
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Core Scientific, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

86-1243837
(IRS Employer
Identification No.)

210 Barton Springs Road
Suite 300
Austin, Texas
(Address of principal executive offices)

78704
(Zip Code)

Core Scientific, Inc. 2021 Equity Incentive Plan
Core Scientific, Inc. 2021 Employee Stock Purchase Plan
Mineco Holdings, Inc. 2018 Omnibus Incentive Plan
Blockcap, Inc. Equity Incentive Plan
Amended and Restated Radar Relay, Inc. 2018 Equity Incentive Plan
(Full title of the plans)

Todd M. DuChene
EVP, General Counsel
Core Scientific, Inc.
210 Barton Springs Road
Suite 300
Austin, Texas 78704
(425) 998-5300

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Nicolas H.R. Dumont
Daniel Peale
Cooley LLP
55 Hudson Yards
New York, New York 10001
(212) 479-6000

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

PART I

INFORMATION REQUIRED IN THE SECTION 10(A) PROSPECTUS

Item 1. Plan Information.

The documents containing the information specified in Part I will be delivered in accordance with Rule 428(b) under the Securities Act. Such documents are not required to be, and are not, filed with the Securities and Exchange Commission (the “*Commission*”), either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424 under the Securities Act of 1933, as amended (the “*Securities Act*”). These documents, and the documents incorporated by reference in this Registration Statement pursuant to Item 3 of Part II of the Form S-8, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

Item 2. Registrant Information and Employee Plan Annual Information.

The written statement required by Item 2 of Part I is included in documents that will be delivered to participants in the plans covered by this Registration Statement pursuant to Rule 428(b) of the Securities Act.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents, which have been filed with the Commission, are incorporated by reference into this Registration Statement:

- (i) The Registrant's Annual Report on [Form 10-K](#) (File No. 001-40046) (the "[Form 10-K](#)") for the fiscal year ended December 31, 2021, filed with the Commission on March 30, 2022;
- (ii) The Registrant's Current Reports on Form 8-K (File No. 001-40046) (other than information furnished rather than filed), filed with the Commission on [January 12, 2022](#), [January 20, 2022](#), [January 24, 2022](#) (and the subsequent amendment thereto filed on [Form 8-K/A](#) on March 31, 2022), [February 7, 2022](#), [February 28, 2022](#), [March 28, 2022](#), [April 5, 2022](#) and [April 8, 2022](#); and
- (iii) The description of the Registrant's Common Stock which is contained in a registration statement on [Form 8-A](#) filed on February 9, 2021 (File No. 001-40046) under the Exchange Act of 1934, as amended (the "[Exchange Act](#)"), as updated in [Exhibit 4.13](#) to the [Form 10-K](#), as well as any additional amendments or reports filed for the purpose of updating such description.

In addition, all documents subsequently filed by the Registrant with the Commission pursuant to Sections 13(a), 13(c), 14, and 15(d) of the Exchange Act, as amended (other than Current Reports on Form 8-K furnished pursuant to Item 2.02 or Item 7.01 of Form 8-K, including any exhibits included with such information that are related to such items), prior to the filing of a post-effective amendment that indicates that all securities offered have been sold or that deregisters all securities then remaining unsold shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents; provided, however, that documents or information deemed to have been furnished and not filed in accordance with the rules of the Commission shall not be deemed incorporated by reference into this Registration Statement.

Any statement contained in the documents incorporated or deemed to be incorporated by reference in this Registration Statement shall be deemed to be modified, superseded, or replaced for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document which also is incorporated or deemed to be incorporated by reference in this Registration Statement modifies, supersedes, or replaces such statement. Any such statement so modified, superseded or replaced shall not be deemed, except as so modified, superseded or replaced, to constitute a part of this Registration Statement.

Item 4. Description of Securities.

Not Applicable.

Item 5. Interests of Named Experts and Counsel.

Not Applicable.

Item 6. Indemnification of Directors and Officers.

The Registrant is governed by the Delaware General Corporation Law, as the same exists or may hereafter be amended (the "[DGCL](#)"). Section 145 of the DGCL ("[Section 145](#)") provides that a Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation) by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnification may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful.

Section 145 of the DGCL provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor because the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made with respect to any claim, issue or matter as to which he or she shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, he or she is fairly and reasonably entitled to indemnity for such expenses that the Court of Chancery or other adjudicating court shall deem proper.

Section 145 further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would otherwise have the power to indemnify such person against such liability under Section 145.

The DGCL provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability:

- for any transaction from which the director derives an improper personal benefit;
- for any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- for any unlawful payment of dividends or redemption of shares; or
- for any breach of a director's duty of loyalty to the corporation or its stockholders.

The Registrant's Amended and Restated Certificate of Incorporation (the "**Charter**") limits a directors' liability to the fullest extent permitted under the DGCL. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of the directors will be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Delaware law and the Registrant's Amended and Restated Bylaws (the "**Bylaws**") provide that the Registrant will, in certain situations, indemnify its directors and officers and may indemnify other employees and other agents, to the fullest extent permitted by law. Any indemnified person is also entitled, subject to certain limitations, to advancement, direct payment, or reimbursement of reasonable expenses (including attorneys' fees and disbursements) in advance of the final disposition of the proceeding.

The Registrant has entered into separate indemnification agreements with its directors and executive officers. These agreements, among other things, require the Registrant to indemnify its directors and executive officers for certain expenses, including attorneys' fees, judgments, fines, and settlement amounts incurred by a director or officer in any action or proceeding arising out of their services as a director or officer or any other company or enterprise to which the person provides services at the Registrant's request.

The Registrant also maintain a directors' and officers' insurance policy pursuant to which its directors and officers are insured against liability for actions taken in their capacities as directors and officers. The Registrant believes these provisions in the Charter and Bylaws and these indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or control persons, in the opinion of the Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 7. Exemption from Registration Claimed.

Not Applicable.

Item 8. Exhibits.

Exhibit Number	Description	Incorporated by Reference			
		Schedule/ Form	File No.	Exhibit	Filing Date
3.1	Second Amended and Restated Certificate of Incorporation of Core Scientific, Inc.	8-K	001-40046	3.1	January 24, 2022
3.2	Second Amended and Restated Bylaws of Core Scientific, Inc.	8-K	001-40046	3.2	January 24, 2022
5.1*	Opinion of Cooley LLP				
23.1*	Consent of Marcum LLP				
23.2*	Consent of Ernst & Young LLP				
23.3*	Consent of Cooley LLP (included in Exhibit 5.1)				
24.1*	Power of Attorney (included on signature page)				
99.1	Mineco Holdings, Inc. 2018 Omnibus Incentive Plan, as amended to date	S-4	333-258720	10.13	August 11, 2021
99.2	First Amendment to Core Scientific, Inc. 2018 Omnibus Incentive Plan	S-4	333-258720	10.21	August 11, 2021
99.3	Second Amendment to Core Scientific, Inc. 2018 Omnibus Incentive Plan	S-4	333-258720	10.22	August 11, 2021
99.4	Third Amendment to Core Scientific, Inc. 2018 Omnibus Incentive Plan	S-4	333-258720	10.23	August 11, 2021
99.5	Restricted Stock Unit Award Agreement underlying the Core Scientific, Inc. 2018 Omnibus Incentive Plan	S-4	333-258720	10.24	August 11, 2021
99.6	Restricted Stock Unit Award Agreement underlying the Core Scientific, Inc. 2018 Omnibus Incentive Plan	S-4	333-258720	10.25	August 11, 2021
99.7	Nonqualified Option Award Agreement underlying the Core Scientific, Inc. 2018 Omnibus Incentive Plan	S-4	333-258720	10.26	August 11, 2021

99.8	Core Scientific, Inc. 2021 Equity Incentive Plan	S-4/A	333-258720	10.24	October 4, 2021
99.9	Form of Restricted Stock Unit Award Agreement underlying the Core Scientific, Inc. 2021 Equity Incentive Plan	S-4/A	333-258720	10.9	October 4, 2021
99.10	Form of Stock Option Agreement underlying the Core Scientific, Inc. 2021 Equity Incentive Plan	S-4/A	333-258720	10.27	October 4, 2021
99.11	Core Scientific, Inc. 2021 Employee Stock Purchase Plan	S-4/A	333-258720	10.25	October 4, 2021
99.12*	Blockcap, Inc. Equity Incentive Plan				
99.13*	Form of Amended and Restated Radar Relay, Inc. 2018 Equity Incentive Plan				
107*	Filing fee table				

* Filed herewith.

Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:
 - (i) to include any prospectus required by Section 10(a)(3) of the Securities Act;
 - (ii) to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement;
 - (iii) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement; provided, however, that paragraphs (A)(1)(i) and (A)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the Registration Statement.
- (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Austin, State of Texas, on this 20th day of April, 2022

CORE SCIENTIFIC, INC.

By: /s/ Michael Levitt
Name: Michael Levitt
Title: Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Michael Levitt, Denise Sterling and Todd DuChene, and each of them, as his true and lawful agents, proxies and attorneys-in-fact, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement (including post-effective amendments), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Michael Levitt</u> Michael Levitt	Chief Executive Officer and Co-Chair of the Board (<i>Principal Executive Officer</i>)	April 20, 2022
<u>/s/ Denise Sterling</u> Denise Sterling	Chief Financial Officer (<i>Principal Financial Officer</i>)	April 20, 2022
<u>/s/ Brian Neville</u> Brian Neville	Chief Accounting Officer (<i>Principal Accounting Officer</i>)	April 20, 2022
<u>/s/ Darin Feinstein</u> Darin Feinstein	Chief Vision Officer and Co-Chair of the Board	April 20, 2022
<u>/s/ Jarvis Hollingsworth</u> Jarvis Hollingsworth	Director	April 20, 2022
<u>/s/ Matt Minnis</u> Matt Minnis	Director	April 20, 2022
<u>/s/ Stacie Olivares</u> Stacie Olivares	Director	April 20, 2022
<u>/s/ Kneeland Youngblood</u> Kneeland Youngblood	Director	April 20, 2022



Nicolas H.R. Dumont
+1 212 479 6446
dumont@cooley.com

April 20, 2022

Core Scientific, Inc.
210 Barton Springs Road
Suite 300
Austin, TX 7804

Ladies and Gentlemen:

We have acted as counsel to Core Scientific, Inc., a Delaware corporation (the "**Company**"), in connection with the filing of a Registration Statement on Form S-8 (the "**Registration Statement**") with the Securities and Exchange Commission covering the offering of up to 168,292,178 shares (the "**Shares**") of the Company's Common Stock, par value \$0.0001 per share ("**Common Stock**"), consisting of (a) 45,000,000 shares of Common Stock issuable pursuant to the Company's 2021 Equity Incentive Plan (the "**2021 Plan**"), (b) 1,000,000 shares of Common Stock issuable pursuant to the Company's 2021 Employee Stock Purchase Plan (the "**2021 ESPP**"), (c) 24,610,343 shares of Common Stock issuable upon the exercise of options granted under the Mineco Holdings 2018 Omnibus Incentive Plan (the "**2018 Legacy Core Plan**"), (d) 90,350,332 shares of Common Stock issuable upon the settlement of restricted stock units ("**RSUs**") granted under the 2018 Legacy Core Plan, (e) 502,108 shares of Common Stock issuable upon the exercise of options outstanding under the Amended and Restated Radar Relay, Inc. 2018 Equity Incentive Plan (the "**2018 Radar Plan**"), assumed pursuant to the Agreement and Plan of Reorganization and Merger, dated as of July 20, 2021, as amended on October 1, 2021, and as further amended on December 29, 2021, by and among Core Scientific Holding Co., a Delaware corporation, XPDI Merger Sub Inc., a Delaware corporation, and Power & Digital Infrastructure Acquisition Corp., a Delaware corporation (the "**Merger Agreement**"), and (f) 6,829,395 shares of Common Stock issuable upon the exercise of options, in each case outstanding under the Blockcap, Inc. Equity Incentive Plan (the "**Blockcap Plan**" and, together with the 2021 Plan, the 2021 ESPP, the 2018 Legacy Core Plan and the 2018 Radar Plan, the "**Plans**"), assumed by the Company and became the right to purchase shares of Common Stock in accordance with the terms set forth in the Merger Agreement.

In connection with this opinion, we have examined and relied upon (a) the Registration Statement and related prospectuses, (b) the Company's Second Amended and Restated Certificate of Incorporation and Second Amended and Restated Bylaws, each as currently in effect, (c) the Plans, and (d) originals or copies certified to our satisfaction of such records, documents, certificates, memoranda and other instruments as in our judgment are necessary or appropriate to enable us to render the opinion expressed below.

We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as copies, the accuracy, completeness and authenticity of certificates of public officials and the due authorization, execution and delivery of all documents by all persons other than the Company where authorization, execution and delivery are prerequisites to the effectiveness thereof. As to certain factual matters, we have relied upon a certificate of an officer of the Company and have not independently verified such matters.

Our opinion is expressed only with respect to the General Corporation Law of the State of Delaware. We express no opinion to the extent that any other laws are applicable to the subject matter hereof and express no opinion and provide no assurance as to compliance with any federal or state securities law, rule or regulation.

April 20, 2022
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On the basis of the foregoing, and in reliance thereon, we are of the opinion that the Shares, when sold and issued in accordance with the Plans, the Registration Statement and related prospectuses, will be validly issued, fully paid, and nonassessable (except as to shares issued pursuant to deferred payment arrangements, which will be fully paid and nonassessable when such deferred payments are made in full).

We consent to the filing of this opinion as an exhibit to the Registration Statement.

Sincerely,

COOLEY LLP

By: /s/ Nicolas H.R. Dumont
Nicolas H.R. Dumont

COOLEY LLP 55 HUDSON YARDS NEW YORK, NY 10001-2157
T: (212) 479-6000 F: (212) 479-6275 COOLEY.COM

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in this Registration Statement of Core Scientific, Inc. (f/k/a Power & Digital Infrastructure Acquisition Corp.) on Form S-8 of our report dated March 30, 2022, with respect to our audits of the consolidated financial statements of Core Scientific, Inc. (f/k/a Power & Digital Infrastructure Acquisition Corp.) as of December 31, 2021 and 2020 and for the year ended December 31, 2021 and for the period from December 29, 2020 (inception) through December 31, 2020 appearing in the Annual Report on Form 10-K of Core Scientific, Inc. for the year ended December 31, 2021.

/s/ Marcum LLP

Marcum LLP
New York, NY
April 20, 2022

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the Core Scientific, Inc. 2021 Equity Incentive Plan, the Core Scientific, Inc. 2021 Employee Stock Purchase Plan, the Mineco Holdings, Inc. 2018 Omnibus Incentive Plan, the Blockcap, Inc. Equity Incentive Plan, and the Amended and Restated Radar Relay, Inc. 2018 Equity Incentive Plan of our report dated March 31, 2022, with respect to the consolidated financial statements of Core Scientific, Inc. included in its Current Report on Form 8-K dated March 31, 2022, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Seattle, Washington

April 20, 2022

**BLOCKCAP, INC.
EQUITY INCENTIVE PLAN**

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BLOCKCAP, INC.
EQUITY INCENTIVE PLAN

Purposes of the Plan. The purposes of this Plan are to attract and retain the best available personnel, to provide additional incentives to Employees, Directors, Consultants and other persons and entities, and to promote the success of the Company's business.

1. *Definitions.* The following definitions shall apply as used herein and in the individual Award Agreements except as defined otherwise in an individual Award Agreement. In the event a term is separately defined in an individual Award Agreement, such definition shall supersede the definition contained in this Section 2.

- (a) "*Administrator*" means the Board or the Committee appointed to administer the Plan, whichever is applicable, based on the terms and conditions set forth in this Plan.
- (b) "*Affiliate*" and "*Associate*" shall have the respective meanings ascribed to such terms in Rule 12b-2 promulgated under the Exchange Act, and if applicable, the Business Corporations Act (British Columbia).
- (c) "*Applicable Laws*" means the legal requirements relating to the Plan and the Awards under applicable provisions of federal securities laws, state corporate and securities laws, the Code, the rules of any applicable stock exchange or national market system, and the rules of any non-U.S. jurisdiction applicable to Awards granted to residents therein.
- (d) "*Assumed*" means that pursuant to a Change in Control either (i) the Award is expressly affirmed by the Company or (ii) the contractual obligations represented by the Award are expressly assumed (and not simply by operation of law) by the successor entity or its Parent in connection with the Change in Control with appropriate adjustments to the number and type of securities of the successor entity or its Parent subject to the Award and the exercise or purchase price thereof which at least preserves the compensation element of the Award existing at the time of the Change in Control as determined in accordance with the instruments evidencing the agreement to assume the Award.
- (e) "*Award*" means the grant of an Option, SAR, Dividend Equivalent Right, Restricted Stock, Restricted Stock Unit, Performance Based Compensation or other right or benefit under the Plan.
- (f) "*Award Agreement*" means the written agreement evidencing the grant of an Award executed by the Company and the Grantee, including any amendments thereto.
- (g) "*Board*" means the Board of Directors of the Company.
- (h) "*Cause*" means, with respect to the termination by the Company or a Related Entity of the Grantee's Continuous Service, that such termination is for "Cause" as such term (or word of like import) is expressly defined in a then-effective written agreement between the Grantee and the Company or such Related Entity, or in the absence of such then-effective written agreement and definition, is based on,

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in the determination of the Administrator, the Grantee's: (i) performance of any act or failure to perform any act in bad faith and to the detriment of the Company or a Related Entity; or (ii) material breach of any agreement with the Company or a Related Entity, which breach, if curable, is not cured within ten (10) days following written notice from the Company; or (iii) engagement in any material act or omission constituting dishonesty, wrongdoing or malfeasance with respect to the Company or a Related Entity; or (iv) engagement in conduct which violates the Company's or a Related Entity's code of conduct policy; or (v) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person; provided, however, that with regard to any agreement that defines "Cause" on the occurrence of or in connection with a Change in Control, such definition of "Cause" shall not apply until a Change in Control actually occurs.

- (i) "*Change in Control*" means a change in ownership or control of the Company effected through one of the following transactions:
 - (i) the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities pursuant to a tender or exchange offer made directly to the Company's stockholders which a majority of the Continuing Directors who are not Affiliates or Associates of the offeror do not recommend such stockholders accept;
 - (ii) a change in the composition of the Board over a period of twelve (12) months or less such that a majority of the Board members (rounded up to the next whole number) ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who are Continuing Directors;
 - (iii) the sale, transfer or other disposition of all or substantially all of the assets of the Company;
 - (iv) any merger, consolidation or other similar Change in Control (or series of related transactions) involving the Company unless the holders of the majority of the total combined voting power of the securities of the Company outstanding immediately prior to such merger, consolidation or other transaction possess more than fifty percent (50%) of the total combined voting power of the securities of the surviving entity that are outstanding immediately after such merger, consolidation or other Change in Control; or
 - (v) the dissolution or liquidation of the Company.
- (j) "*Code*" means the Internal Revenue Code of 1986, as amended.

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- (k) “*Committee*” means a committee designated by the Board to administer the Plan which shall consist of at least two directors, each of whom shall be (i) a “non-employee director” within the meaning of Rule 16b-3 (or any successor rule) under the Exchange Act, unless administration of the Plan by “non-employee directors” is not then required in order for exemptions under Rule 16b-3 to apply to transactions under the Plan, and (ii) “Independent.”
- (l) “*Common Stock*” means the common stock of the Company.
- (m) “*Company*” means Blockcap, Inc., a Nevada corporation, or any successor entity that adopts the Plan in connection with a Change in Control.
- (n) “*Consultant*” means any person (other than an Employee or a Director, solely with respect to rendering services in such person’s capacity as a Director) who is engaged by the Company or any Related Entity to render consulting or advisory services to the Company or such Related Entity.
- (o) “*Continuing Directors*” means members of the Board who either (i) have been Board members continuously for a period of at least twelve (12) months or (ii) have been Board members for less than twelve (12) months and were elected or nominated for election as Board members by at least a majority of the Board members described in clause (i) who were still in office at the time such election or nomination was approved by the Board.
- (p) “*Continuous Service*” means that the provision of services to the Company or a Related Entity in any capacity of Employee, Director or Consultant is not interrupted or terminated. In jurisdictions requiring notice in advance of an effective termination as an Employee, Director or Consultant, Continuous Service shall be deemed terminated upon the actual cessation of providing services to the Company or a Related Entity notwithstanding any required notice period that must be fulfilled before a termination as an Employee, Director or Consultant can be effective under Applicable Laws. A Grantee’s Continuous Service shall be deemed to have terminated either upon an actual termination of Continuous Service or upon the entity for which the Grantee provides services ceasing to be a Related Entity. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Related Entity, or any successor, in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director or Consultant (except as otherwise provided in the Award Agreement). Notwithstanding the foregoing, except as otherwise determined by the Administrator, in the event of any spin-off of a Related Entity, service as an Employee, Director or Consultant for such Related Entity following such spin-off shall be deemed to be Continuous Service for purposes of the Plan and any Award under the Plan. An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave. For purposes of each Incentive Stock Option granted under the Plan, if such leave exceeds three (3) months, and reemployment upon expiration of such leave is not guaranteed by statute or contract, then the Incentive Stock Option shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following the expiration of such three (3) month period.
- (q) “*Director*” means a member of the Board or the board of directors of any Related Entity.

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- (r) “*Disability*” means as defined under the long-term disability policy of the Company or the Related Entity to which the Grantee provides services regardless of whether the Grantee is covered by such policy. If the Company or the Related Entity to which the Grantee provides services does not have a long-term disability plan in place, “*Disability*” means that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion.
- (s) “*Dividend Equivalent Right*” means a right entitling the Grantee to compensation measured by dividends paid with respect to Common Stock.
- (t) “*Employee*” means any person, including an Officer or Director, who is in the employ of the Company or any Related Entity, subject to the control and direction of the Company or any Related Entity as to both the work to be performed and the manner and method of performance. The payment of a director’s fee by the Company or a Related Entity shall not be sufficient to constitute “employment” by the Company.
- (u) “*Exchange Act*” means the Securities Exchange Act of 1934, as amended.
- (v) “*Fair Market Value*” means, as of any date, the value of Common Stock determined as follows:
 - (i) If the Common Stock is listed on one or more established stock exchanges or national market systems, its Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Common Stock is listed (as determined by the Administrator) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable;
 - (ii) If the Common Stock is regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such stock as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a share of Common Stock shall be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or
 - (iii) In the absence of an established market for the Common Stock of the type described in (i) and (ii), above, the Fair Market Value thereof shall be determined by the Administrator in good faith.

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- (w) “*Good Reason*” means, with respect to the termination by the Grantee of the Grantee’s Continuous Service, that such termination is for “*Good Reason*” as such term (or word of like import) is expressly defined in a then-effective written agreement between the Grantee and the Company or such Related Entity (including, but not limited to, the Award Agreement for a particular Award), or in the absence of such then-effective written agreement and definition, the occurrence of any of the following events or conditions unless consented to by the Grantee (and the Grantee shall be deemed to have consented to any such event or condition unless the Grantee provides written notice of the Grantee’s non-acquiescence within 30 days of the effective time of such event or condition):
 - (i) a change in the Grantee’s responsibilities or duties which represents a material and substantial diminution in the Grantee’s responsibilities or duties as in effect immediately preceding such change in responsibilities; or
 - (ii) a reduction in the Grantee’s base salary to a level below that in effect at any time within three (3) months preceding such reduction; provided that an across-the-board reduction in the salary level of substantially all other individuals in positions similar to the Grantee’s by the same percentage amount shall not constitute such a salary reduction; or
 - (iii) requiring the Grantee to be based at any place outside a 50-mile radius from the Grantee’s job location except for reasonably required travel for valid business purposes within the Grantee’s responsibilities.
- (x) “*Grantee*” means an Employee, Director, Consultant or other person or entity who receives an Award under the Plan.
- (y) “*Incentive Stock Option*” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.
- (z) “*Independent*,” when referring to either the Board or members of the Committee, shall have the same meaning as used in the rules of the nationally recognized securities exchange or trading market on which the Common Stock of the Company is then traded.
- (aa) “*Non-Qualified Stock Option*” means an Option not intended to qualify as an Incentive Stock Option.
- (bb) “*Officer*” means a person who is an officer of the Company or a Related Entity within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.
- (cc) “*Option*” means an option to purchase Shares pursuant to an Award Agreement granted under the Plan.
- (dd) “*Parent*” means a “parent corporation”, whether now or hereafter existing, as defined in Section 424(e) of the Code.

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- (ee) “*Performance-Based Compensation*” means compensation qualifying as “performance-based compensation” under the Plan.
- (ff) “*Plan*” means this Blockcap, Inc. Equity Incentive Plan, as may be amended from time to time.
- (gg) “*Related Entity*” means any Parent or Subsidiary of the Company.
- (hh) “*Replaced*” means that pursuant to a Change in Control the Award is replaced with a comparable stock award or a cash incentive program of the Company, the successor entity (if applicable) or Parent of either of them which preserves the compensation element of such Award existing at the time of the Change in Control and provides for subsequent payout in accordance with the same (or a more favorable) vesting schedule applicable to such Award. The determination of Award comparability shall be made by the Administrator and its determination shall be final, binding and conclusive.
- (ii) “*Restricted Stock*” means Shares issued under the Plan to the Grantee for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions, and other terms and conditions as established by the Administrator.
- (jj) “*Restricted Stock Units*” means an Award which may be earned in whole or in part upon the passage of time or the attainment of performance criteria established by the Administrator and which may be settled for Shares, other securities or cash or a combination of Shares, other securities or cash as established by the Administrator.
- (kk) “*Rule 16b-3*” means Rule 16b-3 promulgated under the Exchange Act or any successor thereto.
- (ll) “*SAR*” means a stock appreciation right entitling the Grantee to Shares measured by appreciation in the value of Common Stock.
- (mm) “*Share*” means a share of the Common Stock.
- (nn) “*Subsidiary*” means a “subsidiary corporation”, whether now or hereafter existing, as defined in Section 424(f) of the Code.

2. *Stock Subject to the Plan.*

- (a) Subject to the provisions of Section 10 below, the maximum aggregate number of Shares which may be issued pursuant to all Awards is Twenty-Five Million (25,000,000) Shares as of the date the Plan is approved by the Company’s stockholders. The maximum aggregate number of Shares that may be issued pursuant to Incentive Stock Options is Twenty-Five Million (25,000,000) Shares. Each Share issued in connection with an Award granted on or after the effective date will be counted against the Plan Share reserve as one (1) Share for every one (1) Share issued in connection with such Award. Any Share that again becomes available for delivery pursuant to Section 3(b) shall be added back as one (1) Share. The Shares to be issued pursuant to Awards may be authorized, but unissued, or reacquired Common Stock.

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- (b) Any Shares covered by an Award (or portion of an Award) which are forfeited, canceled or expire (whether voluntarily or involuntarily) shall be deemed not to have been issued for purposes of determining the maximum aggregate number of Shares which may be issued under the Plan. Shares that actually have been issued under the Plan pursuant to an Award shall not be returned to the Plan and shall not become available for future issuance under the Plan, except that if unvested Shares are forfeited, such Shares shall become available for future grant under the Plan. Notwithstanding anything to the contrary contained herein: (i) Shares tendered or withheld in payment of an Option exercise price shall not be returned to the Plan and shall not become available for future issuance under the Plan; (ii) Shares tendered to or withheld by the Company to satisfy any tax withholding obligation shall not be returned to the Plan and shall not become available for future issuance under the Plan; (iii) Shares reacquired by the Company in the open market using cash actually received by the Company for the exercise price in connection with the exercise of an Option granted under the Plan shall not be returned to the Plan and shall not become available for future issuance under the Plan; and (iv) all Shares covered by the portion of a SAR that is exercised (whether or not Shares are actually issued to the Grantee upon exercise of the SAR) shall be considered issued pursuant to the Plan.

3. Administration of the Plan.

(a) *Plan Administrator.*

- (i) Administration with Respect to Directors and Officers. With respect to grants of Awards to Directors or Employees who are also Officers or Directors of the Company, the Plan shall be administered by the Committee.
- (ii) Administration with Respect to Consultants, Other Employees and other persons and entities. With respect to grants of Awards to Employees, Consultants and other persons and entities who are neither Directors nor Officers of the Company, the Plan shall be administered by (A) the Board or the Committee, or (B) a sub-committee designated by the Board, which sub-committee shall be constituted in such a manner as to satisfy the Applicable Laws. Once appointed, such sub-committee shall continue to serve in its designated capacity until otherwise directed by the Board. The Board or Committee may authorize one or more Officers to grant such Awards and may limit such authority as the Board or Committee determines from time to time.

(b) *Powers of the Administrator.* Subject to Applicable Laws and the provisions of the Plan (including any other powers given to the Administrator hereunder), and except as otherwise provided by the Board, the Administrator shall have the authority, in its discretion:

- (i) to select the Employees, Directors, Consultants and other persons and entities to whom Awards may be granted from time to time hereunder;

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- (ii) to determine whether and to what extent Awards are granted hereunder;
- (iii) to determine the number of Shares or the amount of other consideration to be covered by each Award granted hereunder;
- (iv) to approve forms of Award Agreements for use under the Plan;
- (v) to determine the terms and conditions of any Award granted hereunder;
- (vi) to amend the terms of any outstanding Award granted under the Plan, provided that (A) any amendment that would adversely affect the Grantee's rights under an outstanding Award shall not be made without the Grantee's written consent, provided, however, that an amendment or modification that may cause an Incentive Stock Option to become a Non- Qualified Stock Option shall not be treated as adversely affecting the rights of the Grantee, (B) the reduction of the exercise price of any Option awarded under the Plan and the base appreciation amount of any SAR awarded under the Plan shall be subject to stockholder approval and (C) canceling an Option or SAR at a time when its exercise price or base appreciation amount (as applicable) exceeds the Fair Market Value of the underlying Shares, in exchange for another Option, SAR, Restricted Stock, or other Award or for cash shall be subject to stockholder approval, unless the cancellation and exchange occurs in connection with a Change in Control;
- (vii) to construe and interpret the terms of the Plan and Awards, including without limitation, any notice of award or Award Agreement, granted pursuant to the Plan;
- (viii) to resolve and clarify inconsistencies, ambiguities and omissions in the Plan and among and between the Plan and any Award or other related documents;
- (ix) to take all actions and make all decisions regarding questions of coverage, eligibility and entitlement to benefits and benefit amounts;
- (x) to grant Awards to Employees, Directors, Consultants and other persons and entities employed outside the United States on such terms and conditions different from those specified in the Plan as may, in the judgment of the Administrator, be necessary or desirable to further the purpose of the Plan; and
- (xi) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

The express grant in the Plan of any specific power to the Administrator shall not be construed as limiting any power or authority of the Administrator; provided that the Administrator may not exercise any right or power reserved to the Board. Any decision made, or action taken, by the Administrator in connection with the administration of this Plan shall be final, conclusive and binding on all persons having an interest in the Plan.

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(c) *Indemnification.* In addition to such other rights of indemnification as they may have as members of the Board or as Officers or Employees of the Company or a Related Entity, members of the Board and any Officers or Employees of the Company or a Related Entity to whom authority to act for the Board, the Administrator or the Company is delegated shall be defended and indemnified by the Company to the extent permitted by law on an after-tax basis against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Award granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such claim, investigation, action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct; provided, however, that within thirty (30) days after the service, or other reasonable knowledge of institution, of such claim, investigation, action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at the Company's expense to defend the same.

4. *Eligibility.* Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants and to such other persons or entities as may be determined by the Administrator. Incentive Stock Options may be granted only to Employees of the Company or a Parent or a Subsidiary of the Company. An Employee, Director, Consultant or other person or entity who has been granted an Award may, if otherwise eligible, be granted additional Awards. Awards may be granted to such Employees, Directors, Consultants or other persons or entity who are residing in non-U.S. jurisdictions as the Administrator may determine from time to time.

5. *Terms and Conditions of Awards.*

(a) *Types of Awards.* The Administrator is authorized under the Plan to award any type of arrangement to an Employee, Director, Consultant or other persons or entity that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Shares or (ii) an Option, a SAR, or similar right with a fixed or variable price related to the Fair Market Value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions. Such awards include, without limitation, Options, SARs, sales or bonuses of Restricted Stock, Restricted Stock Units, Dividend Equivalent Rights or Performance-Based Compensation, and an Award may consist of one such security or benefit, or two (2) or more of them in any combination or alternative.

(b) *Designation of Award.* Each Award shall be designated in the Award Agreement. In the case of an Option, the Option shall be designated as either an Incentive Stock Option or a Non-Qualified Stock Option. However, notwithstanding such designation, an Option will qualify as an Incentive Stock Option under the Code only to the extent the \$100,000 limitation of Section 422(d) of the Code is not exceeded. The \$100,000 limitation of Section 422(d) of the Code is calculated based on the aggregate Fair Market Value of the Shares subject to Options designated as Incentive Stock Options which become exercisable for the first time by a Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary of the Company). For purposes of this calculation, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the grant date of the relevant Option. In the event that the Code or the regulations promulgated thereunder are amended after the date the Plan becomes effective to provide for a different limit on the Fair Market Value of Shares permitted to be subject to Incentive Stock Options, then such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

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(c) *Conditions of Award.* Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (Shares or other consideration) upon settlement of the Award, payment contingencies, and satisfaction of any performance criteria; provided, however, that each Award that vests solely based on the continued service of the Grantee, other than for grants to outside Directors, shall vest and therefore become exercisable in no less than three equal installments on each of the first, second, and third anniversaries of the date of grant, subject to the Grantee's Continuous Service. Notwithstanding the preceding sentence, all Options granted to outside Directors are subject to a minimum one-year vesting period based on Continuous Service of the Grantee. Each Option that vests based on the achievement of performance or other criteria shall vest and therefore become exercisable on no less than the third anniversary of the date of grant, subject to the achievement of applicable performance goals and the Grantee's Continuous Service. No Award may be exercised for a fraction of a share of Common Stock.

The Administrator may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement, or the payment or distribution of any Award, the lapsing of restrictions thereon or the distribution of cash, Shares or other property pursuant thereto, as applicable, upon the occurrence of a specified event.

(d) *Performance-Based Compensation.* The performance criteria established by the Administrator may be based on any one of, or combination of, the following: (i) increase in share price, (ii) earnings per share, (iii) total stockholder return, (iv) operating margin, (v) gross margin, (vi) return on equity, (vii) return on assets, (viii) return on investment, (ix) operating income, (x) net operating income, (xi) pre-tax profit, (xii) cash flow (including, but not limited to, cash flow from operations, actual or free cash flow), (xiii) revenue, (xiv) expenses, (xv) "EBITDA," defined as earnings before interest, taxes, depreciation and amortization, (xvi) "Adjusted EBITDA," defined as earnings before interest, taxes, depreciation, amortization, stock-based compensation, pre-opening costs, property charges, asset disposal losses, write-offs, reserves, recoveries and one-time nonrecurring charges, (xvii) an adjusted formula of EBITDA determined by the Administrator, (xviii) EBITDA margin, (xix) Adjusted EBITDA margin, (xx) objective measures of customer satisfaction, (xxi) implementation or completion of critical projects, (xxii) achievement of construction or development milestones, (xxiii) achievement of strategic objectives, including development or acquisition activity, (xxiv) completion of capital markets transactions, (xxv) maintenance or achievement of corporate rating targets, (xxvi) third-party recognition of quality of service and/or product, (xxvii) average cost of debt or average cost of capital, (xxviii) economic value added, (xxix) market share (xxx) employee satisfaction, or (xxxi) working capital management. The performance criteria may also be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices. The performance criteria may be applicable to the Company, Related Entities and/or any individual business units of the Company or any Related Entity. Partial achievement of the specified criteria may result in a payment or vesting corresponding to the degree of achievement as specified in the Award Agreement. In addition, the performance criteria shall be calculated in accordance with generally accepted accounting principles, but excluding the effect (whether positive or negative) of any change in accounting standards and any extraordinary, unusual or nonrecurring item, as determined by the Administrator, occurring after the establishment of the performance criteria applicable to the

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Award intended to be Performance-Based Compensation. In addition, the Administrator may, in its sole discretion, provide that one or more objectively determinable adjustments shall be made to one or more performance goals established under any of these performance criteria, such as adjustments related to a change in accounting principle or tax laws, acquisitions, asset impairment charges or to gains or losses for litigation, arbitration and contractual settlements.

Each such adjustment, if any, shall be made solely for the purpose of providing a consistent basis from period to period for the calculation of performance criteria in order to prevent the dilution or enlargement of the Grantee's rights with respect to an Award intended to be performance-based compensation.

Achievement of performance goals in respect of Awards subject to this Section 6(d) shall be measured over a Performance Period no shorter than twelve (12) months and no longer than five (5) years, as specified by the Administrator. Performance goals shall be established not later than 90 days after the beginning of any Performance Period applicable to Awards, subject to this Section 6(d). The Administrator shall specify the circumstances in which such Awards shall be paid or forfeited in the event of termination of Continuous Service by the Participant prior to the end of a Performance Period or settlement of Awards.

(e) Acquisitions and Other Transactions. The Administrator may issue Awards under the Plan in settlement, assumption or substitution for, outstanding awards or obligations to grant future awards in connection with the Company or a Related Entity acquiring another entity, an interest in another entity or an additional interest in a Related Entity whether by merger, stock purchase, asset purchase or other form of transaction.

(f) *Deferral of Award Payment*. The Administrator may establish one or more programs under the Plan to permit selected Grantees the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of performance criteria, or other event that absent the election would entitle the Grantee to payment or receipt of Shares or other consideration under an Award. The Administrator may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, Shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Administrator deems advisable for the administration of any such deferral program.

(g) *Separate Programs*. The Administrator may establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Grantees on such terms and conditions as determined by the Administrator from time to time.

(h) *Limitations on Awards*.

- (i) Individual Limit for Options and SARs. The maximum number of Shares with respect to which Options and SARs may be granted to any Grantee in any fiscal year of the Company shall be One Million Five Hundred Thousand (1,500,000) Shares. In connection with a Grantee's commencement of Continuous Service, a Grantee may be granted Options and SARs for up to an additional One Million Five Hundred Thousand (1,500,000) Shares which shall not count against the limit set forth in the previous sentence. The foregoing limitations shall be adjusted proportionately in connection with any change in the Company's

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capitalization pursuant to Section 10, below. For this purpose, the repricing of an Option (or in the case of a SAR, the base amount on which the stock appreciation is calculated is reduced to reflect a reduction in the Fair Market Value of the Common Stock) shall be treated as the cancellation of the existing Option or SAR and the grant of a new Option or SAR.

- (ii) Individual Limit for Restricted Stock and Restricted Stock Units. For awards of Restricted Stock and Restricted Stock Units that are intended to be Performance-Based Compensation, with respect to each fiscal year of the Company that constitutes or is part of each Performance Period, the maximum number of Shares with respect to which such Awards may be granted to any Grantee in any fiscal year of the Company shall be One Million Five Hundred Thousand (1,500,000) Shares. The foregoing limitation shall be adjusted proportionately in connection with any change in the Company's capitalization pursuant to Section 10 below. In addition, the foregoing limitation shall be prorated for any Performance Period consisting of fewer than twelve (12) months by multiplying such limitation by a fraction, the numerator of which is the number of months in the Performance Period and the denominator of which is twelve (12).
- (iii) Insider Participation Limit. For so long as the Shares are listed for trading on the Toronto Stock Exchange (the "TSX") and the standards with respect to securityholder approval, and security based compensation arrangements, apply to the Company, the number of Shares issued to Insiders (including associates of Insiders if legally required) within any one year period and issuable to the Insiders at any time, under this Plan and all other Company security-based compensation arrangements (as determined under the rules of the TSX) shall not exceed 10% of the total issued and outstanding Shares, respectively. For purposes of this subparagraph (iii), "Insider" shall mean such persons that are required to be considered as such as of the date of determination pursuant to the rules of the TSX.

(i) *Deferral.* If the vesting or receipt of Shares under an Award is deferred to a later date, any amount (whether denominated in Shares or cash) paid in addition to the original number of Shares subject to such Award will not be treated as an increase in the number of Shares subject to the Award if the additional amount is based either on a reasonable rate of interest or on one or more predetermined actual investments such that the amount payable by the Company at the later date will be based on the actual rate of return of a specific investment (including any decrease as well as any increase in the value of an investment).

(j) *Early Exercise.* The Award Agreement may, but need not, include a provision whereby the Grantee may elect at any time while an Employee, Director or Consultant to exercise any part or all of the Award prior to full vesting of the Award. Any unvested Shares received pursuant to such exercise may be subject to a repurchase right in favor of the Company or a Related Entity or to any other restriction the Administrator determines to be appropriate.

(k) *Term of Award.* The term of each Award shall be the term stated in the Award Agreement, provided, however, that the term of an Award shall be no more than ten (10) years from the date of grant thereof. However, in the case of an Incentive Stock Option granted to a Grantee who, at the time the Option is granted, owns stock representing more than ten percent

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(10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company, the term of the Incentive Stock Option shall be five (5) years from the date of grant thereof or such shorter term as may be provided in the Award Agreement. Notwithstanding the foregoing, the specified term of any Award shall not include any period for which the Grantee has elected to defer the receipt of the Shares issuable pursuant to the Award.

(l) Transferability of Awards . Incentive Stock Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Grantee, only by the Grantee. Other Awards shall be transferable (i) by will and by the laws of descent and distribution and (ii) during the lifetime of the Grantee, to the extent and in the manner authorized by the Administrator but only to the extent such transfers are made to family members, to family trusts, to family controlled entities, and to charitable organizations, in all cases without payment for such transfers to the Grantee. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Award in the event of the Grantee's death on a beneficiary designation form provided by the Administrator.

(m) Time of Granting Awards. The date of grant of an Award shall for all purposes be the date on which the Administrator makes the determination to grant such Award, or such other later date as is determined by the Administrator.

(n) Clawback of Benefits. The Administrator may (i) cause the cancellation of any Award, (ii) require reimbursement of any Award by the Grantee, and (iii) effect any other right of recoupment of equity or other compensation provided under this Plan or otherwise in accordance with any Company policies that currently exist or that may from time to time be adopted or modified in the future by the Company and/or applicable law (each, a "Clawback Policy"). In addition, the Grantee may be required to repay to the Company certain previously paid compensation, whether provided under this Plan or an Award Agreement or otherwise, in accordance with any Clawback Policy. By accepting an Award, the Grantee is also agreeing to be bound by any existing or future Clawback Policy adopted by the Company, or any amendments that may from time to time be made to the Clawback Policy in the future by the Company in its discretion (including without limitation any Clawback Policy adopted or amended to comply with applicable laws or stock exchange requirements) and is further agreeing that all of the Grantee's Award Agreements may be unilaterally amended by the Company, without the Grantee's consent, to the extent that the Administrator in its discretion determines to be necessary or appropriate to comply with any Clawback Policy.

(o) Section 409A.

- (i) The Award Agreement for any Award that the Administrator reasonably determines to constitute a "nonqualified deferred compensation plan" under Section 409A of the Code (a "Section 409A Plan"), and the provisions of the Section 409A Plan applicable to that Award, shall be construed in a manner consistent with the applicable requirements of Section 409A of the Code, and the Administrator, in its sole discretion and without the consent of any Grantee, may amend any Award Agreement (and the provisions of the Plan applicable thereto) if and to the extent that the Administrator determines that such amendment is necessary or appropriate to comply with the requirements of Section 409A of the Code.

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- (ii) If any Award constitutes a Section 409A Plan, then the Award shall be subject to the following additional requirements, if and to the extent required to comply with Section 409A of the Code:
- (A) payments under the Section 409A Plan may be made only upon (u) the Grantee's "separation from service", (v) the date the Grantee suffers a Disability, (w) the Grantee's death, (x) a "specified time (or pursuant to a fixed schedule)" specified in the Award Agreement at the date of the deferral of such compensation, (y) a "change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets" of the Company, or (z) the occurrence of an "unforeseeable emergency";
 - (B) The time or schedule for any payment of the deferred compensation may not be accelerated, except to the extent provided in applicable Treasury Regulations or other applicable guidance issued by the Internal Revenue Service;
 - (C) any elections with respect to the deferral of such compensation or the time and form of distribution of such deferred compensation shall comply with the requirements of Section 409A(a)(4) of the Code; and
 - (D) In the case of any Grantee who is "specified employee", a distribution on account of a "separation from service" may not be made before the date which is six months after the date of the Grantee's "separation from service" (or, if earlier, the date of the Grantee's death).

For purposes of the foregoing, the terms in quotations shall have the same meanings as those terms have for purposes of Section 409A of the Code, and the limitations set forth herein shall be applied in such manner (and only to the extent) as shall be necessary to comply with any requirements of Section 409A of the Code that are applicable to the Award.

- (iii) Notwithstanding the foregoing, or any provision of this Plan or any Award Agreement, the Company does not make any representation to any Grantee that any Awards made pursuant to this Plan are exempt from, or satisfy, the requirements of, Section 409A of the Code, and the Company shall have no liability or other obligation to indemnify or hold harmless the Grantee or any Beneficiary for any tax, additional tax, interest or penalties that the Grantee or any Beneficiary may incur in the event that any provision of this Plan, or any Award Agreement, or any amendment or modification thereof, or any other action taken with respect thereto, is deemed to violate any of the requirements of Section 409A of the Code.

(p) Minimum Vesting Requirement. Notwithstanding any other provision of this Plan or any Award Agreement to the contrary, no Awards granted hereunder shall vest, nor any applicable restrictions or forfeiture provisions shall lapse, earlier than one year after the Grant Date (except if accelerated pursuant to a Change in Control pursuant to Section 11 or accelerated upon a termination of Continuous Service without Cause or for Good Reason pursuant to the provisions of an Award Agreement or other written agreement between the Company and the Grantee); provided, however, that the limitation set forth in this Section 6(p) shall not apply to Awards for up to an aggregate maximum of 5% of the aggregate number of Shares specified in Section 3(a) hereof.

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(q) Dividends and Distributions. A Grantee may, if the Administrator so determines, be credited with dividends paid with respect to Shares underlying an Award (other than an Option or a SAR) in a manner determined by the Administrator in its sole discretion; provided, however, that any dividends credited in connection with an Award that vests based on the achievement of performance goals shall be subject to restrictions and risk of forfeiture to the same extent as the Award with respect to which such Dividend Equivalent Rights have been credited and shall only be paid to the Grantee with respect to the portion of such Awards that is actually vested. The Administrator may apply any restrictions to the dividends or Dividend Equivalent Rights that the Administrator deems appropriate. The Administrator, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalent Rights, including cash, Shares, Restricted Stock or Restricted Stock Units. Notwithstanding the foregoing, the right to any dividends or Dividend Equivalent Rights (i) shall not be granted with respect to an Option or a SAR, and (ii) may not be paid earlier than the date on which the underlying Award (both time- and performance-based vested Awards) is actually vested and earned. Also notwithstanding the foregoing, the right to any dividends or Dividend Equivalent Rights declared and paid on Restricted Stock must comply with or qualify for an exemption under Section 409A.

6. Award Exercise or Purchase Price, Consideration and Taxes.

(a) Exercise or Purchase Price. The exercise or purchase price, if any, for an Award shall be as follows:

- (i) In the case of an Incentive Stock Option:
 - (A) granted to an Employee who, at the time of the grant of such Incentive Stock Option owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company, the per-Share exercise price shall be not less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant; or
 - (B) granted to any Employee other than an Employee described in the preceding paragraph, the per-Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.
- (ii) In the case of a Non-Qualified Stock Option, the per-Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.
- (iii) In the case of Awards intended to qualify as Performance-Based Compensation, the exercise or purchase price, if any, shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.
- (iv) In the case of SARs, the base appreciation amount shall not be less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

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- (v) In the case of other Awards, such price as is determined by the Administrator.
- (vi) Notwithstanding the foregoing provisions of this Section 7(a), in the case of an Award issued pursuant to Section 6(e), above, the exercise or purchase price for the Award shall be determined in accordance with the provisions of the relevant instrument evidencing the agreement to issue such Award.

(b) Consideration. Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Award including the method of payment, shall be determined by the Administrator. In addition to any other types of consideration the Administrator may determine, the Administrator is authorized to accept as consideration for Shares issued under the Plan the following:

- (i) cash;
- (ii) check;
- (iii) surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate exercise price of the Shares as to which said Award shall be exercised;
- (iv) with respect to Options, payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (A) shall provide written instructions to a Company designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (B) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction;
- (v) with respect to Options, payment through a “net exercise” such that, without the payment of any funds, the Grantee may exercise the Option and receive the net number of Shares equal to (i) the number of Shares as to which the Option is being exercised, multiplied by (ii) a fraction, the numerator of which is the Fair Market Value per Share (on such date as is determined by the Administrator) less the exercise price per Share, and the denominator of which is such Fair Market Value per Share (the number of net Shares to be received shall be rounded down to the nearest whole number of Shares); or
- (vi) any combination of the foregoing methods of payment.

The Administrator may at any time or from time to time, by adoption of or by amendment to the standard forms of Award Agreement described in Section 4(b)(iv), or by other means, grant Awards which do not permit all of the foregoing forms of consideration to be used in payment for the Shares or which otherwise restrict one or more forms of consideration.

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(c) *Taxes.* No Shares shall be delivered under the Plan to any Grantee or other person until such Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of any non-U.S., federal, state, or local income and employment tax withholding obligations, including, without limitation, obligations incident to the receipt of Shares. Upon exercise or vesting of an Award the Company shall withhold or collect from the Grantee an amount sufficient to satisfy such tax obligations, including, but not limited to, by surrender of the whole number of Shares covered by the Award sufficient to satisfy the minimum applicable tax withholding obligations incident to the exercise or vesting of an Award (reduced to the lowest whole number of Shares if such number of Shares withheld would result in withholding a fractional Share with any remaining tax withholding settled in cash).

7. *Exercise of Award.*

(a) *Procedure for Exercise; Rights as a Stockholder.*

- (i) Any Award granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Award Agreement.
- (ii) An Award shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Award by the person entitled to exercise the Award and full payment for the Shares with respect to which the Award is exercised has been made, including, to the extent selected, use of the broker-dealer sale and remittance procedure to pay the purchase price as provided in Section 7(b)(iv).

(b) *Exercise of Award Following Termination of Continuous Service.*

- (i) Unless otherwise provided in an Award Agreement or in an employment agreement the terms of which have been approved by the Administrator, in the event the Grantee's Continuous Service terminates, the Grantee may exercise his or her Award (to the extent that the Grantee was entitled to exercise such Award as of the date of termination) but only within such period of time ending on the earlier of (x) the date ninety (90) days following the termination of the Grantee's Continuous Service or (y) the expiration of the term of the Award as set forth in the Award Agreement; provided that, if the termination of Continuous Service is by the Company for Cause, all outstanding Awards (whether or not vested) shall immediately terminate and cease to be exercisable.
- (ii) If, after termination, the Grantee does not exercise his or her Award within the time specified in Section 8(b)(i) above, the Award shall terminate.
- (iii) Any Award designated as an Incentive Stock Option to the extent not exercised within the time permitted by law for the exercise of Incentive Stock Options following the termination of a Grantee's Continuous Service shall convert automatically to a Non-Qualified Stock Option and thereafter shall be exercisable as such to the extent exercisable by its terms for the period specified in the Award Agreement.

8. *Conditions Upon Issuance of Shares.*

- (a) If at any time the Administrator determines that the delivery of Shares pursuant to the exercise, vesting or any other provision of an Award is or may be unlawful under Applicable Laws, the vesting or right to exercise an Award or to otherwise receive Shares pursuant to the terms of an Award shall be suspended until the Administrator determines that such delivery is lawful and shall be further subject to the approval of counsel for the Company with respect to such compliance. The Company shall have no obligation to effect any registration or qualification of the Shares under federal or state laws.
- (b) As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any Applicable Laws.

9. *Adjustments Upon Changes in Capitalization.* Subject to any required action by the stockholders of the Company and Section 11 hereof, the number of Shares covered by each outstanding Award, and the number of Shares which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan, the exercise or purchase price of each such outstanding Award, the maximum number of Shares with respect to which Awards may be granted to any Grantee in any fiscal year of the Company, as well as any other terms that the Administrator determines require adjustment shall be proportionately adjusted for (i) any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, recapitalization, combination or reclassification of the Shares, or similar transaction affecting the Shares, (ii) any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, or (iii) any other transaction with respect to Common Stock including a corporate merger, consolidation, acquisition of property or stock, separation (including a spin-off or other distribution of stock or property), reorganization, liquidation (whether partial or complete) or any similar transaction; provided, however that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." In the event of any distribution of cash or other assets to stockholders other than a normal cash dividend, the Administrator shall also make such adjustments as provided in this Section 10 or substitute, exchange or grant Awards to effect such adjustments (collectively "adjustments"). Any such adjustments to outstanding Awards will be effected in a manner that precludes the enlargement of rights and benefits under such Awards. In connection with the foregoing adjustments, the Administrator may, in its discretion, prohibit the exercise of Awards or other issuance of Shares, cash or other consideration pursuant to Awards during certain periods of time. Except as the Administrator determines, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Award.

10. *Change in Control.*

(a) Termination of Award to Extent Not Assumed in Change in Control. Effective upon the consummation of a Change in Control, all outstanding Awards under the Plan shall terminate. However, all such Awards shall not terminate to the extent they are Assumed in connection with the Change in Control.

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(b) Acceleration of Award Upon Change in Control.

(i) Except as provided otherwise in an individual Award Agreement, in the event of a Change in Control and:

(A) for the portion of each Award (other than Performance-Based Compensation) that is Assumed or Replaced, then such Award (if Assumed), the replacement Award (if Replaced), or the cash incentive program (if Replaced) automatically shall become fully vested, exercisable and payable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value) for all of the Shares (or other consideration) at the time represented by such Assumed or Replaced portion of the Award, immediately upon termination of the Grantee's Continuous Service if such Continuous Service is terminated by the successor company or the Company without Cause or voluntarily by the Grantee with Good Reason within twelve (12) months after the Change in Control; and

(B) for the portion of each Award (other than Performance-Based Compensation) that is neither Assumed nor Replaced, such portion of the Award shall automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value) for all of the Shares (or other consideration) at the time represented by such portion of the Award, immediately prior to the specified effective date of such Change in Control, provided that the Grantee's Continuous Service has not terminated prior to such date. For Awards that have an exercise feature, the portion of the Award that is not Assumed shall terminate under subsection (a) of this Section 11 to the extent not exercised prior to the consummation of such Change in Control.

(ii) All Performance-Based Compensation earned and outstanding as of the date the Change in Control is determined to have occurred and for which the payout level has been determined shall be payable in full in accordance with the payout schedule pursuant to the Award Agreement. Any remaining outstanding Performance-Based Compensation (including any applicable performance period) for which the payout level has not been determined shall be prorated at the target payout level up to and including the date of such Change in Control and shall be payable in accordance with the payout schedule pursuant to the Award Agreement.

(c) *Effect of Acceleration on Incentive Stock Options.* Any Incentive Stock Option accelerated under this Section 11 in connection with a Change in Control shall remain exercisable as an Incentive Stock Option under the Code only to the extent the \$100,000 limitation of Section 422(d) of the Code is not exceeded.

11. Effective Date and Term of Plan. The Plan shall become effective upon the earlier to occur of its adoption by the Board or its approval by the stockholders of the Company. It shall continue in effect for a term of ten (10) years unless sooner terminated. Subject to Section 17 below, and Applicable Laws, Awards may be granted under the Plan upon its becoming effective.

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12. *Amendment, Suspension or Termination of the Plan.*

- (a) The Board may at any time amend, suspend or terminate the Plan; provided, however, that no such amendment shall be made without the approval of the Company's stockholders to the extent such approval is required by Applicable Laws.
- (b) No Award may be granted during any suspension of the Plan or after termination of the Plan.
- (c) No suspension or termination of the Plan (including termination of the Plan under Section 11 above) shall adversely affect any rights under Awards already granted to a Grantee.

13. *Reservation of Shares.*

- (a) The Company, during the term of the Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.
- (b) The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

14. *No Effect on Terms of Employment/Consulting Relationship.* The Plan shall not confer upon any Grantee any right with respect to the Grantee's Continuous Service, nor shall it interfere in any way with his or her right or the right of the Company or any Related Entity to terminate the Grantee's Continuous Service at any time, with or without cause including, but not limited to, Cause, and with or without notice. The ability of the Company or any Related Entity to terminate the employment of a Grantee who is employed at will is in no way affected by its determination that the Grantee's Continuous Service has been terminated for Cause for the purposes of this Plan.

15. *No Effect on Retirement and Other Benefit Plans.* Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a "Pension Plan" or "Welfare Plan" under the Employee Retirement Income Security Act of 1974, as amended.

16. *Stockholder Approval.* The Plan will be submitted for the approval of the Company's stockholders within twelve (12) months after the date of the Board's initial adoption of the Plan. Awards may be granted or awarded prior to such stockholder approval; provided that such Awards shall not be exercisable, shall not vest and the restrictions thereon shall not lapse and no Shares shall be issued pursuant thereto prior to the time when the Plan is approved by the stockholders; and provided, further, that if such approval has not been obtained at the end of said twelve (12) month period, all Awards previously granted or awarded under the Plan shall thereupon be

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canceled and become null and void. The vote of the Company's stockholders required for approval of the Plan shall be a majority of the total votes cast by the holders of shares present in person or represented by proxy and entitled to vote on such action.

17. Unfunded Obligation. Grantees shall have the status of general unsecured creditors of the Company. Any amounts payable to Grantees pursuant to the Plan shall be unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974, as amended. Neither the Company nor any Related Entity shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Grantee account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Related Entity and a Grantee, or otherwise create any vested or beneficial interest in any Grantee or the Grantee's creditors in any assets of the Company or a Related Entity. The Grantees shall have no claim against the Company or any Related Entity for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

18. Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

19. Nonexclusivity of the Plan. Neither the adoption of the Plan by the Board, the submission of the Plan to the stockholders of the Company for approval, nor any provision of the Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of Awards otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

20. Governing Law. Except as otherwise provided in any Award Agreement, the validity, construction and effect of the Plan, any rules and regulations under the Plan, and any Award Agreement shall be determined in accordance with the laws of the State of Nevada without giving effect to principles of conflict of laws, and applicable federal law.

AMENDED AND RESTATED 2018 EQUITY INCENTIVE PLAN | RADAR RELAY, INC.

Capitalized terms are defined in Section 2.1 and throughout this Plan.

1. Introduction.

1.1. Establishment. Radar Relay, Inc., a Delaware corporation (the “**Company**”), hereby adopts this Amended and Restated 2018 Equity Incentive Plan (this “**Plan**”) effective as of the Effective Date (as defined below). The Plan is established for certain key employees of the Company, certain consultants and advisors to the Company, and certain non-employee directors of the Company. The Plan permits the grant of incentive stock options within the meaning of Section 422 of the Code, non-qualified stock options, restricted stock awards, and other stock grants to certain key employees of the Company, certain consultants and advisors to the Company, and certain non-employee directors of the Company. The Plan will supersede and replace the Company’s 2018 Equity Incentive Plan, which was adopted effective February 21, 2018 (the “**Prior Plan**”). The Prior Plan shall remain in effect until all awards granted under the Prior Plan have been exercised, forfeited or cancelled or have otherwise expired or terminated. For the avoidance of doubt, no awards will be made pursuant to the Prior Plan on or after the Effective Date.

1.3. Duration of Plan. Unless sooner terminated by the Board, the Plan shall terminate at the close of business on the day immediately following the tenth anniversary of the Effective Date and no Option, Restricted Stock Award, other Award or Stock shall be granted, or offer to purchase Stock made, after such termination. Options, Restricted Stock Awards, and other Awards outstanding at the time of the Plan termination may continue to be exercised, or become free of restrictions, or paid, in accordance with their terms.

2. Definitions.

2.1. Definitions. The following terms shall have the meanings given to them:

2.1.1. “**Affiliated Corporation**” means any corporation or other entity that is affiliated with the Company through stock ownership or otherwise and is designated as an Affiliated Corporation by the Board; provided, that for purposes of Incentive Options granted pursuant to the Plan, an Affiliated Corporation means any parent or subsidiary of the Company as defined in Section 424 of the Code.

2.1.2. “**Award**” means an Option, a Restricted Stock Award, grants of Stock pursuant to Section 9 or other issuances of Stock hereunder.

2.1.3. “**Award Agreement**” shall mean an Option Agreement, Restricted Stock Agreement, or a written agreement evidencing any other Award under this Plan.

2.1.4. “**Board**” means the Board of Directors of the Company.

2.1.5. “**Change in Control**” shall mean either of the following:

a. any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, in which the shareholders of the Company immediately prior to such consolidation, merger, or reorganization, own less than fifty percent (50%) of the voting power of the surviving or successor entity immediately after such consolidation, merger, or reorganization, or any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company’s voting power is transferred, excluding:

- i. any consolidation or merger effected exclusively to change the domicile of the Company, and
 - ii. any transaction or series of transactions principally for bona fide equity financing purposes (including, but not limited to, the sale of securities pursuant to an effective registration statement filed with the Securities and Exchange Commission) in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof; or
- b. a sale, lease or other disposition of all or substantially all of the assets of the Company.

Notwithstanding the foregoing a Change in Control shall not occur for purposes of this Plan in the case of Awards that are subject to the requirements of Section 409A of the Code unless such Change in Control constitutes a “change in control event” as defined in Section 409A of the Code and the regulations thereunder.”

2.1.6. “**Code**” means the Internal Revenue Code of 1986, as it may be amended from time to time.

2.1.7. “**Committee**” means the Board, or if so delegated by the Board, a committee consisting of members of the Board who are empowered hereunder to administer the Plan. If applicable, the Committee shall be so constituted at all times as to permit the Plan to comply with Rule 16b-3 or any successor Rule promulgated under the Exchange Act. Except as provided in Section **Error! Reference source not found.**, the Committee shall select Participants from Eligible Employees, Eligible Consultants, and Eligible Non-Employee Directors of the Company and shall determine the Awards to be made pursuant to the Plan and the terms and conditions thereof.

2.1.8. “**Company**” means Radar Relay, Inc., a Delaware corporation, and the Affiliated Corporations.

2.1.9. “**Disabled**” or “**Disability**” shall have the meaning given to those terms in Section 22(e)(3) of the Code.

2.1.10. “**Effective Date**” means the date the Plan is approved by the Company’s shareholders.

2.1.11. “**Eligible Consultants**” means those consultants and advisors to the Company who are determined, by the Committee, to be individuals (a) whose services are important to the Company and who are eligible to receive Awards, other than Incentive Options, under the Plan, and (b) who meet the conditions for eligibility under Rule 701 as promulgated by the SEC, as it may be amended from time to time, or such other exemptions from registration as may be applicable.

2.1.12. “**Eligible Employees**” means those employees (including, without limitation, officers and directors who are also employees) of the Company or any subsidiary or division thereof, upon whose judgment, initiative, and efforts the Company is, or will become, largely dependent for the successful conduct of its business. For purposes of the Plan, an employee is any individual who provides services to the Company or any subsidiary or division thereof as a common law employee and whose remuneration is subject to the withholding of federal income tax pursuant to Section 3401 of the Code. The term “**Eligible Employee**” shall not include any individual (a) who provides services to the Company or any subsidiary or division thereof under an agreement, contract, or any other arrangement pursuant to which the individual is initially classified as an independent contractor or (b) whose remuneration for services has not been treated initially as subject to the withholding of federal income tax pursuant to Section 3401 of the Code even if the individual is subsequently reclassified as a common law employee as a result of a final decree of a court of competent jurisdiction or the settlement of an administrative or judicial proceeding. Leased employees shall not be treated as employees under this Plan.

2.1.13. “**Eligible Non-Employee Director**” shall mean any person serving on the Board who is not an employee of the Company on the date of an Award and has not been an employee of the Company at anytime during the twelve (12) month period immediately preceding the date of the Award.

2.1.14. “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as it may be amended from time to time.

2.1.15. “**Fair Market Value**” means, as of a given date, (a) the closing price of a Share on the principal stock exchange on which the Stock is then trading, if any (or as reported on any composite index that includes such principal exchange) on such date, or if Shares were not traded on such date, then on the next preceding date on which a trade occurred; or (b) if the Stock is not traded on an exchange but is quoted on NASDAQ or a successor quotation system, the mean between the closing representative bid and asked prices for the Stock on such date as reported by NASDAQ or such successor quotation system; or (c) if the Stock is not publicly traded on an exchange and not quoted on NASDAQ or a successor quotation system, the Fair Market Value of a Share shall be determined by the Committee acting in good faith and in compliance with Section 409A of the Code.

2.1.16. “**Forfeiture Restrictions**” has the meaning given to that term in Section 8.2.

2.1.17. “**Incentive Option**” means an Option designated as such and granted in accordance with Section 422 of the Code.

2.1.18. “**Involuntary Termination**” means, unless explicitly provided otherwise in an Award Agreement, the termination of the Service of any individual which occurs by reason of:

a. such individual’s involuntary dismissal or discharge by the Company or the Successor for reasons other than Misconduct;

or

b. such individual’s voluntary resignation following:

i. a change in his or her position with the Company or the Successor which materially reduces his or her duties and responsibilities or the level of management to which he or she reports;

ii. (1) a reduction of 10% or more of his or her base salary or (2) a material reduction in his or her level of compensation (including base salary, fringe benefits, and target bonus under any corporate-performance based bonus or incentive programs); or

iii. a relocation of such individual's place of employment by more than fifty (50) miles, provided and only if such change, reduction, or relocation is effected without the individual's consent.

For a termination to be an "Involuntary Termination": (a) the Participant must provide a notice of termination to the Company within 30 days of the initial existence of the facts or circumstances constituting such event; (b) the Company must fail to cure such facts or circumstances within 30 days after receipt of such notice; and (c) the Company must actually terminate the Participant's employment within 30 days after the expiration of the cure period described in clause (b).

2.1.19. "**Misconduct**" means any one or more of the following events, unless a different definition is provided in the Award Agreement or an employment agreement entered into between the Participant and the Company (in which case, the definition of "Cause" set forth in such other agreement shall control): (a) any act or omission constituting a breach by the Participant of any provision of this Plan or any other agreement that the Participant has previously entered into with the Company (including, without limitation, any confidentiality, non-competition or non-solicitation agreement or other restrictive covenant agreement); (b) any act or other misconduct that is injurious to the goodwill and/or reputation of the Company in the community or any act that results in or could result in significant reputational harm to the Company, any act of misappropriation, fraud (including, without limitation, with respect to the Company's accounting and financial statements), embezzlement, or conversion by the Participant of the Company's or any Affiliate's or any customer's property; (c) the Participant's conviction of, or plea of guilty or no contest to, any felony or other crime (excluding minor traffic offenses); (d) the Participant's negligence or refusal or failure to perform the duties assigned to the Participant by the Company or the Participant's failure to devote his or her full working time and efforts to the business and affairs of the Company; (e) the Participant's violation of any material policy of the Company; (f) the Participant is charged with or pleads no contest to any felony involving dishonest, fraud, moral turpitude, embezzlement or theft, or any crime involving the business of the Company; (g) the Participant's misuse or abuse of controlled substances and/or prescription drugs whether during working hours or after working hours; or (h) the Participant has made oral or written statements disparaging the reputation of the Company, any Affiliate, any customer, or any products or services of the Company or any Affiliate or any customer. Nothing in this Plan or any Award Agreement shall be construed to limit, impede, or impair the right or obligation of a Participant to report any illegal, improper, or other inappropriate conduct to any government agency regarding matters that are within the jurisdiction of such agency.

2.1.20. "**Non-Qualified Option**" means any Option other than an Incentive Option.

2.1.21. "**Option**" means a right to purchase Stock at a stated or formula price for a specified period of time. Options granted under the Plan shall be either Incentive Options or Non-Qualified Options.

2.1.22. “**Option Agreement**” shall have the meaning given to that term in Section 7.2.

2.1.23. “**Option Holder**” means a Participant who has been granted one or more Options under the Plan.

2.1.24. “**Option Period**” means the period of time, determined by the Committee, during which an Option may be exercised by the Option Holder.

2.1.25. “**Option Price**” has the meaning given to that term in Section 7.2.2.

2.1.26. “**Participant**” means an Eligible Employee, Eligible Consultant, or Eligible Non-Employee Director designated by the Committee from time to time during the term of the Plan to receive one or more of the Awards provided under the Plan.

2.1.27. “**Repurchase Rights**” has the meaning given to that term in Section 7.2.3.c.

2.1.28. “**Restricted Stock Agreement**” has the meaning given to that term in Section 8.1.

2.1.29. “**Restricted Stock Award**” means an award of Stock granted to a Participant pursuant to Section 8 that is subject to certain restrictions imposed in accordance with the provisions of such article.

2.1.30. “**Securities Act**” means the Securities Act of 1933, as it may be amended from time to time.

2.1.31. “**Service**” means the provision of services to the Company (or the Successor) by a person in the capacity of an employee, a non-employee member of the Board or a consultant or independent advisor, except to the extent otherwise specifically provided in the documents evidencing the option grant.

2.1.32. “**Share**” means one whole share of Stock.

2.1.33. “**Stock**” means the common stock of the Company.

2.1.34. “**Successor**” has the meaning given to that term in Section **Error! Reference source not found.**

2.1.35. “**Tax Date**” has the meaning given to that term in Section **Error! Reference source not found.**

2.2. Gender and Numbers. Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

3. Plan Administration

3.1. General. The Plan shall be administered by the Committee.

3.1.1. Selection of Participants. In accordance with the provisions of the Plan, the Committee shall, in its sole discretion, (a) select the Participants from among the Eligible Employees, Eligible Consultants, and Eligible Non-Employee Directors, (b) determine the Awards to be made pursuant to the Plan, or Shares of Stock to be issued thereunder and the time at which such Awards are to be made, (c) fix the Option Price, period, and manner in which an Option becomes exercisable, (d) establish the duration and nature of Restricted Stock Award restrictions, (e) establish the terms and conditions applicable to, and establish such other terms and requirements of, the various compensation incentives under the Plan as the Committee may deem necessary or desirable, and consistent with the terms of the Plan.

3.1.2. Form of Agreements. The Committee shall determine the form or forms of the agreements with Participants that shall evidence the particular provisions, terms, conditions, rights, and duties of the Company and the Participants with respect to Awards granted pursuant to the Plan, which provisions need not be identical except as may be provided herein; provided, however, that only Eligible Employees shall be eligible to receive Incentive Options.

3.1.3. Rules and Regulations. The Committee may from time to time adopt such rules and regulations for carrying out the purposes of the Plan as it may deem proper and in the best interests of the Company; provided, however, that only Eligible Employees shall be eligible to receive Incentive Options.

3.1.4. Defects, Omissions, and Inconsistencies. The Committee may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or in any Award Agreement in the manner and to the extent it shall deem expedient and it shall be the sole and final judge of such expediency.

3.1.5. Amendments. The Committee may amend the Plan in any respect the Committee deems necessary or advisable, including, without limitation, relating to Incentive Options and certain non-qualified deferred compensation under Section 409A of the Code and/or to bring the Plan or Options granted under the Plan into compliance therewith, subject to the limitations, if any, of applicable law.

3.1.6. Interpretation. The Committee shall construe and interpret the Plan and Options granted under it.

3.1.7. Controversies. The Committee shall settle all controversies regarding the Plan and Awards granted under it. The determinations, interpretations, and other actions of the Committee pursuant to the provisions of the Plan shall be binding and conclusive for all purposes and on all persons.

3.1.8. Acceleration of Vesting. The Committee may accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest, notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.

3.1.9. Suspension or Termination. The Committee may suspend or terminate the Plan at any time. Suspension or termination of the Plan shall not impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Award holder.

3.1.10. Liability. No member of the Committee shall be liable for any action or determination made in good faith.

3.2. Contractual Limitations. The Committee shall in exercising its discretion under the Plan comply with all contractual obligations of the Company in effect from time to time, whether contained in the Company's Certificate of Incorporation, bylaws, or other binding contracts.

3.3. Compliance with 409A. To the extent that the Committee determines that any Option granted under the Plan is subject to Section 409A of the Code, the Option Agreement evidencing such option shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and Option Agreements shall be interpreted in accordance with Section 409A of the Code. Notwithstanding any provision of the Plan to the contrary, in the event that, following the Effective Date, the Committee determines that any Option may be subject to Section 409A of the Code, the Board may adopt such amendments to the Plan and the applicable Option Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (1) exempt the Option from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Option, or (2) comply with the requirements of Section 409A of the Code.

4. Stock Subject to the Plan.

4.1. Number of Shares.

4.1.1. Subject to the adjustments described in Section 4.4, the total number of Shares reserved and available for grant pursuant to the Plan shall be 275,713. Any Stock distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Stock, treasury Stock or Stock purchased on the open market.

4.1.2. Upon exercise of an Option, the Shares issued upon exercise of such option shall no longer be considered to be subject to an outstanding Award. Notwithstanding anything to the contrary contained herein, no Award granted hereunder shall become void or otherwise be adversely affected solely because of a change in the number of Shares of the Company that are issued and outstanding from time to time, provided that changes to the issued and outstanding Shares may result in adjustments to outstanding Awards in accordance with the provisions of this Section 4.

4.1.3. The maximum number of Shares that may be issued as Incentive Options is 110,000 Shares. The Shares may be either (a) authorized and unissued Shares or (b) previously issued Shares acquired by the Company. The maximum numbers may be increased from time to time by approval of the Board and by the shareholders of the Company if, in the opinion of counsel for the Company, shareholder approval is required. The Company shall at all times during the term of the Plan and while any Options are outstanding retain as authorized and unissued Stock at least the number of Shares from time to time required under the provisions of the Plan, or otherwise assure itself of its ability to perform its obligations hereunder.

4.2. Limit on Options Received by Participants. The maximum number of Shares with respect to which a Participant may receive Incentive Options under the Plan during the term of the Plan is 25,000 Shares. The maximum number may be increased from time to time by approval of the Board and by the shareholders of the Company if, in the opinion of counsel for the Company, shareholder approval is required. Shareholder approval shall not be required for increases solely pursuant to Section 4.4.

4.3. Other Shares of Stock. Any Shares that are subject to an Option that expires or for any reason is terminated unexercised, any Shares that are subject to an Award (other than an Option) and that are forfeited, and any Shares withheld for the payment of taxes or received by the Company as payment of the exercise price of an Option shall automatically become available for use under the Plan.

4.4. Adjustments for Stock Split, Stock Dividend, Etc. If the Company shall at any time increase or decrease the number of its outstanding Shares or change in any way the rights and privileges of such Shares by means of the payment of a stock dividend or any other distribution upon such Shares payable in Stock, or through a stock split, subdivision, consolidation, combination, reclassification, or recapitalization involving the Stock, then in relation to the Stock that is affected by one or more of the above events, the numbers, exercise price, rights, and privileges of the following shall be increased, decreased, or changed in like manner as if they had been issued and outstanding, fully paid, and nonassessable at the time of such occurrence:

4.4.1. the Shares as to which Awards may be granted under the Plan;

4.4.2. the Shares then included in each outstanding Award granted hereunder;

4.4.3. the maximum number of Shares available for grant to any one person pursuant to Section 4.2;

4.4.4. the maximum number of Shares available for grant pursuant to Incentive Options; and

4.4.5. the number of Shares subject to a delegation of authority under Section **Error! Reference source not found.**

4.5. Other Distributions and Changes in the Stock. If:

4.5.1. the Company shall at any time distribute with respect to the Stock assets or securities of persons other than the Company (excluding (a) cash or (b) distributions referred to in Section 4.4); or

4.5.2. the Company shall at any time grant to the holders of its Stock rights to subscribe pro rata for additional shares thereof or for any other securities of the Company; or

4.5.3. there shall be any other change (except as described in Section 4.4) in the number or kind of outstanding Shares or of any stock or other securities into which the Stock shall be changed or for which it shall have been exchanged;

and if the Committee shall in its discretion determine that the events described in Sections 4.5.1, 4.5.2, or 4.5.3 equitably requires an adjustment in the number or kind of Shares subject to an Option or other Award, an adjustment in the Option Price or the taking of any other action by the Committee, including without limitation, the setting aside of any property for delivery to the Participant upon the exercise of an Option or the full vesting of an Award, then such adjustments shall be made, or other action shall be taken, by the Committee and shall be effective for all purposes of the Plan and on each outstanding Option or Award that involves the particular type of stock for which a change was effected. Notwithstanding the foregoing provisions of this Section 4.5, pursuant to Section 8.3, a Participant holding Stock received as a Restricted Stock Award shall have the right to receive all amounts, including cash and property of any kind, distributed with respect to the Stock after such Restricted Stock Award was granted upon the Participant's becoming a holder of record of the Stock.

4.6. General Adjustment Rules. No adjustment or substitution provided for in this Section 4 shall require the Company to sell a fractional Share under any Option, or otherwise issue a fractional Share, and the total substitution or adjustment with respect to each Option and other Award shall be limited by deleting any fractional Share. In the case of any such substitution or adjustment, the aggregate Option Price for the total number of Shares then subject to an Option shall remain unchanged but the Option Price per Share under each such Option shall be equitably adjusted by the Committee to reflect the greater or lesser number of Shares or other securities into which the Stock subject to the Option may have been changed, and appropriate adjustments shall be made to other Awards to reflect any such substitution or adjustment.

4.7. Determination by the Committee. Adjustments under this Section 4 shall be made by the Committee, whose determinations with regard thereto shall be final and binding upon all parties thereto.

5. Accelerated Vesting

5.1. Double Trigger Vesting. Notwithstanding any other provision in the Plan to the contrary, and except as otherwise provided in the applicable Change in Control transaction documents or any employment agreement between the Company and a Participant, in the event that an employee Participant incurs an Involuntary Termination within twelve (12) months following a Change in Control, any Awards that are still outstanding following such Change in Control shall become fully vested and exercisable and all restrictions on such Awards shall lapse as of the date of the Participant's Involuntary Termination. Notwithstanding the foregoing, the Committee shall have the discretion, exercisable either at the time an Award is granted or issued or at any time while the Award remains outstanding, to structure the Award so that it shall automatically accelerate and vest in full upon the occurrence of a Change in Control (and any Forfeiture Restrictions or Repurchase Rights of the Company with respect to unvested Shares received pursuant to the Award shall immediately terminate), whether or not the Award is to be assumed in the Change in Control or the Forfeiture Restrictions or Repurchase Rights of the Company would otherwise continue in effect pursuant to the Change in Control or subject to the execution of the release or an Award cancellation agreement, cause all outstanding Awards to be cancelled and terminated as of a specified date in exchange for a payment or right to payment pursuant to the terms and conditions set forth in the Change in Control transaction documents. With respect to an Award which the Company concludes is subject to (and not exempt from) the requirements of Section 409A, any actions taken by the Board pursuant to this Section shall be done in compliance with Section 409A of the Code. The Board need not take the same action with respect to all Awards or with respect to all Participants.

5.2. Company Actions. The grant of Awards under the Plan shall in no way affect the right of the Company to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets. Nothing in this Section or any other provision of this Plan is intended to provide any Participant with any right to consent to or object to any transaction that might result in a Change in Control and each provision of this Plan shall be interpreted in a manner consistent with this intent. Similarly, nothing in this Section or any other provision of this Plan is intended to provide any Participant with any right to consent to or object to any action taken by the Board pursuant to this Section.

6. Participation. Participants in the Plan shall be those Eligible Employees who, in the judgment of the Committee, are performing, or during the term of their incentive arrangement will perform, vital services in the management, operation and development of the Company, and significantly contribute, or are expected to significantly contribute, to the achievement of long-term corporate economic objectives. Eligible Consultants shall be selected from those non-employee consultants to the Company who are performing services important to the operation and growth of the Company. All Eligible Non-Employee Directors selected by the Board may participate in the Plan. Participants may be granted from time to time one or more Awards; provided, however, that the grant of each such Award shall be separately approved by the Committee and receipt of one such Award shall not result in automatic receipt of any other Award. Upon determination by the Committee that an Award is to be granted to a Participant, written notice shall be given to such person, specifying the terms, conditions, rights and duties related thereto. Each Participant shall, if required by the Committee, enter into an agreement with the Company, in such form as the Committee shall determine and which is consistent with the provisions of the Plan, specifying such terms, conditions, rights and duties. Awards shall be deemed to be granted as of the date specified in the grant resolution of the Committee, which date shall be the date of any related agreement with the Participant. In the event of any inconsistency between the provisions of the Plan and any such agreement entered into hereunder, the provisions of the Plan shall govern.

7. Options.

7.1. Grant of Options. Coincident with or following designation for participation in the Plan, a Participant may be granted one or more Options. The Committee in its sole discretion shall designate whether an Option is an Incentive Option or a Non-Qualified Option; provided, however, that only Non-Qualified Options may be granted to Eligible Consultants and Eligible Non-Employee Directors. The Committee may grant both an Incentive Option and a Non-Qualified Option to an Eligible Employee at the same time or at different times. Incentive Options and Non-Qualified Options, whether granted at the same time or at different times, shall be deemed to have been awarded in separate grants and shall be clearly identified, and in no event shall the exercise of one Option affect the right to exercise any other Option or affect the number of Shares for which any other Option may be exercised. An Option shall be considered as having been granted on the date specified in the grant resolution of the Committee.

7.2. **Stock Option Agreements.** Each Option granted under the Plan shall be evidenced by a written stock option agreement (an “**Option Agreement**”). An Option Agreement shall be issued by the Company in the name of the Participant to whom the Option is granted (the “**Option Holder**”) and in such form as may be approved by the Committee. The Option Agreement shall incorporate and conform to the conditions set forth in this Section 7.2 as well as such other terms and conditions that are not inconsistent as the Committee may consider appropriate in each case.

7.2.1. **Number of Shares.** Each Option Agreement shall state that it covers a specified number of Shares, as determined by the Committee.

7.2.2. **Price.** The price at which each Share covered by an Option may be purchased (the “**Option Price**”) shall be determined in each case by the Committee and set forth in the Option Agreement, but in no event shall the price be less than one hundred percent (100%) of the Fair Market Value of one Share of Stock on the date the Option is granted.

7.2.3. **Duration of Options; Vesting.**

a. **Option Period.** Each Option Agreement shall state the Option Period applicable to the Option, which must end, in all cases, not more than ten years from the date the Option is granted. Each Option Holder shall become vested in the Shares underlying the Option in such installments and over such period or periods of time, if any, or upon such events, as are determined by the Committee in its discretion and set forth in the Option Agreement.

b. **Exercise of Options.** The Option shall generally become exercisable, in whole or in part, at the same time or times as the Shares underlying the Option vest; provided, however, that the Committee may grant Options that are immediately exercisable in whole or in part. Any unvested Shares received by the Option Holder upon early exercise of the Option in accordance with the preceding sentence shall be subject to the Company’s

Repurchase Rights.

c. **Repurchase Rights.** Should the Option Holder cease Service while holding unvested Shares, the Company shall have the right to repurchase any or all of those unvested Shares at a price per share equal to the Option Price (the “**Repurchase Rights**”). The Company shall be entitled to exercise its right to repurchase such unvested Shares by written notice to the Option Holder sent within ninety (90) days after the time of Option Holder’s cessation of Service, or (if later) during the ninety (90)-day period following the execution date of any written stock purchase agreement executed by the Company and the Option Holder. The notice shall indicate the number of unvested Shares to be repurchased, the repurchase price to be paid per share (which shall be a price per share equal to the Option Price) and the date on which the repurchase is to be effected, such date to be not more than thirty (30) days after the date of such notice.

7.2.4. **Termination of Services, Death, Disability, Etc.** The Committee may specify the period, if any, during which an Option may be exercised following termination of the Option Holder’s Service. The effect of this Section 7.2.4 shall be limited to determining the consequences of a termination and nothing in this Section 7.2.4 shall restrict or otherwise interfere with the Company’s discretion with respect to the termination of any individual’s Service. If the Committee does not otherwise specify, the following shall apply:

a. Termination for Misconduct. If the Service of the Option Holder is terminated within the Option Period for Misconduct, the Option shall thereafter be void for all purposes.

b. Disability. If the Option Holder becomes Disabled, the Option may be exercised by the Option Holder within one year following the Option Holder's termination of Service on account of Disability (provided that such exercise must occur within the Option Period), but not thereafter. In any such case, the Option may be exercised only as to the Shares that had become vested on or before the date of the Option Holder's termination of Service because of Disability.

c. Death. If the Option Holder dies during the Option Period while still in Service of the Company or within the one year period referred to in Section 7.2.4.b or the three-month period referred to in Section 7.2.4.d, the Option may be exercised by those entitled to do so under the Option Holder's will or by the laws of descent and distribution within one year following the Option Holder's death (provided that such exercise must occur within the Option Period), but not thereafter. In any such case, the Option may be exercised only as to the Shares that had become vested on or before the date of the Option Holder's death.

d. Other Termination. If the Service of the Option Holder is terminated within the Option Period for any reason other than Misconduct, Disability, or death, the Option may be exercised by the Option Holder within three (3) months following the date of such termination (provided that such exercise must occur within the Option Period), but not thereafter. In any such case, the Option may be exercised only as to the Shares that had become vested on or before the date of termination of Service.

7.2.5. Exercise and Payment.

a. Manner of Exercise. The method for exercising each Option granted hereunder shall be by delivery to the Company of written notice specifying the number of Shares with respect to which such Option is exercised. The purchase of such Shares shall take place at the principal offices of the Company within thirty (30) days following delivery of such notice, at which time the Option Price of the Shares shall be paid in full by any of the methods set forth below or a combination thereof. The Option shall be exercised when the Option Price for the number of Shares as to which the Option is exercised is paid to the Company in full. A properly executed certificate or certificates representing the Shares shall be delivered to or at the direction of the Option Holder upon payment therefor. If Options on less than all Shares evidenced by an Option Agreement are exercised, the Company shall deliver a new Option Agreement evidencing the Option on the remaining Shares upon delivery of the Option Agreement for the Option being exercised.

b. Payment of Exercise Price. The exercise price shall be paid by any of the following methods or any combination of the following methods at the election of the Option Holder, or by any other method approved by the Committee: (i) in cash; (ii) by certified check, cashier's check or other check acceptable to the Company, payable to the order of the Company; or (iii) if expressly permitted by a resolution of the Committee applicable to the Option at the time of exercise (whether such resolution is applicable solely to the Option being exercised or is generally applicable to some or all Options outstanding under the Plan), by delivery to the Company of certificates representing the number of Shares then owned by the

Option Holder, the Fair Market Value of which equals the purchase price of the Shares purchased pursuant to the Option, properly endorsed for transfer to the Company; provided, however, that no Option may be exercised by delivery to the Company of certificates representing Shares, unless such Shares have been held by the Option Holder for more than six (6) months (or such other period of time as the Committee determines is necessary to avoid adverse financial accounting treatment); for purposes of this Plan, the Fair Market Value of any Shares delivered in payment of the purchase price upon exercise of the Option shall be the Fair Market Value as of the exercise date, and the exercise date shall be the day of delivery of the certificates for the Shares used as payment of the Option Price.

7.2.6. Date of Grant. An Option shall be considered as having been granted on the date specified in the grant resolution of the Committee.

7.2.7. Withholdings.

a. Non-Qualified Options. Upon exercise of an Option, the Option Holder shall make appropriate arrangements with the Company to provide for the amount of additional withholding required by Sections 3102 and 3402 of the Code and applicable state income tax laws, including payment of such taxes through delivery of Shares of Stock or by withholding Shares to be issued under the Option, as provided in Section 8.

b. Incentive Options. If an Option Holder makes a disposition (as defined in Section 424(c) of the Code) of any Shares acquired pursuant to the exercise of an Incentive Option prior to the expiration of two years from the date on which the Incentive Option was granted or prior to the expiration of one year from the date on which the Option was exercised, the Option Holder shall send written notice to the Company at the Company's principal place of business of the date of such disposition, the number of Shares disposed of, the amount of proceeds received from such disposition and any other information relating to such disposition as the Company may reasonably request. The Option Holder shall, in the event of such a disposition, make appropriate arrangements with the Company to provide for the amount of additional withholding, if any, required by Sections 3102 and 3402 of the Code and applicable state income tax laws.

7.2.8. Lock-Up Period. An Option Holder shall not directly or indirectly sell, offer to sell, contract to sell, pledge, transfer or otherwise dispose of, make any short sale of, grant any option for the purchase or sale of, or enter into any hedging or similar transaction with the same economic effect as a sale of, any Stock (or other securities) of the Company held by such Option Holder (other than those included for sale in the registration) for a period specified by the representative of the underwriters of Stock (or other securities) of the Company, not to exceed 180 days following the effective date of a registration statement of the Company filed under the Securities Act plus an additional 18 days if necessary to comply with applicable regulatory requirements. If requested by the Company or the representative of the underwriters of Stock (or other securities) of the Company, the Option Holder may be required to enter into an agreement regarding his or her compliance with this requirement.

7.3. Restrictions on Incentive Options.

7.3.1. \$100,000 Per Year Limitation. The aggregate Fair Market Value of the Shares with respect to which Incentive Options are exercisable for the first time by an Option Holder in any calendar year, under the Plan or otherwise, shall not exceed one hundred thousand dollars (\$100,000.00). For this purpose, the Fair Market Value of the Shares shall be determined as of the date of grant of the Option and Incentive Options shall be taken into account in the order granted. The portion of any Incentive Option accelerated in connection with a Change in Control shall remain exercisable as an Incentive Option only to the extent the above limitation is not exceeded. To the extent such dollar limitation is exceeded, the accelerated portion of such Incentive Option shall thereafter be exercisable as a Non-Qualified Option.

7.3.2. Ten Percent Shareholders. Incentive Options granted to an Option Holder who is the holder of record of 10% or more of the outstanding stock of the Company shall have an Option Price equal to 110% of the Fair Market Value of the Shares on the date of grant of the Option and the Option Period for any such Option shall not exceed five years.

7.4. Permitted Transfers. An Option shall not be transferable by the Option Holder except (1) by will or pursuant to the laws of descent and distribution or (2) or as otherwise permitted by the Committee in writing. An Option shall be exercisable during the Option Holder's lifetime only by him or her or, in the event of Disability or incapacity, by his or her guardian or legal representative. The Option Holder's guardian or legal representative shall have all of the rights of the Option Holder under this Plan.

7.5. No Assignment. No right or interest of any Option Holder in an Option granted pursuant to the Plan shall be assignable or transferable during the lifetime of the Option Holder, either voluntarily or involuntarily, or be subjected to any lien, directly or indirectly, by operation of law, or otherwise, including execution, levy, garnishment, attachment, pledge or bankruptcy, except as set forth above. In the event the Option is assigned or transferred in any manner contrary to terms of this Plan, then all Options transferred or assigned shall immediately terminate.

7.6. Shareholder Privileges. No Option Holder shall have any rights as a shareholder with respect to any Shares covered by an Option until the Option Holder becomes the holder of record of such Shares, and no adjustments shall be made for dividends or other distributions or other rights as to which there is a record date preceding the date such Option Holder becomes the holder of record of such Shares, except as provided in Section 4.

8. Restricted Stock Awards.

8.1. Grant of Restricted Stock Awards. Coincident with or following designation for participation in the Plan, the Committee may grant a Participant one or more Restricted Stock Awards consisting of Shares of Stock. The number of Shares granted as a Restricted Stock Award shall be determined by the Committee. Each Restricted Stock Award granted under the Plan shall be evidenced by a written restricted stock agreement (a "**Restricted Stock Agreement**"). The Restricted Stock Agreement shall incorporate and conform to the conditions set forth in this Section 8 as well as such other terms and conditions that are not inconsistent as the Committee may consider appropriate in each case.

8.2. Restrictions.

8.2.1. A Participant's right to retain a Restricted Stock Award granted to him or her under Section 8.1 shall be subject to such restrictions, including but not limited to his or her continuous Service for the Company for a restriction period specified by the Committee or the attainment of specified performance goals and objectives, as may be established by the Committee with respect to such Award (the restrictions established by the Committee under this Section 8.2 shall be known as the "**Forfeiture Restrictions**").

8.2.2. The Committee may in its sole discretion provide for different Forfeiture Restrictions with respect to different Participants, to different Restricted Stock Awards or to separate, designated portions of the Shares constituting a Restricted Stock Award. In the event of the death or Disability of a Participant, or the retirement of a Participant in accordance with the Company's established retirement policy, all Forfeiture Restrictions then held by him or her shall lapse with respect to a pro rata part of each such Award based on the ratio between the number of full months of Service completed at the time of termination of Service from the grant of each Award to the total number of months of Service required for such Award to be fully non-forfeitable, and such portion of each such Award shall become fully non-forfeitable. The remaining portion of each such Award shall be forfeited and shall be immediately returned to the Company. If a Participant's Service terminates for any other reason, any Shares as to which the Forfeiture Restrictions have not been satisfied (or waived or accelerated as provided herein) shall be forfeited, and all Shares related thereto shall be immediately returned to the Company.

8.3. Privileges of a Shareholder, Transferability. A Participant shall have all voting, dividend, liquidation and other rights with respect to Stock in accordance with its terms received by him or her as a Restricted Stock Award under this Section 8 upon his or her becoming the holder of record of such Stock; provided, however, that the Participant's right to sell, encumber, or otherwise transfer such Stock shall be subject to the limitations of Section 10.2, Section 11, and Section 12.

8.4. Enforcement of Restrictions. The Committee shall cause a legend to be placed on the Stock certificates issued pursuant to each Restricted Stock Award referring to the restrictions provided by Section 8.2 and Section 8.3 and, in addition, may in its sole discretion require one or more of the following methods of enforcing the restrictions referred to in Section 8.2 and Section 8.3: (1) requiring the Participant to keep the Stock certificates, duly endorsed, in the custody of the Company while the restrictions remain in effect; or (2) requiring that the Stock certificates, duly endorsed, be held in the custody of a third party while the restrictions remain in effect.

9. Other Grants. From time to time during the duration of this Plan, the Board may, in its sole discretion, adopt one or more incentive compensation arrangements for Participants pursuant to which the Participants may acquire Shares, whether by purchase, outright grant, or otherwise. Any arrangement shall be subject to the general provisions of this Plan and all Shares issued pursuant to such arrangements shall be issued under this Plan.

10. Rights of Participants.

10.1. Service. Nothing contained in the Plan or in any Option, or other Award granted under the Plan shall confer upon any Participant any right with respect to the continuation of his employment by, or consulting relationship with, the Company, or interfere in any way with the right of the Company, subject to the terms of any separate employment agreement or other contract to the contrary, at any time to terminate such services or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of an Award. Whether an authorized leave of absence, or absence in military or government service, shall constitute a termination of service shall be determined by the Committee at that time.

10.2. Non-Transferability of Awards.

10.2.1. Except as provided otherwise at the time of grant or thereafter, no right or interest of any Participant in a Restricted Stock Award (prior to the completion of the restriction period applicable thereto), or other Award (excluding Options) granted pursuant to the Plan, shall be assignable or transferable during the lifetime of the Participant, either voluntarily or involuntarily, or subjected to any lien, directly or indirectly, by operation of law, or otherwise, including execution, levy, garnishment, attachment, pledge or bankruptcy.

10.2.2. In the event of a Participant's death, a Participant's rights and interests in Options, Restricted Stock Awards, and other Awards, shall, to the extent provided in Section 7, Section 8, and Section 9 be transferable by will or the laws of descent and distribution, and payment of any amounts due under the Plan shall be made to, and exercise of any Options may be made by, the Participant's legal representatives, heirs or legatees. However, a Participant's rights and interests in Options, Restricted Stock Awards, and other Awards shall be transferable to an Option Holder's.

10.2.3. If in the opinion of the Committee a person entitled to payments or to exercise rights with respect to the Plan is disabled from caring for his affairs because of mental condition, physical condition or age, payment due such person may be made to, and such rights shall be exercised by, such person's guardian, conservator or other legal personal representative upon furnishing the Committee with evidence satisfactory to the Committee of such status.

10.3. No Plan Funding. Obligations to Participants under the Plan will not be funded, trusted, insured, or secured in any manner. The Participants under the Plan shall have no security interest in any assets of the Company and shall be only general creditors of the Company.

11. General Restrictions.

11.1. Investment Representations. The Company may require any person to whom an Option, Restricted Stock Award, or other Award, is granted, as a condition of exercising such Option, receiving such Restricted Stock Award, or such other Award to give written assurances in substance and form satisfactory to the Company and its counsel to the effect that such person is acquiring the Stock for his own account for investment and not with any present intention of selling or otherwise distributing the same, and to such other effects as the Company deems necessary or appropriate in order to comply with Federal and applicable state securities laws. Legends evidencing such restrictions may be placed on the Stock certificates.

11.2. Compliance with Securities Laws. Each Option, Restricted Stock Award grant, or other Award shall be subject to the requirement that, if at any time counsel to the Company shall determine that the listing, registration or qualification of the shares subject to such Option, Restricted Stock Award, or other Award grant upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, is necessary as a condition of, or in connection with, the issuance or purchase of shares

thereunder, such Option, Restricted Stock Award or other Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Committee. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration or qualification.

11.3. Changes in Accounting Rules. Except as provided otherwise at the time an Award is granted, notwithstanding any other provision of the Plan to the contrary, if, during the term of the Plan, any changes in the financial or tax accounting rules applicable to Options, Restricted Stock Awards, or other Awards shall occur which, in the sole judgment of the Committee, may have a material adverse effect on the reported earnings, assets or liabilities of the Company, the Committee shall have the right and power to modify as necessary, any then outstanding and unexercised Options, outstanding Restricted Stock Awards and other outstanding Awards as to which the applicable services or other restrictions have not been satisfied.

11.4. Election Under Section 83(b) of the Code. PARTICIPATE IS ADVISED TO CONSULT WITH HIS OR HER PERSONAL TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF AN AWARD UNDER THIS PLAN. Participant shall advise the Company in writing if the Participant makes an election under Section 83(c) of the Code. The deadline for filing such an election is generally 30 days after the Award Date. Recipient assumes all responsibility for filing an election under Section 83(b) of the Code and shall be responsible for paying all taxes resulting from making such election or failing to make such election. Recipient acknowledges that neither the Company nor any employee, officer, or director of the Company is providing or will provide any tax advice to the Recipient.

12. Plan Amendment, Modification, and Termination. The Board may at any time terminate, and from time to time may amend or modify the Plan; provided, however, that no amendment or modification may become effective without approval of the amendment or modification by the shareholders if shareholder approval is required to enable the Plan to satisfy any applicable statutory or regulatory requirements, or if the Company, on the advice of counsel, determines that shareholder approval is otherwise necessary or desirable. No amendment, modification or termination of the Plan shall in any manner adversely affect any Options, Restricted Stock Awards, or other Award theretofore granted under the Plan, without the consent of the Participant holding such Options, Restricted Stock Awards, or other Awards.

13. Withholding. The Company or any Affiliate shall have the power and right to withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, and local withholding tax requirements (including the Participant's FICA tax obligation) required by law to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. To the extent permissible under applicable law, the Company may, in its sole discretion, allow the Participant to satisfy his or her tax withholding requirement by: (a) directing the Company to withhold shares of Stock to which the Participant is entitled pursuant to the Award in an amount necessary to satisfy the applicable federal, state, local or foreign income and employment tax withholding obligations with respect to such Participant; (b) tendering previously-owned shares of Stock held by the Participant to satisfy the applicable federal, state, local, or foreign income and employment tax withholding obligations with respect to the Participant (which holding period may be waived by the Committee after

considering applicable accounting standards); (c) a broker-assisted “cashless” transaction; or (d) certified check or other cash equivalent acceptable to the Company. Each Participant hereby acknowledges that neither the Company nor any of its representatives has provided to the Participant any tax-related advice with respect to the matters covered by the Plan and each Participant understands and acknowledges that the Participant is solely responsible for obtaining his or her own tax advice with respect to any taxable event arising as a result of this Plan or any Award.

14. Requirements of Law.

14.1. Requirements of Law. The issuance of Stock and the payment of cash pursuant to the Plan shall be subject to all applicable laws, rules and regulations.

14.2. Federal Securities Law Requirements. If a Participant is an officer or director of the Company within the meaning of Section 16 of the Exchange Act, Awards granted hereunder shall be subject to all conditions required under Rule 16b-3, or any successor Rule promulgated under the Exchange Act, to qualify the Award for any exception from the provisions of Section 16(b) of the Exchange Act available under that Rule. Such conditions shall be set forth in the agreement with the Participant which describes the Award or other document evidencing or accompanying the Award.

14.3. Governing Law; Disputes. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the State of Colorado without regard to conflict of law principles that would require the application of any other law. The Plan and all agreements and documents hereunder shall be construed in accordance with and governed by the internal laws of the State of Colorado, without reference to conflict of laws principals. Venue for any civil action relating to this Plan or any agreement or document issued hereunder shall be in a state or federal court located in Denver, Colorado, and each Party waives any objection to such venue. EACH PARTY HEREBY WAIVES ANY RIGHT IT HAS TO A JURY TRIAL IN ANY ACTION, SUIT, OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THIS PLAN OR ANY AGREEMENT OR DOCUMENT ISSUED HEREUNDER.

[signature page follows]

Dated as of the Effective Date, regardless of the date of signature.

RADAR RELAY, INC.

By: _____

Name: Alan Curtis

Title: CEO

Date: _____

Calculation of Filing Fee Table

Form S-8
(Form Type)

Core Scientific, Inc.
(Exact Name of Registrant as Specified in its Charter)

Table 1: Newly Registered

Security Type	Security Class Title	Fee Calculation Rule	Amount Registered(1)	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Fee Rate	Amount of Registration Fee
Equity	Common Stock, \$0.0001 par value per share, Core Scientific, Inc. 2021 Equity Incentive Plan	Other(2)	45,000,000(8)(9)	\$7.52(2)	\$338,175,000.00	\$0.0000927	\$31,348.82(16)
Equity	Common Stock, \$0.0001 par value per share, Core Scientific, Inc. 2021 Employee Stock Purchase Plan	Other(3)	1,000,000(10)(11)	\$6.39(3)	\$6,387,750.00	\$0.0000927	\$592.14(16)
Equity	Common Stock, \$0.0001 par value per share, Mineco Holdings, Inc. 2018 Omnibus Incentive Plan (options)	Other(4)	24,610,343(12)	\$9.57(4)	\$235,520,982.51	\$0.0000927	\$21,832.80(16)
Equity	Common Stock, \$0.0001 par value per share, Mineco Holdings, Inc. 2018 Omnibus Incentive Plan (RSUs)	Other(5)	90,350,332(13)	\$7.52(5)	\$678,982,744.98	\$0.0000927	\$62,941.70(16)
Equity	Common Stock, \$0.0001 par value per share, Blockcap, Inc. Equity Incentive Plan (options)	Other(6)	6,829,395(14)	\$6.53(6)	\$44,595,949.35	\$0.0000927	\$4,134.04(16)
Equity	Common Stock, \$0.0001 par value per share, Amended and Restated Radar Relay, Inc. 2018 Equity Incentive Plan (options)	Other(7)	502,108(15)	\$1.20(7)	\$602,529.60	\$0.0000927	\$55.85(16)
Total Offering Amounts					\$1,304,264,956.44		—
Total Fees Previously Paid							—
Total Fee Offsets							—
Net Fee Due							\$120,905.36

- (1) Pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the “*Securities Act*”), this Registration Statement also covers an indeterminate number of additional shares of common stock of the Registrant (“*Common Stock*”) that may be issued to adjust the number of shares issued pursuant to the Core Scientific, Inc. 2021 Equity Incentive Plan (the “*2021 Plan*”), the Core Scientific, Inc. 2021 Employee Stock Purchase Plan (the “*2021 ESPP*”), the Mineco Holdings, Inc. 2018 Omnibus Incentive Plan (the “*2018 Plan*”), the Blockcap Inc. Equity Incentive Plan (the “*Blockcap Plan*”) and the Amended and Restated Radar Relay, Inc. 2018 Equity Incentive Plan (the “*Radar Plan*”) by reason of any stock dividend, stock split, recapitalization or any other similar transaction which results in an increase in the number of shares of the Registrant’s outstanding Common Stock.

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- (2) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(c) and (h) of the Securities Act based on the average of the high and low prices of the Registrant's Common Stock as reported on the Nasdaq Stock Market on April 18, 2022, which date is within five business days prior to the filing of this Registration Statement.
 - (3) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(c) and (h) of the Securities Act based on the average of the high and low prices of the Registrant's Common Stock as reported on the Nasdaq Stock Market on April 18, 2022, which date is within five business days prior to the filing of this Registration Statement, multiplied by 85%, which is the percentage of the trading price per share applicable to purchasers under the 2021 ESPP.
 - (4) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(h) of the Securities Act solely for the purpose of calculating the registration fee on the basis of the weighted-average exercise prices of stock option awards outstanding under the 2018 Plan as of the date of this Registration Statement.
 - (5) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(c) and (h) of the Securities Act based on the average of the high and low prices of the Registrant's Common Stock as reported on the Nasdaq Stock Market on April 18, 2022, which date is within five business days prior to the filing of this Registration Statement.
 - (6) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(h) of the Securities Act solely for the purpose of calculating the registration fee on the basis of the weighted-average exercise prices of stock option awards outstanding under the Blockcap Plan as of the date of this Registration Statement.
 - (7) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(h) of the Securities Act solely for the purpose of calculating the registration fee on the basis of the weighted-average exercise prices of stock option awards outstanding under the Radar Plan as of the date of this Registration Statement.
 - (8) Represents 45,000,000 shares of Common Stock reserved for issuance pursuant to future awards under the 2021 Plan. To the extent that any awards outstanding under the 2021 Plan are forfeited, are cancelled, are held back upon exercise or settlement of an award to cover any exercise price, as applicable, or tax withholding, are reacquired by the Registrant prior to vesting, are satisfied without the issuance of stock or are otherwise terminated (other than by exercise) subsequent to the date of this Registration Statement, the shares reserved for issuance pursuant to such awards will become available for issuance as shares of Common Stock under the 2021 Plan.
 - (9) The number of shares reserved for issuance under the 2021 Plan will automatically increase on January 1st of each year for a period of nine years commencing on January 1, 2023 and ending on (and including) January 1, 2032, in an amount equal to 4% of the total number of shares of Common Stock outstanding on December 31 of the preceding year; *provided, however*, that the board of directors of the Registrant (the "**Board**") may act prior to January 1st of a given year to provide that the increase for such year will be a lesser number of shares of Common Stock. This explanation is provided for informational purposes only. The issuance of such shares is not being registered on this Registration Statement.
 - (10) Represents 1,000,000 shares of Common Stock reserved for future issuances under the 2021 ESPP.
 - (11) The number of shares reserved for issuance under the 2021 ESPP will automatically increase on January 1st of each year for a period of ten years commencing on January 1, 2023 and ending on (and including) January 1, 2032, in an amount equal to the lesser of (i) 1% of the total number of shares of Common Stock outstanding on December 31st of the preceding calendar year, and (ii) 1,000,000 shares of Common Stock. Notwithstanding the foregoing, the Board may act prior to the first day of any calendar year to provide that there will be no January 1st increase in the share reserve for such calendar year or that the increase in the share reserve for such calendar year will be a lesser number of shares of Common Stock than would otherwise occur pursuant to the preceding sentence. This explanation is provided for informational purposes only. The issuance of such shares is not being registered on this Registration Statement.
 - (12) Represents 24,610,343 shares of Common Stock underlying stock option awards previously granted and outstanding under the 2018 Plan, as assumed by the Registrant on January 19, 2022 pursuant to the Agreement and Plan of Reorganization and Merger, dated as of July 20, 2021, as amended on October 1, 2021, and as further amended on December 29, 2021, by and among Power & Digital Infrastructure Acquisition Corp., the predecessor Registrant ("**XPDI**"), Core Scientific Holding Co., a Delaware corporation ("**Legacy Core**"), and XPDI Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of XPDI (the "**Business Combination Agreement**").

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- (13) Represents 90,350,332 shares of Common Stock underlying restricted stock unit awards previously granted and outstanding under the 2018 Plan, as assumed by the Registrant on January 19, 2022 pursuant to the Business Combination Agreement.
 - (14) Represents 6,829,395 shares of Common Stock underlying restricted stock unit awards previously granted and outstanding under the Blockcap Plan, as assumed by the Registrant on January 19, 2022 pursuant to the Business Combination Agreement.
 - (15) Represents 502,108 shares of Common Stock underlying stock option awards previously granted and outstanding under the Radar Plan, as assumed by the Registrant on January 19, 2022 pursuant to the Business Combination Agreement.
 - (16) Calculated pursuant to Rule 457 of the Securities Act by calculating the product of (i) the proposed maximum aggregate offering price and (ii) 0.0000927.