. ~~Options~~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

~~CONDITIONS GOVERNING THE GRANTING AND EXERCISING OF OPTIONS~~AWARDS

4.01 ~~Exercise Price.~~ ~~The exercise price of an option granted under this Plan shall not be less than the Discounted Market Price, provided that:~~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 minimum exercise price for options granted before the initial public offering of the Company is the lowest Seed Share issue price;~~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 Discounted Market Price, provided that:

- (i) ~~(b)~~ if ~~options~~Options are granted within 90 days of a distribution by a prospectus, the minimum exercise price of those ~~options~~Options will be the greater of the Discounted Market Price and the per share price paid by the public investors for Shares acquired under the distribution;
- (ii) ~~(c)~~ the 90 day period begins on the date a final receipt is issued for the prospectus;
- (iii) ~~(d)~~ for unit offerings, the minimum ~~option~~Option exercise price will be the “base” (or imputed) price of the shares included in the unit; and
- (iv) ~~(e)~~ for all other financings, the minimum exercise price will be the average price paid by the public investors.

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 ~~4.02~~-Expiry Date. Each ~~option~~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 ~~4.03~~-Different Exercise Periods, Prices and Number. The Board may, in its absolute discretion, upon granting ~~options~~Awards under this Plan, specify different time periods following the dates of granting the ~~options~~Awards during which the ~~optionees~~grantees may exercise their ~~options~~Awards to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each ~~optionee~~grantee may exercise his ~~option~~Award during each respective time period.

5.04 ~~4.04~~-Number of Shares. The number of Shares reserved for issuance to any one person pursuant to ~~options~~Awards granted under this Plan, together with any Shares reserved for issuance pursuant to ~~options~~Awards granted to that person during the previous 12 months in the case that the Company is a Tier 2 Issuer, shall not exceed 5% of the issued and outstanding Shares ~~as at, calculated on~~ the date ~~of grant of any option~~an Award is granted, provided that ~~the aggregate number of options granted to each of the following categories of optionee:~~

~~(a) Consultants; and~~

~~(a)~~ ~~(b) persons employed in investor relations activities on behalf of the Company (provided that while the Company is a CPC, it must not grant any options to such persons employed in investor relations activities);~~ the aggregate number of Awards granted to individuals employed in Investor Relations Activities on behalf of the Company shall not exceed 2% of the issued and outstanding Shares, calculated on the date an Award is granted, unless the Exchange permits otherwise; and

~~(b)~~ must the aggregate number of Awards granted to any one Consultant shall not exceed 2% of the issued and outstanding Shares as at, calculated on the date ~~of grant of any option~~ an Award is granted, unless the Exchange permits otherwise.

~~4.05 Death of Optionee. If an optionee dies prior to the expiry of his option, his legal representatives may, by the earlier of:~~

~~(a) one year from the date of the optionee's death (or such lesser period as may be specified by the Board at the time of granting the option); and~~

~~(b) the expiry date of the option;~~

~~exercise any portion of such option.~~

Notwithstanding the foregoing, persons employed in Investor Relations Activities on behalf of the Company are not eligible for grants of Restricted Shares or RSUs.

5.05 ~~4.06 Expiry on Termination or Cessation. If an optionee ceases to be a Consultant, Director, Officer or Employee for any reason other than death, his option shall terminate within a reasonable time as specified by the Board at the time of granting the option, such period to not exceed a period of one year from the date of termination, and all rights to purchase Shares under such option shall cease and expire and be of no further force or effect. Notwithstanding the foregoing, options granted to any optionee of the Company while the Company is a Capital Pool Company, where the optionee does not continue as a Director, Officer, Consultant or Employee of the Resulting Issuer, have a maximum term of the later of 12 months after completion of the Qualifying Transaction and 90 days after the optionee ceases to become a Director, Officer, Consultant or Employee of the Resulting Issuer, following which all rights to purchase Shares under such option shall cease and expire and be of no further force or effect. 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.

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 date of grant 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 4.07 Leave of Absence. Employment shall be deemed to continue intact during any sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the optionee's right to reemployment is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the optionee's reemployment is not so guaranteed, then his employment shall be deemed to have terminated on the ninety first day of such leave.~~ 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 ~~4.08~~ Assignment. No ~~option~~ 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, ~~an optionee~~ a grantee shall have the right to assign any ~~option~~ Award granted to him hereunder to a trust or similar legal entity established by such ~~optionee~~ grantee.

- 5.11 ~~4.09~~ Notice. Options Awards shall be exercised only in accordance with the terms and conditions of the ~~agreements~~ 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 ~~4.10~~ Payment. Subject to any vesting requirements described in each individual ~~option agreement,~~ options Award Agreement, Awards may be exercised in whole or in part at any time prior to their lapse or termination. The exercise price ~~of all options must be paid in cash. Shares purchased by an optionee on exercise of an option shall be paid for in full at the time of their purchase (i.e. concurrently with the giving of the requisite notice)~~ shall be payable upon the exercise of the Award in a form satisfactory to the Board, including without limitation, by cash or check or any other method of payment all as shall be determined by the Board. The Board shall have the authority to postpone the date of payment on such terms as it may determine.
- 5.13 ~~4.11~~ Share Certificate or DRS. As soon as practicable after due exercise of an ~~option~~ Award, the Company shall issue a share certificate or direct registration statement ("DRS") evidencing the Shares with respect to which the ~~option~~ Award has been exercised. 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 ~~option~~ 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 68 hereof. All Shares acquired on exercise of ~~options~~ Awards prior to the completion of a Qualifying Transaction must also be deposited into escrow and will be subject to escrow until the final Exchange bulletin is issued.
- ~~4.12~~ Vesting. ~~Subject to the discretion of the Board, the options granted to an optionee under this Plan shall fully vest on the date of grant of such options. In accordance with the policies of the Exchange, and subject to their approval to the contrary, options issued to Consultants providing investor relations services must vest (and not otherwise be exercisable) in stages over a minimum of 12 months with no more than 1/4 of the options vesting in any 3 month period.~~
- 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 5.11(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 ~~4.13~~ Hold Period. In addition to any resale restrictions under applicable legislation, all ~~options~~ Awards granted hereunder and all Shares issued on the exercise of such ~~options~~ Awards will, if applicable under the policies of the Exchange, be subject to a four month ~~TSX Venture~~ Exchange hold period from the date

the ~~options~~Awards are granted, and the ~~stock option agreements~~Award Agreements and the certificates representing such Shares will bear the following legend:

“Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [*insert date*].”

5.16 ~~4.14~~ Individuals. ~~Options~~Awards may be granted only to an individual or to a company that is wholly-owned by an individual who is eligible for an ~~option~~Award grant. Only individuals who are Directors, Officers, Consultants, Employees or Management Company Employees may be granted ~~stock options~~Awards. If the ~~optionee~~grantee is a company, it must agree not to effect or permit any transfer of ownership or ~~option~~award of ~~shares of the company~~Shares nor to issue further shares of any class in the company to any other individual or entity as long as the ~~incentive stock option~~Awards remains outstanding, except with the written consent of the Exchange.

5.17 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) 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; or (b) 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.

5.18 Written Agreements. Every Award granted under this Plan shall be evidenced by a written agreement between the Company and the grantee agreement or other document as shall be determined by the Board, in the form approved by the Board from time to time, 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 this Plan shall govern. 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 date of grant of the Award or such other period or periods as determined by the Board. Unless otherwise determined, at the conclusion of each period for the exercise of the Award as determined in the Award Agreement (“Vesting Periods”), the Award may, from time to time, be exercised in relation to all the Shares allocated for that period in such manner that upon the first anniversary of the grant of the Award 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 (quarter) of the Awards and additional 1/16 at the end of each subsequent quarter over the course of the following three (3) years, 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) Options 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 Options vesting in any 3-month period.

~~PART 6~~**PART 5**
RESERVE OF SHARES FOR ~~OPTIONS~~AWARDS

- 6.01 ~~5.01~~ Maximum Number of Shares Reserved Under Plan. Subject to adjustment as provided in ~~PART 6,~~ while the Company is a CPC the aggregate ~~Part 8, the total~~ number of Shares which may be subject to ~~reserved and available for grant and~~ issuance pursuant to ~~options granted under this Plan~~ Awards shall not exceed the number of Shares equal to 10% of the issued and outstanding Shares ~~of the Company as at the date of grant of any option, and after the completion~~ at the time of the closing of the Company's Qualifying Transaction ~~the maximum number of Shares reserved under the Plan shall be up to 10% of the issued and outstanding Shares of the Company at any time any options are granted.~~ 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 ~~options~~ 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 ~~options~~ 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 ~~options~~ Awards.
- 6.02 ~~5.02~~ Sufficient Authorized Shares to be Reserved. Whenever the ~~Articles~~ 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 ~~options~~ 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 ~~that were the subject of options that have lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an option granted under this~~ 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 ~~5.03~~ 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 ~~options~~ Awards granted to Insiders exceeding 10% of the outstanding Shares at the time of granting the ~~options~~ 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 ~~options~~ Awards; ~~or~~
 - (c) except in the case of a Tier 1 Issuer (or equivalent), the 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 ~~options~~ Awards; ~~or~~
 - (d) any reduction in the exercise price of ~~options~~ Awards granted to any person who is an Insider at the time of the proposed reduction.

~~PART 7~~**PART 6**
CHANGES IN SHARES**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 date of grant 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 5.15 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 B** 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 Option 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 Price 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 Price 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 ~~6.01~~ Share Consolidation or Subdivision. In the event that the Shares are at any time subdivided or consolidated, the number of Shares reserved for ~~option~~an Award and the price payable for any Shares that are then subject to ~~option~~an Award shall be adjusted accordingly.
- 8.02 ~~6.02~~ 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 ~~option~~an Award and the price payable for any Shares that are then subject to ~~option~~an Award may be adjusted by the Board to such extent as they deem proper in their absolute discretion.
- 8.03 ~~6.03~~ Reorganization. Subject to any required action by its shareholders, if the Company shall be a party to an reorganization, ~~merger~~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 ~~option~~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 ~~option~~Award would have been entitled by reason of such reorganization, ~~merger~~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 an ~~optionee~~grantee hereunder by paying to the said ~~optionee~~grantee in cash the difference between the exercise price of all unexercised ~~options~~Awards granted hereunder and the fair market value of the securities to which the ~~optionee~~grantee would be entitled upon exercise of all unexercised ~~options~~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 ~~6.04~~ 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 ~~the~~ ~~option~~an Award in consequence thereof and the said stock option of the ~~optionee~~grantee shall remain unaffected.

PART 9~~**PART 7**~~
EXCHANGE'S RULES AND POLICIES APPLY

- 9.01 ~~7.01~~ Exchange's Rules and Policies Apply. This Plan and the granting and exercise of any ~~options~~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~~**PART 8**~~
AMENDMENT OF PLAN

- 10.01 ~~8.01~~ Board May Amend. Subject to Part 56, the Board may, by resolution, amend or terminate this Plan; ~~but~~ 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 ~~optionees~~grantees concerned, adversely affect the ~~terms and conditions of options previously granted under this Plan which have not then been exercised or terminated~~rights of such grantee under such Award.

10.02 ~~8.02~~-Exchange Approval. Any amendment to this Plan or ~~options~~Awards granted pursuant to this Plan shall not become effective until accepted for filing by the Exchange.

~~PART 11~~**PART 9**
~~MISCELLANEOUS PROVISIONS~~**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 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 attached as **Appendix C** 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 C**, 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 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 signature in the presence of a notary if he 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, if applicable, or Company's legal counsel (the "Attorney"), 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, if applicable, or the Attorney, or the Proxy in any manner whatsoever and on any ground whatsoever and they expressly agree that if the Trustee, if applicable, or the Attorney or the Proxy are sued by them, then the Trustee, if applicable, or the Attorney 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, if applicable, or the Attorney 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, if applicable, 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 ~~9.01~~ **Tax Withholding.** The Company may withhold from any amount payable to ~~an optionee~~ 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 ~~options~~ 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 ~~an optionee~~ a grantee, as a condition to the exercise of any ~~options~~ Awards, to make such arrangements as the Company may require so that the Company can satisfy such Withholding Obligations including, without limitation, requiring the ~~Optionee~~ grantee to remit to the Company in advance, or reimburse the Company for, any such Withholding Obligations; ~~2~~ or
- (b) selling on the ~~optionee~~ grantee’s behalf without notice, or requiring the ~~optionee~~ grantee to sell, any Shares acquired by the ~~optionee~~ grantee under the Plan, or retaining any amount which would otherwise be payable to the ~~optionee~~ 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, 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 D – US Appendix** and the **Appendix E – Israeli Appendix**) constitute part of this Plan.
- 13.02 ~~9.02~~ 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 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 grantees 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 ~~9.03~~ Effective Date of Plan. This Plan, as amended, shall become effective upon receipt of shareholder approval. However, ~~options~~ Awards may be granted under this Plan as amended, prior thereto. Any ~~option~~ Award granted prior thereto may not be exercised prior to such date-
- 13.06 ~~9.04~~ Use of Proceeds. Proceeds from the sale of Shares pursuant to the ~~options~~ 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 ~~9.05~~ 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 ~~9.06~~ No Obligation to Exercise. ~~Optionees~~Grantees shall be under no obligation to exercise ~~options~~Awards granted under this Plan, as amended.
- ~~9.07 Termination of Plan. This Plan shall only terminate pursuant to a resolution of the Board or the Company's shareholders.~~
- 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

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

[NTD: Insert address]

Attention: [NTD: insert CEO of the Company]

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 Award Agreement dated _____ (the "**Award Agreement**").
2. **Delivery of Payment.** Grantee herewith delivers to the Company the full exercise price for the Shares, as set forth in the Award 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 Award Agreement and of the Plan, as amended, and until the issuance of the Shares (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 Award, notwithstanding the exercise of the Award. The Shares shall be issued to Grantee as soon as practicable after the Award 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 may suffer adverse tax consequences as a result of Grantee's exercise or disposition of the Shares. Grantee represents that he 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 any subsidiary or their respective Employees or Directors or Consultants thereof for any tax advice.

Submitted by:

Accepted by:

The INX Digital Company, Inc.

Signature

By

Print Name

Title

Address:

Address:

Date Received: _____

APPENDIX B

NOTICE OF EXERCISE

Date: _____

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

With a copy to: The Trustee (the "Trustee") under the 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 abovementioned 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 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 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 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 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

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 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, in substantially the form attached hereto as Exhibit A, unless otherwise decided by the Board.

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 Date of Grant; (iii) in the event of the grant of ISOs to Ten Percent Shareholders, the expiration of

five (5) years from the Date of Grant; 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 Fair Market Value (determined at the Date of Grant) 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 Ordinary 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 Fair Market Value of the Ordinary 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 in accordance with Section 4.04 of the Plan.

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 Fair Market Value per Share on the Date of Grant.

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 Fair Market Value per Share on the Date of Grant.

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

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 FAIR 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 FAIR 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 shareholders 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

The Options 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, Options 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 the U.S. Appendix.

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: _____

Date of Grant: _____

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 Date of Grant, 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 Options shall become vested gradually over a period of 48 (forty-eight) calendar months, commencing from the Date of Grant of this Option Agreement, all as detailed below:

(a) At the end of the first 12 (twelve) calendar month period – _____ (_____) Options;

(b) At the end of each consecutive 3 (three) month period over the second year - _____ (_____) Options;

(c) At the end of each consecutive 3 (three) month period over the third year - _____ (_____) Option; and

(d) At the end of each consecutive 3 (three) month period over the fourth year - _____ (_____) 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 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 Fair 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 Fair 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 Date of Grant 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 **Exhibit 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 Company, 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 **Exhibit 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) Without derogating from the Company's Articles, as amended, Shares shall not be sold or transferred directly or indirectly to a competitor of the Company. The Board shall determine, in its sole and absolute discretion, whether a certain transfer of Shares is not allowed according to this Section.

(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, 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 Date of Grant 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, 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 date of grant.

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 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.

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 Fair Market Value of the Shares on the date of exercise over the Exercise Price.
- (i) 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 Fair 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.
- (ii) 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.
- (iii) 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 date of grant, 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 Fair Market Value of the Shares on the date of exercise over the Exercise Price.
- (iv) 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 date of grant, 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. Grantee further agrees to notify the Company upon any change in the residence address indicated below.

<u>GRANTEE</u>	<u>THE INX DIGITAL COMPANY, INC.</u>
<u>Signature</u>	<u>By</u>
<u>Print Name</u>	<u>Title</u>
<u>Residence Address</u>	

Attachments:

- Exhibit A: Amended Plan [including U.S. Appendix]

- Exhibit B: Exercise Notice
- Exhibit C: Proxy

APPENDIX E

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(j) 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 Date of Grant of an Approved 102 Award under such Election. The Election shall become effective beginning the first Date of Grant 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 "Restricted 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 Restricted 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 Date of Grant 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 Date of Grant, the Fair Market Value of a Share at the Date of Grant shall be determined in accordance with the average value of the Company's shares on the thirty (30) trading days preceding the Date of Grant or on the thirty (30) trading days following the date of registration for trading, as the case may be.

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 subsidiary, the Grantee shall extend to the Company and/or its subsidiary 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 its subsidiaries, and/or the Trustee or the Grantee), hereunder, shall be borne solely and exclusively by the Grantee. The Company and/or its subsidiaries 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 its subsidiaries 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: _____