

# THE INX DIGITAL COMPANY, INC.

## OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

This omnibus equity incentive compensation plan (the “Plan”) was adopted by the directors of The INX Digital Company Inc. (formerly Valdy Investments Ltd. (a Capital Pool Company)) on April 16, 2021, and made effective on May 14, 2021. Certain amendments to the Plan were approved by the shareholders of the Company on December 24, 2021 and on June 22, 2022.

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### PART 1 INTERPRETATION

- 1.01 Definitions. In this Plan the following words and phrases shall have the following meanings, namely:
- (a) “**Act**” means the *Securities Act* (British Columbia), as amended from time to time.
  - (b) “**Associate**” shall have the meaning ascribed to such term in the Act.
  - (c) “**Award**” means, individually or collectively, a grant under the Plan of Options, Restricted Shares and Restricted Share Units, in each case subject to the terms of the Plan.
  - (d) “**Award Agreement**” means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan, including, without limitation, the Option Agreement, the Restricted Share Agreement and the RSU Agreement.

- (e) **“Blackout Period”** means a period of time during which the grantee cannot sell Shares, due to applicable law or policies of the Company in respect of insider trading.
- (f) **“Board”** means the Board of Directors of the Company.
- (g) **“Cause”** means any of (i) a material breach by the grantee of the grantee’s obligations under any agreement with the Company or any subsidiary; (ii) the commission by the grantee of an act of fraud or embezzlement against the Company or any subsidiary or the willful taking of action injurious to the business or prospects of the Company or any subsidiary; (iii) the conviction of the grantee of a felony; and (iv) the grantee’s involvement in an act or omission which constitutes breach of trust between the grantee and the Company or any subsidiary.
- (h) **“Committee”** means a committee of the Board appointed in accordance with this Plan or, if no such committee is appointed, the Board itself.
- (i) **“Company”** means The INX Digital Company, Inc. (formerly Valdy Investments Ltd.)
- (j) **“Consultant”** means an individual, other than an Employee, senior officer or Director of the Company or of any of its subsidiaries, who:
  - (i) provides ongoing consulting, technical, management or other services to the Company or any of its subsidiaries, other than services provided in relation to a distribution of the Company’s securities,
  - (ii) provides the services under a written contract between the Company or any of its subsidiaries and the individual,
  - (iii) in the reasonable opinion of the Company spends or will spend a significant amount of time and attention on the affairs and business of the Company or any of its subsidiaries, and
  - (iv) has a relationship with the Company or any of its subsidiaries that enables the individual to be knowledgeable about the business and affairs of the Company.
- (k) **“Director”** means any director of the Company or of any of its subsidiaries.
- (l) **“Employee”** means:
  - (i) an individual who is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),
  - (ii) an individual who works full-time for the Company or any of its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Company or any of its subsidiaries over the details and methods of work as an employee of the Company or any of its subsidiaries, but for whom income tax deductions are not made at source, and
  - (iii) an individual who works for the Company or any of its subsidiaries, on a continuing and regular basis for a minimum amount of time per week, providing services normally provided by an employee and who is subject to the same control and direction by the Company or any of its subsidiaries over the details and methods of work as an employee of the Company or any of its subsidiaries, but for whom income tax deductions are not made at source.

- (m) **“Exchange”** means the NEO Exchange or, if the Shares are no longer listed for trading on the NEO Exchange, such other stock exchange or quotation system on which the Shares are listed or quoted for trading.
- (n) **“Insider”** shall have the meaning ascribed to such term in the Act.
- (o) **“Investor Relations Activities”** means any activities or oral or written communications, by or on behalf of the Company or a shareholder of the Company that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
  - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
    - A. to promote the sale of products or services of the Company, or
    - B. to raise public awareness of the Company,that cannot reasonably be considered to promote the purchase or sale of securities of the Company,
  - (ii) activities or communications necessary to comply with the requirements of
    - A. applicable securities laws,
    - B. the rules and policies of the NEO, if the Shares are listed only on the NEO, or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company,
  - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if
    - A. the communication is only through the newspaper, magazine or publication, and
    - B. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer, or
  - (iv) activities or communications that may be otherwise specified by the NEO, if the Shares are listed only on the NEO.
- (p) **“Grant Date”** means, for any Award, the date specified by the Board as the grant date at the time it grants the Award or, if no such date is specified, the date upon which the Award was actually granted.
- (q) **“Market Value”** means at any date when the market value of Shares of the Company is to be determined, the closing price of the Shares on the trading day prior to such date on the principal stock exchange on which the Shares are listed, or if the Shares of the Company are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith based on the reasonable application of a reasonable valuation method not inconsistent with the *Income Tax Act* (Canada).
- (r) **“NEO”** means the Neo Exchange Inc.

- (s) **“Officer”** means any senior officer of the Company or of any of its subsidiaries as defined in the *Securities Act* (British Columbia).
  - (t) **“Option”** has the meaning set forth in section 4.01 of this Plan.
  - (u) **“Person”** means a natural person, company, government or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person.
  - (v) **“Plan”** means this omnibus equity incentive compensation plan as from time to time amended including all schedules and exhibits hereto.
  - (w) **“Related Person”** has the meaning set forth in the NEO Exchange Listing Manual.
  - (x) **“Restricted Period”** has the meaning set forth in section 4.02 of this Plan.
  - (y) **“Restricted Shares”** has the meaning set forth in section 4.02 of this Plan.
  - (z) **“RSU”** or **“Restricted Share Unit”** has the meaning set forth in section 4.03 of this Plan.
  - (aa) **“Security Based Compensation Arrangement”** has the meaning set forth in the NEO Exchange Listing Manual.
  - (bb) **“Shares”** means common shares without par value in the capital of the Company.
- 1.02 Gender. Throughout this Plan, words importing the masculine gender shall be interpreted as including the female gender.

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

- 2.01 Purpose. The purpose of this Plan, as amended from time to time, is to attract and retain Employees, Officers, Directors and Consultants and to motivate them to advance the interests of the Company by affording them the opportunity to acquire an equity interest in the Company through Awards granted under this Plan. The Plan is expected to benefit the Company’s shareholders by enabling the Company to attract and retain personnel of the highest caliber by offering to them an opportunity to share in any increase in the value of the Shares to which they have contributed. The Company represents that Employees, Consultants, Officers, Directors or service providers who are granted Awards will be bona fide Employees, Consultants, Officers, Directors or service providers at the time of grant.
- 2.02 Foreign Participants. The Plan is designed to enable the provision of incentives as set forth herein to grantees in various jurisdictions, with respect to which the Board, in its sole discretion, shall determine the necessary changes to be made to the Plan and set forth the relevant conditions in the Award Agreements with the grantees in order to comply with the requirements of the tax regimes in any such other jurisdictions and its determination regarding these matters shall be final and binding.
- 2.03 Exclusivity of the Plan. Unless otherwise determined by the Board in any particular instance or as part of the Award Agreement, each grantee hereunder will be required to declare and agree that all prior agreements, arrangements and/or understandings with respect to Shares of the Company or Awards which have not actually been issued or granted prior to execution of the Award Agreement shall be null and void and that only the provisions of the Plan and/or the Award Agreement shall apply. Notwithstanding the above, the adoption of this Plan, by itself, shall not be construed as amending,

modifying or rescinding any incentive arrangement previously approved by the Board (if applicable) or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of Awards otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases, subject to compliance with policies of the Exchange.

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

- 3.01 Administration. This Plan shall be administered by the Board or, if the Board so elects, by a committee so designated by the Board, consisting of an odd number of members (the “**Committee**”). Any subsequent references herein to the Board shall also mean any such Committee if appointed and, unless the powers of the Committee have been specifically limited by law or otherwise, such Committee shall have all of the powers of the Board granted herein. Subject to applicable law and without derogating from the generality of the foregoing, the Board shall have plenary authority to determine: (i) the terms and conditions (which need not be identical) of all grant of Awards (including, without limitation, the terms and conditions of the issuance of Shares pursuant to the exercise thereof), including, without limitation, the purchase price of the Shares covered by each Award, (ii) the method of payment of the exercise price (whether by cash, check, shares, other securities or Awards, promissory note, a cashless exercise arrangement, or any combination of the foregoing), (iii) the individuals to whom, and the time or times at which, Awards shall be granted, (iv) the number of Shares to be subject to each Award, (v) when an Award can be exercised and whether in whole or in installments, (vi) and to make any other elections with respect to the Plan pursuant to applicable law.
- (a) Any directive or notice signed by a member of the Board authorized therefore by the Board shall constitute conclusive proof and authority for every act or decision of the Company.
  - (b) No Director or Officer of the Company shall be personally liable or obligated to any grantee as a result of any decision made and/or action taken with respect to the Plan or its interpretation or execution.
  - (c) Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its subsidiaries operate or have employees or other individuals eligible for Awards or to facilitate the offering and administration of the Plan in such other countries, the Board, in its sole discretion, shall have the power and authority to: (i) determine which subsidiaries shall be covered by the Plan; (ii) determine which individuals outside of Canada are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to or held by individuals outside the of Canada to comply with applicable foreign laws or facilitate the offering and administration of the Plan in view of such foreign laws; (iv) establish subplans and appendices and modify exercise procedures and other terms and procedures, to the extent the Board determines such actions to be necessary or advisable; provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 6.01 hereof and that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement to ensure or facilitate compliance with the laws of the relevant foreign jurisdiction; and (v) take any action, before or after an Award is made, that the Board determines to be necessary or advisable to obtain approval or comply or facilitate compliance with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Board may not take any actions hereunder, and no Awards shall be granted, that would violate the any applicable law.
- 3.02 Interpretation. The Board shall have plenary authority to construe and interpret the Plan, to prescribe, amend and rescind the rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Plan, subject to compliance and any applicable law

and policies of the Exchange. All determinations and decisions of the Board pursuant to the provisions of the Plan and all related orders and resolutions of the Board shall be final, conclusive and binding on all Persons, including the Company, its shareholders, grantees and their estates and beneficiaries.

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

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

- 4.01 Option Awards. The Board may award options to purchase Shares of the Company to any eligible grantee (“**Options**”). Each Option granted under this Plan shall be evidenced by a written agreement between the Company and the grantee (the “**Option Agreement**”), in such form as the Board shall from time to time approve. The Options shall be subject to all applicable terms of this Plan. The provisions of the various Option Agreements entered into under this Plan need not be identical. The Option Agreement shall comply with the provisions of the Plan and applicable law.
- (a) The exercise price of an Option granted under this Plan shall be fixed by the Board or the Committee, as applicable, when such Option is granted. However, the exercise price of an Option shall not be less than the Market Value of such shares on the Grant Date.
- 4.02 Restricted Shares. The Board may award restricted shares to any eligible grantee (“**Restricted Shares**”). Each grant of Restricted Shares under this Plan shall be evidenced by a written agreement between the

Company and the grantee (the “**Restricted Share Agreement**”), in such form as the Board shall from time to time approve. The Restricted Shares shall be subject to all applicable terms of this Plan. The provisions of the various Restricted Shares Agreements entered into under this Plan need not be identical. The Restricted Share Agreement shall comply with the provisions of the Plan and applicable law.

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

4.03 Restricted Share Units (“RSU”). An RSU is an award covering a number of Shares that is settled, if vested and (if applicable) exercised, by issuance of those Shares. An RSU may be awarded to any eligible grantee, subject and in accordance with applicable laws. The Award Agreement relating to the grant of RSUs under this Plan (the “**RSU Agreement**”), shall be in such form as the Board shall from time to time approve. The RSUs shall be subject to all applicable terms of this Plan. The provisions of the various RSU Agreements

entered into under this Plan need not be identical. RSUs may be granted in consideration of a reduction in the grantee's other compensation.

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

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

- 5.01 Expiry Date. Each Award shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed ten (10) years.
- 5.02 Blackout Periods. If on the date on which an Award is schedule to expire occurs during, or within ten (10) business days after the last day of a Blackout Period applicable to such grantee, then the expiry date of such Award shall be extended to the last day of such ten (10) business day period.
- 5.03 Different Exercise Periods, Prices and Number. The Board may, in its absolute discretion, upon granting Awards under this Plan, specify different time periods following the dates of granting the Awards during which the grantees may exercise their Awards to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each grantee may exercise his/her Award during each respective time period.
- 5.04 Number of Shares. The number of Shares reserved for issuance to any one person pursuant to Awards granted under this Plan, together with any Shares reserved for issuance pursuant to Awards granted to that person during the previous 12 months, shall not exceed 5% of the issued and outstanding Shares, calculated on the date an Award is granted.
- 5.05 Expiry on Termination or Cessation. Unless otherwise determined by the Board and/or set forth in grantee's Award Agreement, if the engagement of a grantee is terminated or if he ceases to serve as an Officer, Consultant, Employee or Director or service provider of the Company or of a subsidiary (as the case may be) prior to the complete exercise of an Award,
  - (a) by reason of death or disability (as determined by the Board in its absolute discretion), the Award shall remain exercisable for a period of one (1) year following such termination (but only to the extent exercisable at termination of engagement or appointment, as the case may be, and not beyond the scheduled expiration date);
  - (b) by reason of retirement, pursuant to applicable law with the approval of the Board, the Award shall remain exercisable for a period of one hundred and eighty (180) days following such termination (but only to the extent exercisable at termination of engagement or appointment, as the case may be, and not beyond the scheduled expiration date);



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

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

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

- 5.12 Payment. Subject to any vesting requirements described in each individual Award Agreement, Awards may be exercised in whole or in part at any time prior to their lapse or termination. The exercise price shall be payable upon the exercise of the Award in a form satisfactory to the Board, including, but not limited to, cash, Shares (actually or by attestation), other securities, other Awards or other property, or any combination thereof, having a Market Value on the exercise date equal to the applicable exercise price, in which payment of the exercise price with respect thereof may be made or deemed to have been made. The Board shall have the authority to postpone the date of payment on such terms as it may determine.
- 5.13 Share Certificate or DRS. As soon as practicable after due exercise of an Award, the Company shall issue a share certificate or direct registration statement (“**DRS**”) evidencing the Shares with respect to which the Award has been exercised. Without derogating from any of the provisions of this Plan, until the issuance of such share certificate or DRS, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Award. No adjustment will be made for a dividend or other right for which the record date is prior to the date the share certificate or DRS is issued, except as provided in Part 8 hereof.
- 5.14 Dividends. The Shares issued as a result of the exercise of the Awards shall participate equally with the Company’s other Shares in every dividend which shall be declared and distributed subject to the following provisions:
- (a) A cash dividend shall be distributed only to persons registered in the register of shareholders as shareholders on the record date fixed for the distribution of the dividend.
  - (b) If applicable, a dividend with regard to Shares which are registered in the name of the Trustee shall be paid to the Trustee, subject to any lawful deduction of tax, whether such rate is at the usual rate applicable to a dividend or at a higher rate. The Trustee shall transfer the dividend to the grantee in accordance with instructions that he shall receive from the Company. Alternatively, the Company shall be entitled to pay the dividend directly to the grantee subject to the deduction of the applicable tax.
  - (c) Without derogating from the provisions of Section 5.14(b) hereof, the Company or the Trustee, if applicable, shall be entitled to set off and deduct at source from any dividend any sum that the grantee owes to the Company (including any subsidiary) or the Trustee, if applicable, whether under the Plan or otherwise, and/or any sum that the grantee owes to the tax or other authorities.
- 5.15 Individuals. Awards may be granted only to an individual or to a company that is wholly-owned by an individual who is eligible for an Award grant. Only individuals who are Directors, Officers, Consultants, Employees or service providers may be granted Awards. If the grantee is a company, it must agree not to effect or permit any transfer of ownership or award of Shares nor to issue further shares of any class in the company to any other individual or entity as long as the Awards remains outstanding, except with the written consent of the Exchange.
- 5.16 Acceleration of an Award. Unless otherwise determined by the Board or set forth in the grantee’s Award Agreement:
- (a) Immediately prior to (a) the consummation of a Significant Event (as defined below) or (b) the adoption of any plan or proposal for the liquidation or dissolution of the Company, then, notwithstanding any contrary Vesting Periods (as such term is defined below) in any agreement or in this Plan, and unless in each case the applicable agreement provides otherwise, the Board may, but shall not be obligated to, determine that a certain portion of the outstanding Awards

held by or for the benefit of any grantee and which have not yet vested shall be accelerated and become immediately vested and exercisable.

- (b) Each of the following shall be a “**Significant Event**”, (a) a takeover bid (as defined in the Act), which is successful in acquiring Shares, (b) a change of control of the Board resulting from the election by the members of the Company of less than a majority of the persons nominated for election by management of the Company, (c) any consolidation, plan of arrangement or amalgamation of the Company, other than a transaction in which the holders of Shares immediately prior thereto have the same, or substantially similar, proportionate ownership of Shares of the surviving or resulting entity immediately after the transaction and a transaction in which the holders of Shares immediately prior thereto own a majority of the voting power of the surviving or resulting entity; (c) any sale, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets or all or substantially all of the outstanding and issued Shares of the Company; or (d) the dissolution of the Company’s business or the liquidation of its assets,

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

- (a) The exercise price (if applicable) shall be paid by the grantee to the Company no later than the date of exercise of the Award.
- (b) The grantee, whether as a holder of an Award, or following the exercise of an Award, as a shareholder of the Company, and whether the Shares issued to the grantee are registered in his name or otherwise, shall have no right of first refusal to purchase Shares of the Company which may be offered for sale by shareholders of the Company, and shall have no pre-emptive rights to purchase Shares which are being allotted or shall in the future be allotted by the Company, to the extent any such rights otherwise exist.
- (c) The Award and/or the right to the Award and/or to the Shares are personal and except insofar as is specified in this Plan, and, may not be transferred, assigned, pledged, withheld, attached or otherwise charged either voluntarily or pursuant to any law, except by way of transfer pursuant to the laws of inheritance or as otherwise determined by the Board, and no power of attorney or deed of transfer, whether the same has immediate effect or shall take effect on a future date, shall be given with respect thereto. During the lifetime of the grantee the Award may only be exercised by the designated grantee or, if granted to the Trustee, by the Trustee on behalf of the designated grantee. A note as to the provisions of this sub-section or a legend may appear on any document which grants the Award and in particular in the Award Agreement, and also on any share certificate.
- (d) The right to exercise the Award shall be subject to a vesting schedule, and may be further subject to any performance goals and measurements as may be determined by the Board. Vesting shall be in installments, gradually over a period of four (4) years from the Grant Date of the Award or such other period or periods as determined by the Board (“**Vesting Periods**”). Unless otherwise

determined, at the conclusion of each period for the exercise of the Award as determined in the Award Agreement, the Award may, from time to time, be exercised in relation to all the Shares allocated for that period. The Trustee shall, in the absence of a contrary determination in the Award Agreement, be entitled to exercise on behalf of the grantee and at his request 1/4 of the Awards, upon each anniversary of the Grant Date, provided that, unless otherwise determined by the Board or set forth in the respective Award Agreement, upon each of such vesting dates the grantee continues to be employed by, or provide services to, or serve as a director or officer of the Company or of a subsidiary on a continual basis from the date of the grant thereof.

- (e) In addition, during each of the Vesting Periods, the Award may be exercised in relation to all or part of the Shares allocated for any previous Vesting Period in which the Award was not fully exercised, provided that at the time of the exercise of the Award the grantee has continued to be employed by, or provide services to or serve as a director or officer of the Company or its subsidiaries on a continual basis from the date of the grant thereof and until the date of their exercise. After the end of the Vesting Periods and during the balance of the Award period, the Award may be exercised, from time to time, in relation to all or part of the Shares which have not at that time been exercised and which remain subject to the Award hereof and to any condition in the Award Agreement, including, without limitation, with respect to a minimum number of Shares with respect to which the Award may be exercised and any provision which determines the number of times that the Trustee may send the Company notice of exercise on behalf of the grantee in respect of the Award. Without derogating from any discretionary authority granted to the Board under the Plan, the Board shall be entitled at any time to shorten the vesting schedule or any Vesting Period.
- (f) Awards issued to Consultants providing Investor Relations Activities must vest (and not otherwise be exercisable) in stages over a minimum of 12 months with no more than 1/4 of the Awards vesting in any 3-month period.

## **PART 6**

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

- 6.01 Maximum Number of Shares Reserved Under Plan. Subject to adjustment as provided in Part 8, the total number of Shares reserved and available for grant and issuance pursuant to Awards shall not exceed the number of Shares equal to 37,408,948. Such Shares may be in whole or in part, as the Board shall from time to time determine and subject to applicable law, authorized and un-issued or issued and fully paid Shares which shall have been purchased by the grantee hereunder with funds provided by the Company or reacquired by the Company, subject to applicable law. The aggregate number of shares to be delivered upon the exercise of all Awards granted under this Plan shall not exceed the maximum number of shares permitted under the rule of any stock exchange on which Shares are then listed or other regulatory body having jurisdiction. In addition, all Awards granted outside of this Plan, which are in existence on the effective date of this Plan, as amended, shall be counted as if granted under this Plan. The terms of this Plan shall not otherwise govern such pre-existing Awards.
- 6.02 Sufficient Authorized Shares to be Reserved. Whenever the articles of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Awards granted under this Plan or otherwise. If any Award granted under the Plan shall expire, terminate or be canceled for any reason without having been exercised in full, such Shares subject thereto shall again be available for the purposes of the Plan. For greater certainty, if any Award becomes fully vested and (if applicable) is exercised, such Shares subject thereto shall not again be available for the purposes of the Plan. Upon termination of the Plan, any such Shares which may remain un-issued and which are not subject to outstanding Awards shall cease to be reserved for the purposes of the Plan.

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

**PART 7**  
**TERM OF AWARDS; EXERCISE**

- 7.01 Term of the Plan. The term of each Award shall be for such period as the Board shall determine, but not more than ten (10) years from the Grant Date thereof or such shorter period as is prescribed in Part 5 hereof. Awards granted prior to termination of the Plan may, subject to the terms of the Plan and any Agreement, be exercised thereafter.
- 7.02 Additional Powers of the Board. Unless otherwise determined by the Board, in the event of: (i) the proposed liquidation or dissolution of the Company; or (ii) a Significant Event; then (A) all outstanding Awards held by or for the benefit of any grantee and which have vested as of such time (including, without limitation, any Awards accelerated pursuant to Section 5.16 above) but have not been exercised, will terminate and expire immediately prior to the consummation or closing of such proposed action, transaction or event, and (B) all outstanding Awards which are not vested as of such time will terminate and expire immediately prior to the consummation or closing of such proposed action, transaction or event. Without derogating from any other right or authority of the Board hereunder, the Board may, in connection with any proposed liquidation or dissolution, or in connection with any Significant Event as aforesaid, determine any other date and time upon which any outstanding Award will terminate and expire.
- 7.03 Grantee Exercise. A grantee who desires to exercise an Award granted to him or her, shall so notify the Company in writing in the form annexed hereto as **Appendix A** or in such other form as shall be approved by the Board from time to time. As a condition for the exercise of the Award, the grantee shall pay or otherwise make arrangements, to the Company's satisfaction for the payment of the tax and other obligatory payments applicable to her or him (including all sums payable by the Company arising out of or in connection with Company's Withholding Obligations to deduct tax and other obligatory payments at source) pursuant to applicable law and the provisions of the Plan. Upon receipt of all the requisite documents, approvals and payments from the grantee, including sufficient proof of payment or other arrangement with respect to the payment of any applicable taxes in form satisfactory to the Company, the Company shall allot the Shares in the name of the grantee.

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

**PART 8**  
**CAPITALIZATION ADJUSTMENTS**

- 8.01 Share Consolidation or Subdivision. In the event that the Shares are at any time subdivided or consolidated, the number of Shares reserved for an Award and the price payable for any Shares that are then subject to an Award shall be adjusted accordingly.
- 8.02 Stock Dividend. In the event that the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for an Award and the price payable for any Shares that are then subject to an Award may be adjusted by the Board to such extent as they deem proper in their absolute discretion.
- 8.03 Reorganization. Subject to any required action by its shareholders, if the Company shall be a party to a reorganization, amalgamation, plan of arrangement, dissolution or sale or lease of all or substantially all of its assets, whether or not the Company is the surviving or resulting entity, the Award shall be adjusted so as to apply to the securities to which the holder of the number of shares of capital stock of the Company subject to the Award would have been entitled by reason of such reorganization, amalgamation, plan of arrangement or sale or lease of all or substantially all of its assets, provided however that the Company may satisfy any obligations to a grantee hereunder by paying to the said grantee in cash the difference between the exercise price of all unexercised Awards granted hereunder and the fair market value of the securities to which the grantee would be entitled upon exercise of all unexercised Awards, regardless of whether all conditions of exercise relating to continuous employment have been satisfied. Adjustments under this paragraph or any determinations as to the fair market value of any securities shall be made by the Board, or any Committee thereof specifically designated by the Board to be responsible therefor, and any reasonable determination made by the said Board or Committee thereof shall be binding and conclusive.
- 8.04 Rights Offering. If at any time the Company grants to the holders of its capital stock rights to subscribe for and purchase pro rata additional securities of the Company or of any other corporation or entity, there

shall be no adjustments made to the number of shares or other securities subject to an Award in consequence thereof and the said stock option of the grantee shall remain unaffected.

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

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

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

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

**PART 11**  
**TRUSTEE**

- 11.01 Issuance of Shares. Shares issued upon exercise of an Award shall be issued to the grantee or to the Trustee (as such term is defined below), if applicable, in the name of the grantee and/or on his/Her behalf, subject to the sole discretion of the Board.
- 11.02 Appointment of Trustee. The Board may appoint a Trustee for the purpose of this Plan (the "Trustee"). For as long as any Shares are held by a Trustee, for whatever reason, or registered in its name or for as long as the certificates representing any shares are held by the Trustee, on behalf of a grantee under this Plan, and without derogating from any provision of this Plan and subject to it, the Trustee alone shall be entitled to receive every notice to which a shareholder is entitled, or to demand any information and any financial and/or other report to which a shareholder is entitled from the Company, and only it or whomever shall be designated as a Proxy pursuant to Section 11.04 below, and the attached **Appendix B** hereto, shall be entitled to exercise every other right of the shareholders vis-a-vis the Company, including, without limitation, the right to participate and vote (or abstain) on all matters at all shareholders' meetings (whether ordinary or extraordinary) and the right to sign any resolution in writing in the name of the shareholders, if and when applicable.
- (a) The Trustee shall have all the powers provided by law, the trust agreement with the Company and the Plan and shall act pursuant to the provisions thereof, as they shall apply from time to time. The Board shall be entitled to replace the Trustee and/or to nominate another person to serve as a Trustee in lieu of the existing Trustee at its sole discretion, subject to applicable law, and that the new Trustee shall have the same powers and authority which this Plan grants the Trustee.
- (b) Without derogating from the provisions of this Part 11 and unless otherwise determined by the Board generally or in any particular instance, the Shares issued with respect to any Awards granted hereunder and all rights deriving from or in connection therewith including, without

limitation, any bonus Shares (including stock dividend) issued in connection therewith, that will be held by the Trustee and registered in its name, will continue to be held by the Trustee.

- (c) Subject to the provisions of the articles of the Company, as amended from time to time and applicable laws, Shares registered in the Trustee's name shall be represented at all meetings of shareholders of the Company and shall be voted in the same manner as the votes of the majority of shareholders of the Company present and voting at the applicable meeting.

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

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

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

- (a) The Company will not, and the grantee will be required to covenant upon signing the Award Agreement that he will not, make any claim against the Trustee, and/or the Attorney, and/or the Proxy in any manner whatsoever and on any ground whatsoever and they expressly agree that if the Trustee, and/or the Attorney and/or the Proxy are sued by them, then the Trustee, and/or the Attorney and/or the Proxy shall be entitled by virtue of this Section 11.05 alone to apply to the court for dismissal of the action against them with costs. The Company covenants and agrees that if an action is commenced by any third party against the Trustee, and/or the Attorney and/or the Proxy they shall be entitled, without any objection on the Company's part to join the Company as a third party to any action and a judgment against them will be paid by the Company.



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

**PART 12**  
**TAXATION**

- 12.01 General. Subject to applicable law, the grantee shall be liable for all taxes, duties, fines and other payments which may be imposed by the tax authorities (in any applicable jurisdiction worldwide) and for every obligatory payment of whatever source in respect of the Awards, the Shares (including, without limitation, upon the grant of Awards, the exercise of the Awards, the sale of the Shares or the registration of the Shares in the grantee's name) or dividends or any other benefit in respect thereof and/or for all charges which shall accrue to the grantee, the Company, any subsidiary and/or to the Trustee, if applicable, in connection with the Plan, the Awards and/or the Shares, or any act or omission of the grantee or the Company in connection therewith or pursuant to any determination of the applicable tax or other authorities.
- 12.02 Tax Withholding. The Company may withhold from any amount payable to a grantee, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Company to comply with the applicable requirements of any federal, provincial, local or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to Awards ("**Withholding Obligations**"). The Company may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Company may determine in its discretion, by:
- (a) requiring a grantee, as a condition to the exercise of any Awards, to make such arrangements as the Company may require so that the Company can satisfy such Withholding Obligations including, without limitation, requiring the grantee to remit to the Company in advance, or reimburse the Company for, any such Withholding Obligations, or
- (b) selling on the grantee's behalf without notice, or requiring the grantee to sell, any Shares acquired by the grantee under the Plan, or retaining any amount which would otherwise be payable to the grantee in connection with any such sale.
- (c) Notwithstanding the foregoing, the grantee shall be entitled to satisfy the obligation to pay any Withholding Obligations, in whole or in part, by providing the Company with funds sufficient to enable the Company to pay such Withholding Obligations.
- 12.03 Certificate of Authorization of Assessing Officer. The Company (including any subsidiary ) or the Trustee, if applicable, shall at any time be entitled to apply to the assessing officer, and in the case of a grantee abroad, to any foreign tax authority, for receipt of their certificate of authorization as to the amount of tax which the Company or any subsidiary or the grantee or the Trustee, if applicable, is to pay to the tax authorities resulting from granting the Awards or allotting the Shares, or regarding any other question with respect to the application of the Plan.
- 12.04 No Obligation to Notify or Minimize Taxes and No Liability to Claims. Except as required by applicable law the Company has no duty or obligation to any grantee to advise such holder as to the time or manner of exercising such Award. Furthermore, the Company has no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award and will not be liable to any holder of an Award for any adverse tax consequences to such holder in connection with an Award. As a condition to accepting an Award under

the Plan, each grantee (i) agrees to not make any claim against the Company, or any of its Officers, Directors, Employees or subsidiaries (and their respective officers, directors, employees) related to tax liabilities arising from such Award or other Company compensation and (ii) acknowledges that such grantee was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax consequences of the Award and has either done so or knowingly and voluntarily declined to do so.

- 12.05 Withholding Indemnification. As a condition to accepting an Award under the Plan, in the event that the amount of the Company's and/or its subsidiaries Withholding Obligations in connection with such Award was greater than the amount actually withheld by the Company and/or its subsidiaries, each grantee agrees to indemnify and hold the Company and/or its subsidiaries harmless from any failure by the Company and/or its subsidiaries to withhold the proper amount.

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

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

the assets or Shares of the Company the sale or exchange, as the case may be, of any Shares the grantee (or the Trustee on his behalf, if applicable) may have purchased hereunder all as shall be deemed necessary or desirable by the Board and/or the Trustee, if applicable.

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

Section of the Plan, as amended, or any agreement (or part of such a section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

- 13.15 Governing Law. The Plan, as amended, and all instruments issued thereunder shall be governed by and construed in accordance with the laws of British Columbia, Canada, unless if otherwise determined by any Appendix to the Plan, as amended.

**APPENDIX A**

**NOTICE OF EXERCISE**

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

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

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

Dear Sirs or Mesdames,

**Re: Notice of Exercise**

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

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

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

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

Yours sincerely,

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

**APPENDIX B**

**IRREVOCABLE PROXY AND POWER OF ATTORNEY**

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

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

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

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

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

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

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

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

## APPENDIX C

### U.S. APPENDIX TO THE PLAN

#### 1. GENERAL

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

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

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

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

#### 2. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

## **6. RESTRICTED SHARES**

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

## **7. RESTRICTED SHARE UNITS**

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

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

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

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

## **9. EXERCISE PRICE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Signed:**

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

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

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

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

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

*[see attached]*

**THE INX DIGITAL COMPANY, INC.**

**OMNIBUS LONG TERM INCENTIVE COMPENSATION PLAN**

**U.S. OPTION AGREEMENT**

By and between

THE INX DIGITAL COMPANY, INC.

A Canadian Company

(the "**Company**")

**of the first part**

and

Name \_\_\_\_\_

ID \_\_\_\_\_

(the "**Grantee**")

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

**of the second part**

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

**I. NOTICE OF OPTION GRANT**

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

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

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

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

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

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

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

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

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

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

Vesting Periods:

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

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

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

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

## II. OPTION AGREEMENT

### 1. GRANT OF OPTION

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

### 2. EXERCISE OF OPTION

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

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



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

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

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

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

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

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

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

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

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

(b) [reserved]

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

## 6. TERM OF OPTION

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

## 7. TAX CONSEQUENCES

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

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

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

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

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

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

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

## **8. GOVERNING LAW**

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

## **9. SEVERABILITY**

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

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

## **10. ENTIRE AGREEMENT**

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

**11. NO GUARANTEE OF CONTINUED SERVICE**

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

**11. CONFIDENTIALITY**

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

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

**GRANTEE**

**THE INX DIGITAL COMPANY, INC.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
By

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

\_\_\_\_\_  
Title

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

**Attachments:**

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



**Schedule A**

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

*[see attached]*

Schedule B

NOTICE OF EXERCISE (U.S. HOLDERS)

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

\_\_\_\_\_

\_\_\_\_\_

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

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

Submitted by:

Accepted by:

**Grantee**

**The INX Digital Company, Inc.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
By

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

\_\_\_\_\_  
Title

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

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

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

**SCHEDULE C**

**IRREVOCABLE PROXY AND POWER OF ATTORNEY**

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

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

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

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

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

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

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

\_\_\_\_\_

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



## APPENDIX D

### ISRAELI APPENDIX TO THE PLAN

#### Part 1 GENERAL

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

#### Part 2 DEFINITIONS

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

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

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

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

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

#### **Part 4 TRUSTEE**

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

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

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

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

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

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

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

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

**Part 8 TAX CONSEQUENCES**

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

**Part 9 GOVERNING LAW & JURISDICTION**

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

**Part 10 ASSIGNABILITY**

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

**Part 11 SEVERABILITY**

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

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

---

**THE INX DIGITAL COMPANY, INC.**

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

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

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

**EXHIBIT A-1**

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

*[see attached]*

## OPTION AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

Section 13.04 of the Plan.

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

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

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

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

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

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

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

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

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

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

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

## 6. **Miscellaneous**

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

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

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

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

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

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

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

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

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

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**THE INX DIGITAL COMPANY, INC.**

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**GRANTEE**

**Schedule A**

**Plan [including the Israeli Appendix]**

*[see attached]*

**Schedule B**

**Exercise notice**

*[see attached]*

**Schedule C**

**Proxy**

*[see attached]*

**EXHIBIT A-2**

**ISRAELI OPTION AGREEMENT FORM – EMPLOYEE**

*[see attached]*

## OPTION AGREEMENT

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 6. **Miscellaneous**

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

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

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

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

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

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

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

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

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**THE INX DIGITAL COMPANY, INC.**

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**GRANTEE**

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

**Schedule A**

**Plan [including the Israeli Appendix]**

*[see attached]*

**Schedule B**

**Exercise notice**

*[see attached]*

**Schedule C**

**Proxy**

*[see attached]*

**EXHIBIT A-3**

**ISRAELI RESTRICTED SHARE GRANT AGREEMENT**

*[see attached]*



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

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

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

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

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

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

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

**1.     Preamble and Definitions**

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

**2.     Grant of RS**

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

**3.     Period of RS**

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

**4.     Adjustments**

As set forth in the Plan.

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

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

**6.     Issuance of RS**

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

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

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

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

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

## **9. Miscellaneous**

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

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

Attachments:

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

**Company's Signature:**

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

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

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

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

**Grantee's Signature:**

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

**EXHIBIT A**

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

(Attached)

**EXHIBIT B**

**TERMS OF THE RS**

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

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

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

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

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

**EXHIBIT C**

**THE INX DIGITAL COMPANY, INC.**

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

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

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

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

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

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

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

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

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