

**THE INX DIGITAL COMPANY, INC.**

**MAJORITY VOTING POLICY FOR ELECTION OF DIRECTORS**

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

**THE INX DIGITAL COMPANY, INC.**

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

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

## **1. Definitions**

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

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

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

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

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

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

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

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

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

## **2. Purpose**

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

## **3. Policy Statement**

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

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

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

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

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

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

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

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

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

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

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

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

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

## **6. Rejection of Resignation**

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

## **7. Contested Director**

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

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

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

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

## **9. Compliance with Law**

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

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**THE INX DIGITAL COMPANY, INC.**

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