
STOCK OPTION AGREEMENT

Made as of January 1, 2017

Between:

SYNC.COM INC.

AND

STEVE SHORTER

Cummings • Cooper • Schusheim • Berliner LLP

Barristers and Solicitors

Suite 408, 4100 Yonge Street

Toronto, ON M2P 2B5

STOCK OPTION AGREEMENT

THIS AGREEMENT made as of this 1st day of January, 2017.

BETWEEN:

SYNC.COM INC.,

a corporation incorporated under the laws of the Province of Ontario,

(hereinafter called the “Company”)

-and-

STEVE SHORTER, of the City of Vaughan in the Province of Ontario

(hereinafter called the “Holder”)

WHEREAS the Board of Directors (the “Board”) of the Company believe that it is in the best interest of the Company to afford the Holder an opportunity to acquire options to purchase Common Shares in the capital of the Company in accordance with the terms and conditions of this Agreement and the terms and conditions of the Plan (as hereinafter defined);

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of good and valuable consideration and the sum of ONE (\$1.00) DOLLAR now paid by each of the Holder and the Company to the other, the receipt and sufficiency of which are acknowledged by each party, it is agreed by and between the parties as follows:

1. DEFINED TERMS

In this Agreement:

- (a) “Business Day” means a date which is not a statutory holiday in the Province of Ontario;
- (b) “Common Share” or “Common Shares” shall mean one or more common shares in the capital of the Corporation; and
- (c) “Plan” means the Company’s Stock Option Plan, a copy of which is attached hereto as Schedule “A”.

2. GRANT OF OPTION

The Company, as approved by the Board, hereby grants to the Holder, subject to the terms of this Agreement and the Plan, a non-transferable and non-assignable option (the “Option”) to purchase 18,000 Common Shares in the capital of the Company, at a purchase price of \$1.00 per Common Share.

3. VESTING OF OPTIONS

The Options granted herein shall vest, as to 1/4th of the total options granted herein on the date of execution of this Agreement, and as to 1/4th of the total options granted herein on each of the 1st, 2nd, and 3rd anniversaries of the date of execution of this Agreement. Unless sooner terminated pursuant to the provisions of this Agreement, Options granted herein shall expire five (5) years from the date of vesting.

4. ESCROW OF COMMON SHARES

The Holder acknowledges that the Company shall hold in escrow as escrow agent all share certificate(s) in respect of the Common Shares. Such share certificate(s) shall be endorsed in blank by the Holder for transfer and will be held in escrow pending disposition or other dealing with the shares pursuant to the provisions of this Agreement or the Plan. The Holder hereby irrevocably nominates, appoints and grants the Board of Directors of the Company the power of attorney for the purpose of effecting such escrow arrangements and dealing with the Common Shares in accordance with the provisions of this Agreement and the Plan.

5. RIGHTS TO EXERCISE OPTIONS

The Common Shares to be purchased upon the exercise of a vested Option shall be paid by the Holder in full, by certified cheque, bank draft, wire transfer or other immediately available funds, at the time of such exercise. To exercise vested Options, the Holder shall provide the Company with no less than 5 Business Days written notice of his intention to exercise such vested Options, together with a certified cheque payable to the Company for the exercise price for each Common Share. Within 5 Business Days of receipt of such notice, the Company shall issue a share certificate representing the Common Shares duly paid for which share certificate shall be duly endorsed in blank for transfer by the Holder and given to the Company to be held in escrow by the Company and will not be released to the Holder except in accordance with the provisions of section 4 of this Agreement. The share certificate shall not be deemed to be issued or effective until the Holder has endorsed the share certificate in accordance with the provisions of section 4 of this Agreement.

6. NON-TRANSFERABILITY OF OPTIONS AND SHARES

Neither the Options nor the Common Shares issuable on the exercise of any Option shall be assigned or transferred by the Holder otherwise than by will or by the laws of descent and distribution. The Option shall be exercisable, during his lifetime, only by the Holder. The Holder shall have no right to encumber, pledge, lien or otherwise create a security interest in any securities held by the Holder under this Agreement.

7. COMMON SHARES

In the event (a “Triggering Event”) of (i) an arm’s length merger of the Company, (ii) sale of all or substantially all of the assets of the Company (iii) the Company completes a public offering (whether on a firm underwriting basis or best efforts basis if such best efforts underwriting is successful) of securities of the Company pursuant to an effective registration statement filed with the United States Securities and Exchange Commission pursuant to the United States Securities Act of 1933, as amended, and/or a receipt is obtained for a (final) prospectus filed with any provincial securities regulatory authority pursuant to applicable Canadian provincial securities laws and regulations or (iv) the sale by the shareholders of the Company of Common Shares of the Company representing at least 50.1% of the Common Shares, the Company will provide the Holder with at least 5 Business Days’ notice of the expected date (the “Triggering Date”) on which the Triggering Event will occur. The Holder shall be entitled to exercise any vested Options at any time up until the day prior to the Triggering Date. Immediately prior to the Triggering Event that number of vested and unvested Options shall be deemed to be exercised and then converted into Common Shares so that the Holder participates pro rata with the other Common Shareholders of the Company, in any transaction arising from a Triggering Event. For greater certainty, the intention of this section is to treat the Holder in the same manner as the other shareholders of the Company. If, by way of example, the Triggering Event is the sale of Common Shares representing at least 50.1% of the Common Shares in the capital of the Company to a third party, the Holder will be deemed to have agreed to participate in such sale and all of the Common Shares of the Holder (including all of the Holder’s vested and unvested Options which will be deemed to be exercised and then converted to Common Shares) will be sold under the same conditions as the sale by the other shareholders. On the dissolution or winding up of the Company, the Holder shall be entitled to participate pro rata in respect of any distributions to the holders of common shares.

8. TERMINATION OF EMPLOYMENT – CAUSE OR RESIGNATION

If the Holder’s employment with the Company is terminated at any time for cause or if the Holder resigns from the Company (i) all Options, whether vested or not, shall be deemed to be terminated immediately prior to such termination and shall be of no further force and effect; and (ii) the Company shall have the right exercisable at any time and from time to time, on providing written notice to the Holder to purchase for cancellation part or all of the Common Shares held by such Holder at a value equal to the lesser of (i) the subscription price paid by the Holder and the (ii) book value of the Common Shares as determined by the accountants of the Company, whose determination shall be final and binding and no appeal shall lie therefrom.

9. TERMINATION OF EMPLOYMENT - NO CAUSE

If the Holder’s employment with the Company is terminated by the Company, at any time other than for the circumstances set out in Section 8, the Holder shall have a 30 day period from the date of such termination to exercise any Options which were vested as of the date of the termination of his employment and all unvested Options shall be deemed to be cancelled as of such date. At the end of such 30 day period and thereafter from time to time, the Company shall have the right to purchase for cancellation any Common Shares held by the Holder at the fair market value, as will be mutually agreed to by the Company and Holder. If the parties cannot agree on a value, an independent business valuator shall be selected by a Judge of the Superior

Court of Justice in the Judicial District of Toronto Region upon the application of any of the parties to this Agreement. Upon the conclusion of the 30 day period, the Holder shall have no further rights under the Options and all Options shall be automatically terminated and cancelled. The purchase price determined as aforesaid shall be paid as to 33 1/3% on closing with the balance to be paid in equal, consecutive, annual installments over a period of 5 years, together with interest at the prime bank rate, as defined by the Bank of Canada at the relevant time.

10. DISABILITY OR DEATH OF HOLDER

In the event of the physical or mental disability of the Holder or on the death of the Holder, the Holder's executor, estate, legal representative or the Holder, as the case may be (collectively, the "Legal Representative") shall have a 90 day period from the date of such disability or the date of the death of the Holder to exercise any of the Holder's vested Options. At the end of such 90 day period, (i) the Company shall have the right to purchase for cancellation any Common Shares held by the Holder or Legal Representative in accordance with the payment terms described in section 9 above (Termination of Employment- No Cause); and (ii) the Legal Representatives of the Holder and the Holder, as the case may be, shall have no further rights to exercise any other rights in respect of any Common Shares; and (iii) all remaining Options shall be deemed to be terminated and cancelled.

11. REORGANIZATIONS AND ADJUSTMENTS IN SHARES SUBJECT TO PLAN

The aggregate number and kind of shares available under the Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, consolidation or any other similar change in the corporate structure or shares of the Company.

12. AMENDMENT AND TERMINATION OF THE PLAN

The Board may at any time amend or terminate the Plan.

13. NO FRACTIONAL SHARES

The Company shall not be obligated to issue fractional shares in satisfaction of any of its obligations hereunder.

14. NO CONFERRAL OF RIGHTS

Nothing contained in this Agreement or the Plan shall confer upon the Holder any right with respect to employment or continuance of employment with the Company or any affiliate, or interfere in any way with the right of the Company or any affiliate to determine the Holder's employment at any time.

15. INTERPRETATION BY BOARD OF DIRECTORS

The Holder acknowledges that the Board of Directors of the Company is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out such Plan. The interpretation and construction of any provisions of the Plan by the Board shall be final and conclusive and the Holder covenants and agrees to be bound by such

determination. Administration of the Plan shall be the responsibility of the appropriate officer of the Company.

16. NO REPRESENTATIONS

The Company makes no representations or warranties as to any matter relating to this Agreement or the Plan and, without limiting the generality of the foregoing, makes no representations or warranty as to the future value of any shares issue in accordance with the Plan.

17. GOVERNING LAW

This Agreement and the Plan will be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

18. AMENDMENT

The Board hereby reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board.

19. NO RIGHTS UNTIL SHARES TAKEN UP

The Holder shall have no rights whatsoever as a shareholder, other than rights which may attach to Common Shares in respect of which the Holder shall have exercised his Options and which the Holder shall have actually taken up and paid for.

20. The Holder acknowledges having been advised to obtain independent legal and tax advice with respect to this Agreement.

21. Time shall be the essence of this Agreement.

22. This Agreement shall enure to the benefit of, and be binding upon the Company and its successors and assigns and the Holder and its legal personal representatives to the extent provided herein. This Agreement shall not be transferable or assignable by the Holder or his personal representatives.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the day and year first above written.

SYNC.COM INC.

Per:



Witness

STEVE SHORTER



SCHEDULE “A”

SYNC.COM INC. STOCK OPTION PLAN

1. PURPOSE

The purpose of this Stock Option Plan (the “Plan”) is to authorize the grant of options to purchase common shares (“Common Shares”) in the capital of Sync.com Inc. (the “Company”) and thus benefit the Company by enabling it to better attract, retain and motivate key individuals, and benefit such key individuals by providing them with an opportunity to obtain an equity stake in the Company.

2. ADMINISTRATION

The Plan shall be administered by the Company’s Board of Directors (the “Board”). Subject to approval of the granting of options by the Board, the Company shall grant options under the Plan, in accordance with the provisions of the Plan, by execution of instruments in writing. The interpretation by the Board of any provisions of the Plan and of the options granted thereunder shall be final and conclusive on all persons having any interest thereunder.

3. COMMON SHARES SUBJECT TO PLAN

Subject to adjustment under the provisions of section 15 hereof, the number of Common Shares of the Company which may be subject to option at any time under the Plan will not exceed an amount determined by the Board of Directors from time to time.

4. ELIGIBILITY

Options shall be granted only to those key individuals of the Company as the Board may determine. Subject to the foregoing, the Board shall have full and final authority to determine the persons who are to be granted options under the Plan and the number of shares subject to each option.

5. ISSUANCE OF OPTIONS AND PRICE

Subject to the terms of this Plan, each option (the “Option”) entitles the holder (the “Holder”) to acquire 1 Common Share of the Company at a price (the “Option Price”) that the Board may from time to time determine.

6. ESCROW OF COMMON SHARES

The Company shall hold in escrow as escrow agent all share certificate(s) in respect of the Common Shares issuable pursuant to the terms of this Plan. Such share certificate(s) shall be endorsed in blank by the Holder for transfer and will be held in escrow pending disposition or other dealing with the shares pursuant to the provisions of this Plan.

7. VESTING PERIOD OF OPTION

Subject to the provisions of this Plan for prior cancellation, Options granted herein shall vest as set out in the Option Agreement entered into by the Company with each option holder. Each Option, unless sooner terminated pursuant to the provisions of this Plan will expire 5 years from the date the Option vests.

8. RIGHTS TO EXERCISE OPTIONS

The Common Shares shall be paid for in full, by certified cheque, bank draft, wire transfer or other immediately available funds, at the time of such exercise. To exercise vested Options, the Holder shall provide the Company with no less than 5 Business Days written notice of his intention to exercise such vested Options, together with a certified cheque payable to the Company for the exercise price for each Common Share or such other amount as the Board may from time to time determine. Within 5 Business Days of receipt of such notice, the Company shall issue a share certificate representing the Common Shares duly paid for which share certificate shall be duly endorsed in blank for transfer by the Holder and given to the Company to be held in escrow by the Company and will not be released to the Holder except in accordance with the provisions of section 6 of this Plan.

9. NON-TRANSFERABILITY OF OPTIONS AND SHARES

Neither the Options granted under the Plan nor any of the Common Shares exercisable on the exercise of the Option shall be assignable or transferable by a Holder otherwise than by will or by the laws of descent and distribution, and such Option shall be exercisable, during his lifetime, only by him. The Holder shall have no right to encumber, pledge, lien or otherwise create a security interest in any securities held by the Holder under this Plan.

10. COMMON SHARES

In the event (a “Triggering Event”) of (i) an arm’s length merger of the Company , (ii) sale of all or substantially all of the assets of the Company (iii) the Company completes a public offering (whether on a firm underwriting basis or best efforts basis if such best efforts underwriting is successful) of securities of the Company pursuant to an effective registration statement filed with the United States Securities and Exchange Commission pursuant to the United States Securities Act of 1933, as amended, and/or a receipt is obtained for a (final) prospectus filed with any provincial securities regulatory authority pursuant to applicable Canadian provincial securities laws and regulations, or (iv) the sale by the shareholders of the Company of Common Shares of the Company representing at least 50.1% of the Common Shares, the Company shall provide the Holder with at least 5 Business Days’ notice of the expected date (the “Triggering Date”) on which the Triggering Event will occur. The Holder shall be entitled to exercise any vested Options at any time up until the day prior to the Triggering Date. Immediately prior to the Triggering Event that number of vested and unvested Options shall be deemed to be exercised into Common Shares so that the Holder participates pro rata with the other Common Shareholders of the Company in any transaction arising from a Triggering Event. For greater certainty, the intention of this section is to treat the Holder in the same manner as the other shareholders of the Company. If, by way of example, the Triggering Event is the sale of Common Shares representing at least 50.1% of the Common Shares in the capital of the Company to a third party, the Holder will be deemed to have agreed to participate in such sale

and all of the Common Shares of the Holder (including all of the Holder's vested and unvested Options which will be deemed to be exercised and the converted to Common Shares) will be sold under the same conditions as the sale by the other shareholders. On the dissolution or winding-up of the Company, the Holder shall be entitled to participate pro rata in respect of any distributions to the holders of Common Shares.

11. TERMINATION OF EMPLOYMENT – CAUSE OR RESIGNATION

If the Holder's employment with the Company is terminated at any time for cause or if the Holder resigns from the Company (i) all Options, whether vested or not, shall be deemed to be terminated immediately prior to such termination and shall be of no further force and effect; and (ii) the Company shall have the right exercisable at any time and from time to time, on providing written notice to the Holder to purchase for cancellation any Common Shares held by such Holder at a value equal to the lesser of (i) the subscription price paid by the Holder and the (ii) book value of the Common Shares as determined by the accountants of the Company, whose determination shall be final and binding and no appeal shall lie therefrom.

12. TERMINATION OF EMPLOYMENT - NO CAUSE

If the Holder's employment with the Company is terminated by the Company at any time other than for the circumstances set out in Section 11 above, the Holder shall have a 30 day period from the date of such termination to exercise any Options which were vested as of the date of the termination of his employment and all unvested Options shall be deemed to be cancelled as of such date. At the end of such 30 day period, the Company shall have the right to purchase for cancellation any Common Shares held by the Holder held by the Holder at the fair market value to be agreed to by the parties. If the parties cannot agree on a value, an independent business valuator shall be selected by a Judge of the Superior Court of Justice in the Judicial District of Toronto Region upon the application of any of the parties to this Agreement. The purchase price determined as aforesaid shall be paid as to 33 1/3% on closing with the balance to be paid in equal, consecutive, annual installments over a period of 5 years, together with interest at the prime bank rate, as defined by the Bank of Canada at the relevant time. Upon the conclusion of the 30 day period, the Holder shall have no further rights under the Options and all Options shall be automatically terminated and cancelled.

13. DISABILITY OR DEATH OF HOLDER

In the event of the physical or mental disability of the Holder or on the death of the Holder, the Holder's executor, estate, legal representative or the Holder, as the case may be (collectively, the "Legal Representative") shall have a 90 day period from the date of such disability or the date of the death of the Holder to exercise any of the Holder's vested Options. At the end of such 90 day period, the Company shall have the right to purchase for cancellation all or any Common Shares held by the Holder or Legal Representative in accordance with the same payment terms as section 12 above (Termination of Employment- No Cause). The Legal Representatives of the Holder and the Holder, as the case may be, shall have no further rights to exercise any other rights in respect of any Common Shares and all remaining Options shall be deemed to be terminated and cancelled.

14. EXTENSION OF OPTION

The Board may in its discretion extend the period of time within which an Option held by a disabled Holder may be exercised or within which the Retraction Right may be exercised by a disabled Holder.

15. REORGANIZATIONS AND ADJUSTMENTS IN SHARES SUBJECT TO PLAN

The aggregate number and kind of shares available under the Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, consolidation or any other similar change in the corporate structure of shares of the Company.

16. AMENDMENT AND TERMINATION OF THE PLAN

The Board may at any time amend or terminate the Plan.

17. COSTS

The Company shall pay all costs of administering the Plan.

18. NO FRACTIONAL SHARES

The Company shall not be obligated to issue fractional shares in satisfaction of any of its obligations.

19. NO RIGHTS UNTIL SHARES TAKEN UP

The Holder shall have no rights whatsoever as a shareholder, other than rights which may attach to Common Shares in respect of which the Holder shall have exercised his Options and which the Holder shall have actually taken up and paid for.