

INDEMNITY AGREEMENT

THIS AGREEMENT is made June __, 2018

BETWEEN:

ZENCHAIN INC., a corporation existing under the
Canada Business Corporations Act

(the “**Corporation**”)

- and -

SETH HORNBY, an individual resident in the Province of British
Columbia.

(the “**Indemnified Party**”)

RECITALS:

- A. The Indemnified Party is, has been or, at the request of the Corporation, proposes to become, a duly elected or appointed director of the Corporation.
- B. The Corporation is permitted to indemnify its directors to the extent permitted herein.
- C. The Corporation considers it desirable and in the best interests of the Corporation to attract and retain the services of highly qualified individuals such as the Indemnified Party to serve as a director of the Corporation and to therefore enter into this Agreement to set out the circumstances and manner in which the Indemnified Party may be indemnified in respect of certain liabilities or expenses which the Indemnified Party may incur as a result of acting as a director of the Corporation.
- D. The Indemnified Party has agreed to serve or to continue to serve as a director of the Corporation subject to the Corporation providing the Indemnified Party with directors’ and officers’ liability insurance and an indemnity against certain liabilities and, in order to induce the Indemnified Party to serve and to continue to so serve as a director of the Corporation, the Corporation has agreed to provide the indemnity in this Agreement.

THEREFORE, in consideration of the foregoing and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree with each other as follows:

ARTICLE 1 DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, the following words and terms shall have the meanings set out below:

- (a) “**Act**” means the *Canada Business Corporation Act*;

- (b) “**Agreement**” means this agreement, including all schedules, and all amendments or restatements as permitted, and references to “**Article**” or “**Section**” mean the specified Article or Section of this Agreement;
- (c) “**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks are open for business during normal banking hours in Vancouver, British Columbia;
- (d) “**Claim**” includes any civil, criminal, administrative or investigative or other proceeding of any nature or kind in which the Indemnified Party is involved by reason of the Indemnified Party’s being or having been a director of the Corporation;
- (e) “**Derivative Claim**” has the meaning set out in Section 2.1(c)(i);
- (f) “**Losses**” includes all costs, charges, expenses, losses, damages, fees (including any legal, professional or advisory fees or disbursements), liabilities, amounts paid to settle or dispose of any Claim or satisfy any judgment, fines, penalties or liabilities, without limitation, and whether incurred alone or jointly with others, including any amounts which the Indemnified Party may reasonably suffer, sustain, incur or be required to pay in respect of the investigation, defence, settlement or appeal of or preparation for any Claim or with any action to establish a right to indemnification under this Agreement, and for greater certainty, includes all taxes, interest, penalties and related outlays of the Indemnified Party arising from any indemnification of the Indemnified Party by the Corporation pursuant to this Agreement;
- (g) “**Other Entity**” means a subsidiary of the Corporation and any other entity that the Corporation controls, in respect of which the Indemnified Party was specifically requested by the Corporation to serve as a duly appointed director or similar position of such Other Entity;
- (h) “**Parties**” means the Corporation and the Indemnified Party, collectively. and “**Party**” means any one of them;
- (i) “**Policy**” means the directors’ and officers’ insurance policy entered into by the Corporation and any successor to such policy entered into by the Corporation; and
- (j) “**Run-Off Coverage**” has the meaning set out in Section 3.3.

1.2 Certain Rules of Interpretation

In this Agreement:

- (a) **Governing Law** – This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (b) **Headings** – Headings of Articles and Sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (c) **Number** – Unless the context otherwise requires, words importing the singular include the plural and *vice versa*.

- (d) **Severability** – If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, the provision shall, as to that jurisdiction, be ineffective only to the extent of the restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other Parties or circumstances.
- (e) **Entire Agreement** – This Agreement constitutes the entire agreement between the Parties and sets out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral, between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement.

ARTICLE 2 OBLIGATIONS

2.1 Obligations of the Corporation

- (a) **General Indemnity** – Except as otherwise provided in this Agreement, the Corporation shall indemnify and hold the Indemnified Party harmless to the fullest extent permitted by law, including but not limited to the indemnity under the Act, from and against any and all Losses which the Indemnified Party may reasonably suffer, sustain, incur or be required to pay in respect of any Claim, provided that the indemnity provided for in this Section 2.1(a) will only be available if:
 - (i) the Indemnified Party was acting honestly and in good faith with a view to the best interests of the Corporation;
 - (ii) if the Claim (or any part of the Claim) was initiated by the Indemnified Party, the prior approval of the board of directors of the Corporation was provided to the Indemnified Party prior to the initiation of such Claim (or any part of such Claim); and
 - (iii) in the case of a criminal or administrative Claim that is enforced by monetary penalty, the Indemnified Party had reasonable grounds for believing that the Indemnified Party's conduct was lawful.
- (b) **Indemnity as of Right** – In addition to any other indemnity to which the Indemnified Party is entitled hereunder and notwithstanding anything in this Agreement to the contrary, the Indemnified Party is entitled to an indemnity from the Corporation in respect of all costs, charges and expenses reasonably incurred by the Indemnified Party in connection with the defence of any Claim, if the Indemnified Party:
 - (i) was not judged by the court or other competent authority to have committed any fault or omitted to do anything that the Indemnified Party ought to have done; and
 - (ii) fulfils the conditions set out in Sections 2.1(a)(i), 2.1(a)(ii) and 2.1(a)(iii).
- (c) **Derivative Claims**

- (i) Subject to Section 2.1(c)(iii), in respect of any action by or on behalf of the Corporation to procure a judgment in its favour against the Indemnified Party, in respect of which the Indemnified Party is made a party because of the Indemnified Party's association with the Corporation (a "**Derivative Claim**"), the Corporation shall indemnify and save harmless the Indemnified Party from all costs, charges and expenses reasonably incurred by the Indemnified Party in connection with such Derivative Claim provided the Indemnified Party is found to have fulfilled the conditions set out in Sections 2.1(a)(i), 2.1(a)(ii) and 2.1(a)(iii).
 - (ii) The Parties acknowledge and agree that the obligations and rights of the Parties set out in Section 2.1(c)(i) are subject to the approval of the courts in accordance with the Act and the Indemnified Party meeting all conditions under the Act (and any other applicable corporate statute) in respect of such indemnification. The Corporation covenants and agrees that it shall, at its own expense, apply for court approval and use all commercially reasonable efforts to obtain such approval.
- (d) **Advance of Expenses** – Subject to Section 2.1(c), the Corporation shall, at the request of the Indemnified Party in writing, advance to the Indemnified Party sufficient funds, or arrange to pay on behalf of or reimburse the Indemnified Party for any costs, charges or expenses reasonably incurred by the Indemnified Party in investigating, defending, appealing, preparing for, providing evidence in or instructing and receiving the advice of the Indemnified Party's counsel or other professional advisors in regard to any Claim or other matter for which the Indemnified Party may be entitled to an indemnity or reimbursement under this Agreement, and such amounts shall be treated as a non-interest bearing advance or loan to the Indemnified Party, pending approval of a court of competent jurisdiction (if required) Act and the Indemnified Party meeting all conditions under the Act (and any other applicable corporate statute) in respect of such indemnification, to the payment thereof as an indemnity and provided that the Indemnified Party fulfils the conditions set out in Sections 2.1(a)(i), 2.1(a)(ii) and 2.1(a)(iii), as applicable. In the event that it is ultimately determined by a court of competent jurisdiction that the Indemnified Party did not fulfil the conditions set out in Sections 2.1(a)(i), 2.1(a)(ii) or 2.1(a)(iii), or that the Indemnified Party was not entitled to be fully so indemnified, such loan or advance, or the appropriate portion thereof shall, upon written notice of such determination being given by the Corporation to the Indemnified Party reasonably detailing the basis for such determination, be repayable on demand and shall bear interest from the date of such notice at the prime rate prescribed from time to time by Royal Bank of Canada.
- (e) **Partial Indemnification** – If the Indemnified Party is determined to be entitled under any provisions of this Agreement to indemnification by the Corporation for some or a portion of the Losses incurred in respect of any Claim but not for the total amount thereof, the Corporation shall nevertheless indemnify the Indemnified Party for the portion thereof to which the Indemnified Party is determined by a court of competent jurisdiction to be so entitled.
- (f) **Claim Initiated by Nominee** – The Indemnified Party shall not be entitled to indemnification under this Agreement for any Claim initiated by or on behalf of the Indemnified Party against the Corporation except a Claim brought to enforce indemnification under this Agreement.
- (g) **Non-exclusivity** – The indemnification provided by this Agreement shall not be deemed exclusive of any rights to which the Indemnified Party may be entitled under the Corporation's constating documents, any unanimous shareholder agreement with respect to the Corporation or the Act.

2.2 Notice of Claims

As a condition precedent to the right of the Indemnified Party to indemnification, the Indemnified Party shall give notice in writing to the Corporation as soon as practicable upon being served with any statement of claim, writ, notice of motion, indictment, subpoena, investigation order or other document commencing, threatening or continuing any Claim involving the Corporation or the Indemnified Party which may result in a claim for indemnification under this Agreement, and the Corporation agrees to give the Indemnified Party notice in writing as soon as practicable upon it being served with any statement of claim, writ, notice of motion, indictment, subpoena, investigation order or other document commencing or continuing any Claim involving the Indemnified Party. Such notice, by the Indemnified Party or the Corporation, (in either case a “**Notice of Claim**”) shall include a description of the Claim or threatened Claim, a summary of the facts giving rise to the Claim or threatened Claim and, if possible, an estimate of any potential liability arising under the Claim or threatened Claim.

2.3 Subrogation

The Corporation will be entitled to participate in and/or assume the defence any Claim, with legal counsel reasonably acceptable to the Indemnified Party. From and after notice from the Corporation to the Indemnified Party of its election to assume such defence, the Corporation shall not be liable to the Indemnified Party for any legal or other expenses subsequently incurred by the Indemnified Party in connection with such action or proceeding except as specifically provided in this Section. The Indemnified Party shall have the right to employ his or her own counsel in connection with such action or proceeding, but any fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defence of such action or proceeding shall be at the expense of the Indemnified Party unless (i) the employment of such counsel by the Indemnified Party has been authorized by the Corporation, (ii) counsel to the Corporation shall have reasonably concluded that there may be a conflict of interest or position on any significant issue between the Corporation and the Indemnified Party in the conduct of the defence of such action or proceeding, or (iii) the Corporation shall not in fact have employed counsel to assume the defence of such action or proceeding, in each of which cases the fees and expenses of counsel for the Indemnified Party shall be at the expense of the Corporation, except as otherwise expressly provided by this Agreement. The Corporation shall not be entitled, without the consent of the Indemnified Party, to assume the defence of any action or proceeding brought by or in the right of the Corporation or as to which counsel for the Indemnified Party shall have reasonably made the conclusion provided for in clause (ii) above. The Corporation shall not be required to indemnify the Indemnified Party under this Agreement for any amounts paid in settlement of any action or proceeding effected without its written consent. The Corporation shall not settle any action or proceeding in any manner which would impose any penalty or limitation on the Indemnified Party without the Indemnified Party's written consent. Neither the Corporation nor the Indemnified Party will unreasonably withhold their consent to any proposed settlement.

2.4 Other Entities

This Article 2 applies *mutatis mutandis* to the Indemnified Party in his capacity as a director of any Other Entity.

ARTICLE 3 INSURANCE

3.1 The Policy

The Corporation shall pay all premiums payable under the Policy and take all steps necessary to maintain the coverage provided under the Policy.

3.2 Currency of Policy

So long as the Indemnified Party is a director of the Corporation, upon the receipt of a written request from the Indemnified Party at any time during the term of this Agreement, the Corporation shall provide proof to the Indemnified Party that all premiums payable by the Corporation in respect of the Policy have been paid.

3.3 Run-Off Coverage

In the event the Policy is discontinued for any reason, the Corporation shall purchase, maintain and administer, or cause to be purchased, maintained and administered for a period of two years after such discontinuance, insurance for the benefit of the Indemnified Party (the “**Run-Off Coverage**”), on such terms as the Corporation then maintains in existence for its directors and officers, to the extent permitted by law and provided such Run-Off Coverage is available on commercially acceptable terms and premiums (as determined by the board of directors of the Corporation in its sole discretion). The Run-Off Coverage shall provide coverage only in respect of events occurring prior to the discontinuance of the Policy.

3.4 Exclusion of Indemnity

Notwithstanding any other provision in this Agreement to the contrary, the Corporation shall not be obligated to indemnify the Indemnified Party under this Agreement for any Losses which have been actually paid to, by or on behalf of the Indemnified Party under the Policy or any other applicable policy of insurance maintained by the Corporation.

3.5 Deductible under Directors’ and Officers’ Insurance

If for any reason whatsoever, any directors’ and officers’ liability insurer asserts that the Indemnified Party is subject to a deductible under any existing or future directors’ and officers’ liability insurance purchased and maintained by the Corporation for the benefit of the Indemnified Party and the Indemnified Party’s heirs and legal representatives, the Corporation shall pay the deductible for and on behalf of the Indemnified Party.

3.6 Indemnitor of First Resort

The Corporation hereby acknowledges that the Indemnified Party has, or may have in the future, certain rights to indemnification, advancement of expenses and/or insurance provided by the Secondary Indemnitor. The Corporation hereby agrees that it: (i) is the indemnitor of first resort with respect to any expenses or liabilities that the Corporation is required to provide indemnity for pursuant to this Agreement only (i.e., its obligations to the Indemnified Party for any expenses or liabilities resulting from the Indemnified Party’s involvement as a director of the Corporation are primary and any obligation of the Secondary Indemnitor to advance expenses or to provide indemnification for the same expenses or liabilities incurred by the Indemnified Party are secondary); (ii) shall be required to advance the full amount of expenses incurred by the Indemnified Party and shall be liable for the full amount of all expenses and liabilities to the extent legally permitted and as required by the terms of this Agreement and the articles or by-laws of the Corporation (or any other agreement between the Corporation and the Indemnified Party), without regard to any rights the Indemnified Party may have against the Secondary Indemnitor; and (iii) irrevocably waives, relinquishes and releases the Secondary Indemnitor from any and all claims against the Secondary Indemnitor for contribution, subrogation or any other recovery of any kind in respect thereof. The Corporation further agrees that no advancement or payment by the Secondary Indemnitor on behalf of the Indemnified Party with respect to any claim for which the Indemnified Party has sought indemnification from the Corporation pursuant to this Agreement shall affect the foregoing and the Secondary Indemnitor shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of the Indemnified Party against the Corporation under this Agreement. The

Indemnified Party holds the benefit of the foregoing sentence in trust of and as agent for the Secondary Indemnitor.

ARTICLE 4 MISCELLANEOUS

4.1 Continuance

The Corporation shall give to the Indemnified Party 15 Business Days' notice of any application by the Corporation for a certificate of continuance in any jurisdiction, indicating the jurisdiction in which it is proposed that the Corporation will be continued and the proposed date of continuance. Upon receipt of such notice, the Indemnified Party may require that the Parties make such amendments to this Agreement as the Parties, acting reasonably, consider necessary or desirable in order to provide the Indemnified Party with a comprehensive indemnity under the laws of the proposed jurisdiction of continuance.

4.2 Corporation and Indemnified Party to Cooperate

The Parties shall, from time to time, provide such information and cooperate with each other, as the other may reasonably request, in respect of all matters under this Agreement.

4.3 Effective Time

This Agreement shall be deemed to have effect as and from the first date that the Indemnified Party became a director of the Corporation.

4.4 Insolvency

The liability of the Corporation under this Agreement shall not be affected, discharged, impaired, mitigated or released by reason of the discharge or release of the Indemnified Party in any bankruptcy, insolvency, receivership or other similar proceeding of creditors.

4.5 Multiple Proceedings

No action or proceeding brought or instituted under this Agreement and no recovery pursuant thereto shall be a bar or defence to any further action or proceeding which may be brought under this Agreement.

ARTICLE 5 GENERAL

5.1 Term

The term of this Agreement will commence upon the date first set out above and will continue until two years after the Indemnified Party has ceased to act as a director of the Corporation or any Other Entity.

5.2 Assignment

Neither Party may assign this Agreement or any rights or obligations under this Agreement without the prior written consent of the other Party.

5.3 Enurement

This Agreement enures to the benefit of and is binding upon the Parties and the heirs, attorneys, guardians, estate trustees, executors, trustees, administrators and permitted assigns of the Indemnified Party and the successors (including any successor by reason of amalgamation) and permitted assigns of the Corporation.

5.4 Amendments

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, is binding unless executed in writing by the Party to be so bound. For greater certainty, the rights of the Indemnified Party under this Agreement shall not be prejudiced or impaired by permitting or consenting to any assignment in bankruptcy, receivership, insolvency or any other creditor's proceedings of or against the Corporation or by the winding-up or dissolution of the Corporation.

5.5 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (in this Section referred to as a “**Notice**”) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by email:

- (a) in the case of a Notice to the Indemnified Party at:

1206-835 View St
Victoria, BC V8W 3W8

Email: seth@zenchain.com

- (b) in the case of a Notice to the Corporation at:

Zenchain Inc.
661 Burnside Road East, Suite 202
Victoria, BC V8T 2X9

Attention: Seth Hornby
Email: seth@zenchain.com

Any Notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. If the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day, then the Notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving Notice to the other Party in accordance with the provisions of this Section.

5.6 Further Assurances

The Parties shall, with reasonable diligence, do all things and execute and deliver all such further documents or instruments as may be necessary or desirable for the purpose of assuring and conferring on the Indemnified Party the rights created or intended by this Agreement and giving effect to and carrying out the intention or facilitating the performance of the terms of this Agreement.

5.7 Independent Legal Advice

The Indemnified Party acknowledges that the Indemnified Party has been advised to obtain independent legal advice with respect to entering into this Agreement, that the Indemnified Party has obtained such independent legal advice or has expressly determined not to seek such advice, and that the Indemnified Party is entering into this Agreement with full knowledge of the contents hereof, of the Indemnified Party's own free will and with full capacity and authority to do so.

5.8 Execution and Delivery

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile or other electronic means and all such counterparts together shall constitute one and the same agreement

[Remainder of this page intentionally left blank]

IN WITNESS OF WHICH the Parties have duly executed this Agreement.

ZENCHAIN INC.

By: *Seth Hornby*
Name: Seth Hornby
Title: Chief Executive Officer

Seth Hornby
SETH HORNBY