

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported): June 15, 2022

CREATIVE REALITIES, INC.
(Exact name of registrant as specified in its charter)

Minnesota

(State or other jurisdiction
of incorporation)

001-33169

(Commission File Number)

41-1967918

(IRS Employer
Identification No.)

13100 Magisterial Drive, Suite 100, Louisville, KY

(Address of principal executive offices)

40223

(Zip Code)

(502) 791-8800

(Registrant's telephone number, including area code)

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	CREX	The Nasdaq Stock Market LLC
Warrants to purchase Common Stock	CREXW	The Nasdaq Stock Market LLC

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As previously disclosed, on February 17, 2022, Creative Realities, Inc. (the “**Company**”) consummated its merger (the “**Merger**”) with Reflect Systems, Inc. (“**Reflect**”), pursuant to the terms of that certain Agreement and Plan of Merger, dated as of November 12, 2021, by and among Reflect the Company, CRI Acquisition Corporation, and RSI Exit Corporation, as amended from time to time (the “**Merger Agreement**”).

In light of, among other things, the consummation of the Merger and the anticipated operations of the resulting combined company, on June 15, 2022, the Board of Directors (the “**Board**”) of the Company approved an executive compensation package for its executive officers, Richard Mills, Director and Chief Executive Officer; and Will Logan, Chief Financial Officer, based on the achievement of certain performance metrics. The executive compensation package consists of an amendment to the executives’ outstanding performance-based stock options, the issuance of new executive stock options, and the adoption of a cash bonus plan, each as described below.

Amendment to Performance Options

As previously described in the Company’s Form 8-K filed on June 3, 2020, on June 1, 2020, Messrs. Mills and Logan were issued ten-year options to purchase 480,000 and 240,000 shares of common stock (the “Performance Options”), respectively, which vest in equal installments over a three-year period (2020-2022), subject to satisfying the Company revenue target and EBITDA (earnings before interest, taxes, depreciation and amortization) targets for the applicable year. In each of calendar years 2020, 2021 and 2022, one-third of the total shares may vest (if the revenue and EBITDA targets are met), and the shares that are subject to vesting each year are allocated equally to each of the revenue and EBITDA targets for such year. The Performance Options includes a catch-up provision, where any options that did not vest during a prior year due to the Company’s failure to meet a prior revenue or EBITDA target may vest in a subsequent vesting year if the revenue or EBITDA target, as applicable, is met in the future year.

On June 15, 2022, the Board approved of an amendment to the Performance Options to provide that the revenue target for the calendar year 2022 set forth therein (\$38 million) is eliminated, and the remaining shares that are available for vesting under the Performance Options (320,000 unvested shares for Mr. Mills and 160,000 for Mr. Logan) (including the unvested portions of shares based on the satisfaction of the revenue targets for 2020 and 2021 by virtue of the catch-up provisions in the Performance Options) will fully vest upon the achievement of an updated EBITDA target for calendar year 2022 of \$3.6 million.

The Performance Options state that the calculation of EBITDA set forth in the Performance Options shall be calculated in a form consistent with the Company’s 2022 approved budget, which

- (i) excludes any impact on EBITDA of:
 - (a) the accounting treatment (including any “mark-to-market accounting”) of the Company’s warrants or the “Guaranteed Consideration” (as defined in the Merger Agreement),
 - (b) non-recurring transaction expenses associated with the Merger and the capital raising financing activities of the Company to effectuate the Merger, and
 - (c) any write-down or write-off of any Company inventory of Safe Space Solutions products.

(iii) includes deductions related to any cash or stock bonuses paid or payable to any employees of the Company for services provided in calendar year 2022 (even if such bonuses are actually paid after calendar year 2022), including bonuses paid pursuant to the terms of the 2022 Cash Bonus Plan (as described below)(collectively, the “EBITDA Calculations”).

Issuance of New Options

Messrs. Mills and Logan received ten-year options to purchase 1,000,000 and 600,000 shares of common stock, respectively (the “New Options”). The New Options are eligible to vest at any time on or prior to February 17, 2025 if the trailing 10-trading day volume-weighted average price (VWAP) of the Company’s common stock, as reported on the Nasdaq Capital Market, exceeds the share price targets below, subject to such executive serving the Company as a director, officer, employee or consultant at such time:

Executive	Share Price Targets						Guaranteed Price	Total Shares
	\$ 2.00	\$ 3.00	\$ 4.00	\$ 5.00	\$ 6.00			
Mills’ Shares Vested	50,000	100,000	150,000	200,000	250,000	250,000	1,000,000	
Logan’s Shares Vested	30,000	60,000	90,000	120,000	150,000	150,000	600,000	
Percentage of Shares Vested	5%	10%	15%	20%	25%	25%		

The “Guaranteed Price” has the meaning ascribed to such term in the Merger Agreement, which means \$6.40 per share, or \$7.20 per share if, and only if, certain customers set forth in the Merger Agreement collectively achieve over 85,000 billable devices online at any time on or before December 31, 2022.

The exercise price of the New Options is \$1.00 per share, which exceeds the closing price of the Company’s common stock on the date of issuance. The New Options are issued from the Company’s 2014 Stock Incentive Plan, as amended.

2022 Cash Bonus Plan

The 2022 Cash Bonus Plan provides that Messrs. Mills and Logan will receive a cash bonus of a percentage of their annual base salaries based on the Company’s annual EBITDA results for the calendar year 2022, as set forth below:

Executive	2022 EBITDA Target				
	\$ 3,600,000	\$ 4,600,000	\$ 5,600,000	\$ 6,600,000	\$ 7,600,000
Mills Bonus Payment	\$ 112,500	\$ 180,000	\$ 225,000	\$ 450,000	\$ 675,000
Logan Bonus Payment	\$ 52,500	\$ 87,500	\$ 140,000	\$ 210,000	\$ 350,000

Executive	Base Salary	Bonus as a Percentage of Annual Base Salary				
		25%	40%	50%	100%	150%
Mills	\$ 450,000	25%	40%	50%	100%	150%
Logan	\$ 350,000	15%	25%	40%	60%	100%

The calculation of EBITDA for purposes of the 2022 Cash Bonus Plan will be determined consistent with the EBITDA Calculations. The terms of the 2022 Cash Bonus Plan amend and supersede the cash bonuses that were contemplated to be paid to Messrs. Logan and Mills as part of the Company's 2020 Incentive Program for their services to be provided in calendar year 2022 based upon a revenue target of \$38 million and an EBITDA target of \$3.5 million, which were disclosed on the Company's Current Report on Form 8-K filed on May 26, 2020.

The foregoing description of the amendments to the Performance Options and New Options are not complete descriptions thereof and are qualified in their entireties by reference to the full text of such documents filed as Exhibits 10.1, 10.2, 10.3, and 10.4 to this Current Report on Form 8-K, which are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1	Amendment to Stock Option Agreement dated June 15, 2022 between the Company and Rick Mills
10.2	Amendment to Stock Option Agreement dated June 15, 2022 between the Company and Will Logan
10.3	Stock Option Agreement dated June 15, 2022 between the Company and Rick Mills
10.4	Stock Option Agreement dated June 15, 2022 between the Company and Will Logan
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CREATIVE REALITIES, INC.
(Registrant)

Date: June 17, 2022

By: /s/ Will Logan
Will Logan
Chief Financial Officer

CREATIVE REALITIES, INC.
AMENDMENT TO STOCK OPTION AGREEMENT

THIS AMENDMENT TO STOCK OPTION AGREEMENT (this “**Amendment**”) is made and entered into as of June 15, 2022, by and between Rick Mills (“**Optionee**”), and Creative Realities, Inc., a Minnesota corporation (the “**Company**”).

BACKGROUND

A. Optionee and the Company entered into that certain Stock Option Agreement dated as of June 1, 2020 (the “**Option Agreement**”), pursuant to which, among other things, the Company granted to the Optionee an option (the “**Option**”) to purchase up to 480,000 shares of Company common stock, \$0.01 par value per share (the “**Shares**”), subject to the terms and conditions of the Option Agreement.

B. On February 17, 2022, the Company consummated its merger with Reflect Systems, Inc., a Delaware corporation (“**Reflect**”), and as a result thereof, the Optionee and the Company desire to amend the terms of the Option Agreement to, among other things, amend the vesting criteria set forth in the Option Agreement in light of the combined operations of the Company and Reflect, upon the terms and conditions set forth herein.

AMENDMENT

NOW, THEREFORE, the parties hereby agree as follows:

1. Definitions. Capitalized terms used in this Amendment, including the recitals to this Amendment, shall have the meanings given them in the Option Agreement unless otherwise defined herein.

2. Exercisability and Vesting of Option. Section 3 of the Agreement is amended to replace the Targets set forth therein with the following Targets:

Percentage of Shares subject to Vesting for each Target	Measurement Period	Targets	
		Revenue Target	EBITDA Target
16.66%	Calendar Year 2020	\$ 32 million	\$ 2.2 million
16.66%	Calendar Year 2021	\$ 35 million	\$ 3.1 million
33.36%	Calendar Year 2022	Not Applicable	\$ 3.6 million

The parties agree that the EBITDA Target for 2021, and none of the Revenue Targets, have been satisfied, and as a result, an aggregate of 160,000 Shares have vested as of the date of this Amendment. The Unvested Portion of Shares subject to vesting upon satisfaction of the Revenue Targets for Calendar Year 2020 and Calendar Year 2021 shall be deemed satisfied if the EBITDA Target for Calendar Year 2022 is satisfied. The EBITDA Target for Calendar Year 2022 is amended to \$3.6 million.

The calculation of Company EBITDA for any Measuring Period will be conclusively determined based upon the applicable Audited Financial Statements for such period, and will be calculated in a consistent manner with the Company’s 2022 budget approved by the Company’s Board of Directors, which (i) excludes any impact on EBITDA based upon the accounting treatment (including any “mark-to-market accounting”) of the Company’s warrants or the Guaranteed Consideration (as defined in the merger agreement with Reflect), (ii) excludes any impact of non-recurring transaction expenses associated with the Company’s merger with Reflect Systems, Inc. (and associated financing activities to effectuate that merger), (iii) includes deductions related to any cash or stock bonuses paid or payable to any employees of the Company for services provided in calendar year 2022 (even if such bonuses are actually paid after calendar year 2022), including bonuses paid pursuant to the terms of the Company’s 2022 Cash Bonus Plan, and (iv) excludes any impact of any write-down or write-off of any Company inventory of Safe Space Solutions products.

3. General Provisions.

(a) No Other Changes. Except as explicitly amended by this Amendment, all of the terms and conditions of the Option Agreement shall remain in full force and effect.

(b) References. All references in the Option Agreement to “this Agreement” shall refer to the Option Agreement, as amended hereby.

(c) Counterparts. This Amendment may be executed in counterparts, each of which shall be considered an original. Signatures may be delivered electronically or by facsimile, and the parties agree to accept and be bound by electronic and facsimile copies of original signatures to this Amendment.

IN WITNESS WHEREOF, the undersigned have executed this Stock Option Agreement as of the date first written above.

CREATIVE REALITIES, INC.

By: /s/ Will Logan

Name: Will Logan

Title: Chief Financial Officer

OPTIONEE

Rick Mills
Print name

/s/ Rick Mills
Signature

Signature Page – Stock Option Agreement

CREATIVE REALITIES, INC.
AMENDMENT TO STOCK OPTION AGREEMENT

THIS AMENDMENT TO STOCK OPTION AGREEMENT (this “**Amendment**”) is made and entered into as of June 15, 2022, by and between Will Logan (“**Optionee**”), and Creative Realities, Inc., a Minnesota corporation (the “**Company**”).

BACKGROUND

A. Optionee and the Company entered into that certain Stock Option Agreement dated as of June 1, 2020 (the “**Option Agreement**”), pursuant to which, among other things, the Company granted to the Optionee an option (the “**Option**”) to purchase up to 240,000 shares of Company common stock, \$0.01 par value per share (the “**Shares**”), subject to the terms and conditions of the Option Agreement.

B. On February 17, 2022, the Company consummated its merger with Reflect Systems, Inc., a Delaware corporation (“**Reflect**”), and as a result thereof, the Optionee and the Company desire to amend the terms of the Option Agreement to, among other things, amend the vesting criteria set forth in the Option Agreement in light of the combined operations of the Company and Reflect, upon the terms and conditions set forth herein.

AMENDMENT

NOW, THEREFORE, the parties hereby agree as follows:

1. Definitions. Capitalized terms used in this Amendment, including the recitals to this Amendment, shall have the meanings given them in the Option Agreement unless otherwise defined herein.

2. Exercisability and Vesting of Option. Section 3 of the Agreement is amended to replace the Targets set forth therein with the following Targets:

Percentage of Shares subject to Vesting for each Target	Measurement Period	Targets	
		Revenue Target	EBITDA Target
16.66%	Calendar Year 2020	\$ 32 million	\$ 2.2 million
16.66%	Calendar Year 2021	\$ 35 million	\$ 3.1 million
33.36%	Calendar Year 2022	Not Applicable	\$ 3.6 million

The parties agree that the EBITDA Target for 2021, and none of the Revenue Targets, have been satisfied, and as a result, an aggregate of 80,000 Shares have vested as of the date of this Amendment. The Unvested Portion of Shares subject to vesting upon satisfaction of the Revenue Targets for Calendar Year 2020 and Calendar Year 2021 shall be deemed satisfied if the EBITDA Target for Calendar Year 2022 is satisfied. The EBITDA Target for Calendar Year 2022 is amended to \$3.6 million.

The calculation of Company EBITDA for any Measuring Period will be conclusively determined based upon the applicable Audited Financial Statements for such period, and will be calculated in a consistent manner with the Company’s 2022 budget approved by the Company’s Board of Directors, which (i) excludes any impact on EBITDA based upon the accounting treatment (including any “mark-to-market accounting”) of the Company’s warrants or the Guaranteed Consideration (as defined in the merger agreement with Reflect), (ii) excludes any impact of non-recurring transaction expenses associated with the Company’s merger with Reflect Systems, Inc. (and associated financing activities to effectuate that merger), (iii) includes deductions related to any cash or stock bonuses paid or payable to any employees of the Company for services provided in calendar year 2022 (even if such bonuses are actually paid after calendar year 2022), including bonuses paid pursuant to the terms of the Company’s 2022 Cash Bonus Plan, and (iv) excludes any impact of any write-down or write-off of any Company inventory of Safe Space Solutions products.

3. General Provisions.

(a) No Other Changes. Except as explicitly amended by this Amendment, all of the terms and conditions of the Option Agreement shall remain in full force and effect.

(b) References. All references in the Option Agreement to “this Agreement” shall refer to the Option Agreement, as amended hereby.

(c) Counterparts. This Amendment may be executed in counterparts, each of which shall be considered an original. Signatures may be delivered electronically or by facsimile, and the parties agree to accept and be bound by electronic and facsimile copies of original signatures to this Amendment.

IN WITNESS WHEREOF, the undersigned have executed this Stock Option Agreement as of the date first written above.

CREATIVE REALITIES, INC.

By: /s/ Rick Mills

Name: Rick Mills

Title: Chief Executive Officer

OPTIONEE

Will Logan
Print name

/s/ Will Logan
Signature

Signature Page – Stock Option Agreement

**CREATIVE REALITIES, INC.
STOCK OPTION AGREEMENT**

THIS STOCK OPTION AGREEMENT (this “**Agreement**”) is made and entered into as of June 15, 2022, by and between Richard Mills (“**Optionee**”), and Creative Realities, Inc., a Minnesota corporation (the “**Company**”).

BACKGROUND

The Company has adopted the Creative Realities, Inc. 2014 Stock Incentive Plan (the “**Plan**”) pursuant to which shares of Company common stock have been reserved for issuance under the Plan. Optionee is an employee of the Company and will perform substantial work on behalf of the Company. Company desires to provide Optionee an option to purchase certain shares of Company common stock upon the terms and conditions set forth herein, specifically including but not limited to the restrictive covenants contained herein.

AGREEMENT

Now, THEREFORE, the parties hereby agree as follows:

1. Incorporation of the Plan by Reference. The terms and conditions of the Plan, a copy of which has been earlier delivered to Optionee, are hereby incorporated into this Agreement by this reference. In particular, the provisions of Section 9.13 of the Plan, respecting any sale of the Company, govern the terms and conditions of this Agreement. In the event of any direct conflict or inconsistency between the provisions of this Agreement and those of the Plan, the provisions of the Plan shall govern and control. By its terms, the Plan may be amended subsequent to the date of this Agreement, in which case the Plan as so amended shall continue to govern and control the terms and conditions of this Agreement in the case of any such direct conflict or inconsistency.

2. Grant of Option; Exercise Price. Subject to the terms and conditions herein set forth, the Company hereby irrevocably grants to Optionee, from shares of common stock reserved under the Plan, the right and option (the “**Option**”) to purchase all or any part of an aggregate of 1,000,000 shares of Company common stock, \$0.01 par value per share (the “**Shares**”), at the per-Share exercise price of \$1.00 (the “**Exercise Price**”), which price is intended to be at least 100% of the fair market value of the Company’s common stock on the grant date (i.e., the date of this Agreement).

3. Exercisability and Vesting of Option. The Option shall be exercisable only to the extent that all of the Option, or any portion thereof, has vested. Except as provided in Section 4, the Option shall vest in the manner described below based upon achievement on or before February 17, 2025 of the following Share Price Targets (“**Share Price Targets**”), but only for so long as Optionee continues to serve the Company as a director, officer, employee or consultant.

Share Price Targets

Individual	Total Shares	\$ 2.00	\$ 3.00	\$ 4.00	\$ 5.00	\$ 6.00	Guaranteed Price
Mills	1,000,000	50,000	100,000	150,000	200,000	250,000	250,000
	% of Shares Vested	5%	10%	15%	20%	25%	25%

The “Guaranteed Price” has the meaning ascribed to such term in that certain Agreement and Plan of Merger, dated as of November 12, 2021, by and among Reflect Systems, Inc., a Delaware corporation, the Company, CRI Acquisition Corporation, a Delaware corporation, and RSI Exit Corporation, as amended from time to time.

The Share Price Targets will be calculated based on the volume-weighted average price (VWAP) of a share of Company common stock over the immediately prior ten (10) trading days, as reported on the Nasdaq Capital Market.

Notwithstanding the foregoing, if a “Sale Transaction,” as such term is defined in the Plan, occurs, then the entirety of this Option will vest immediately upon the earlier of (i) any termination of service by the Company without “cause” (as such term is defined in Section 4(d) below) or (ii) 180 days after the consummation of the Sale Transaction.

4. Term of Option. To the extent vested, and except as otherwise provided in this Agreement, the Option shall be exercisable until the ten year anniversary of the date hereof. Nevertheless, this Option may earlier vest or may earlier terminate as set forth in the applicable paragraphs below:

(a) In the event of a termination of Optionee’s service to the Company or its subsidiaries (whether as a director, officer, employee or consultant, as the case may be) due to the death or disability of Optionee, then Optionee’s legal representative may thereafter exercise the Option, to the extent then vested, until the earlier of (i) 90 days after the death or disability of Optionee, as applicable, or (2) the expiration of the Option set forth in the first sentence of this Section 4. The unvested portion of the Option will terminate upon Optionee’s death or disability.

(b) In the event of a termination of Optionee’s service to the Company or its subsidiaries (whether as a director, officer, employee or consultant, as the case may be) due to “cause” (including a voluntary departure by Optionee under circumstances constituting “cause”), then the entire Option, regardless of whether any portion thereof is then vested (including any portion of the Option that may have vested in connection with a Sale Transaction), will thereupon immediately terminate and be null and void without any further action required on the part of the Company.

(c) In the event of a termination of Optionee's service to the Company or its subsidiaries (whether as a director, officer, employee or consultant, as the case may be) under circumstances not involving or constituting "cause," then the unvested portion of the Option will thereupon terminate but that portion of the Option that is vested as of the date of termination of service will continue to be exercisable until the earlier of (i) 90 days after the termination of Optionee, as applicable, or (2) expiration of the Option set forth in the first sentence of this Section 4.

(d) For purposes of this Agreement, the following events or circumstances will constitute "cause": (i) Optionee willfully destroys any property of the Company; (ii) Optionee commits any act of dishonesty (as determined by the Company's Board of Directors in its reasonable discretion) with respect to the Company or its business; (iii) Optionee uses or divulges, in violation of the written policies applicable to Optionee or in violation of a written agreement to which Optionee is bound, any confidential information of the Company (including confidential information of subsidiaries); (iv) Optionee engages in any conduct that is or could be materially detrimental to the Company, its business or its reputation, including violation of written policies or refusal to abide by the repeated directives of the Company, as determined by the Company's Board of Directors in its reasonable discretion; (v) Optionee is indicted or convicted of a serious misdemeanor or felony; or (vi) Optionee uses alcohol or drugs in a manner such that the Company, its business or its reputation, is or could be jeopardized, as determined by the Company's Board of Directors in its reasonable discretion. In addition, if Optionee has a written employment agreement with the Company or one of its subsidiaries, and such employment agreement contains a definition of "cause" (or similar such term or concept) that is broader than the above, then such additional and broader events or circumstances defining "cause" (or similar such term or concept) are incorporated herein by this reference.

5. Method of Exercising Option. Subject to the terms and conditions of this Agreement and the Plan, the Option may be exercised, in whole or in part, by giving written notice to the Company specifying the number of Shares to be purchased and accompanied by the full purchase price for such shares (which written notice may be in the form of Notice of Exercise attached hereto). The Exercise Price shall be payable: (a) in United States dollars upon exercise of the Option and may be paid by cash, uncertified or certified check or bank draft; (b) by delivery of shares of common stock in payment of all or any part of the option price, which shares shall be valued for this purpose at the Fair Market Value (as such term is defined in the Plan) on the date on which the Option is exercised; or (c) at Optionee's election, by instructing the Company to withhold from the Shares issuable upon exercise of the Option shares of common stock in payment of all or any part of the exercise price (and/or any related withholding tax obligations, if permissible under applicable law), which shares shall be valued for this purpose at the Fair Market Value or in such other manner as may be authorized from time to time by the Company's board of directors or a compensation committee thereof. Any such notice shall be deemed given when received by the Company at the address provided in Section 10 of this Agreement. All Shares that shall be purchased upon the proper exercise of the Option as provided herein shall be fully paid and non-assessable. Notwithstanding the foregoing, this Option may not be exercised in whole or in part until each of the following events has occurred: (a) after the date hereof, the Company's shareholders have approved an amendment to the Plan to increase the number of shares of Company common stock reserved for issuance under the Plan to an amount of shares that is sufficient to cover the issuance of Shares covered by the Option, and (b) the cap on the number of options and stock appreciation rights that may be issued to a Plan participant in each fiscal year of the Company is eliminated.

6. Rights of Option Holder. As holder of the Option, Optionee shall not have any of the rights of a shareholder with respect to the Shares covered by the Option except to the extent that one or more certificates for such Shares shall be delivered to Optionee upon the due exercise of all or any part of the Option.

7. Transferability. The Option shall not be transferable except to the extent permitted by Section 9.3 of the Plan.

8. Optionee Representations. Optionee hereby represents and warrants to the Company that Optionee has reviewed with his or her own tax advisors the federal, state and local tax consequences of the transactions contemplated by this Agreement, including the grant of this Option by the Company. Optionee is relying solely on such advisors and not on any statements or representation of the Company or any of its agents. Optionee understands that Optionee will be solely responsible for any tax liability that may result to Optionee as a result of the transactions contemplated by this Agreement, including the grant by the Company of the Option. Optionee further understands that, as to matters involving an interpretation under the Plan, the Board of Directors of the Company (or an applicable committee thereof) has sole and complete discretionary authority to definitively interpret the Plan, which interpretation shall be final, conclusive and binding upon the Optionee.

9. Securities Law Matters. Optionee acknowledges that the Shares to be received upon any exercise of the Option may not have been registered under the Securities Act of 1933 or the applicable securities laws of any state (collectively, the “**Securities Laws**”). If such Shares shall have not been so registered, Optionee acknowledges and understands that the Company is under no obligation to register, under the Securities Laws, the Shares received by Optionee or to assist Optionee in complying with any exemption from such registration if Optionee should at a later date wish to dispose of the Shares. Optionee acknowledges that, if not then registered under the Securities Laws, any certificates representing the Shares shall bear a legend restricting the transferability thereof in substantially the following form:

The shares represented by this certificate have not been registered or qualified under federal or state securities laws. The shares may not be offered for sale, sold, pledged or otherwise disposed of unless so registered or qualified, unless an exemption exists or unless such disposition is not subject to the federal or state securities laws. In its discretion, the Company may require that the availability of any exemption or the inapplicability of such securities laws be established by an opinion of counsel, the form and substance of which opinion shall be reasonably satisfactory to the Company.

10. Notices. All notices and other communications required under this Agreement will be in writing and will be deemed to have been duly given two days after mailing, via certified mail return-receipt requested, to the applicable party at the following addresses:

If to the Company: Creative Realities, Inc.
Attention: Chief Executive Officer
13100 Magisterial Drive, Suite 100
Louisville, KY 40223

If to Optionee: Richard Mills
14040 Heritage Landing Boulevard
Punta Gorda, FL 33955

11. Dispute Resolution.

(a) The parties will endeavor to resolve any disputes relating to the Agreement through amicable negotiations. Failing an amicable settlement, any controversy, claim or dispute arising under or relating to this Agreement, including the existence, validity, interpretation, performance, termination or breach of this Agreement, will finally be settled by binding arbitration before a single arbitrator (the “**Arbitration Tribunal**”) jointly appointed by the parties. The Arbitration Tribunal shall self-administer the arbitration proceedings using the Commercial Rules of the American Arbitration Association (“**AAA**”); provided, however, the AAA shall not be involved in administration of the arbitration. The arbitrator must be a retired judge of a state or federal court of the United States or a licensed lawyer with at least 15 years of corporate or commercial law experience and have at least an AV rating by Martindale Hubbell. If the parties cannot agree on an arbitrator, either party may request a court of competent jurisdiction to appoint an arbitrator, which appointment will be final.

(b) The arbitration will be held in Louisville, Kentucky. Each party will have discovery rights as provided by the Federal Rules of Civil Procedure within the limits imposed by the arbitrator; provided, however, that all such discovery will be commenced and concluded within 45 days of the selection of the arbitrator. It is the intent of the parties that any arbitration will be concluded as quickly as reasonably practicable. Once commenced, the hearing on the disputed matters will be held four days a week until concluded, with each hearing date to begin at 9:00 a.m. and to conclude at 5:00 p.m. The arbitrator will use all reasonable efforts to issue the final written report containing award or awards within a period of five business days after closure of the proceedings. Failure of the arbitrator to meet the time limits of this Article will not be a basis for challenging the award. The Arbitration Tribunal will not have the authority to award punitive damages to either party. Each party will bear its own expenses, but the parties will share equally the expenses of the Arbitration Tribunal. The Arbitration Tribunal shall award attorneys’ fees and other related costs payable by the losing party to the successful party. This Agreement will be enforceable, and any arbitration award will be final and non-appealable, and judgment thereon may be entered in any court of competent jurisdiction.

12. General Provisions.

(a) The Option is granted pursuant to the Plan and is governed by the terms thereof. The Company shall at all times during the term of the Option reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of this Agreement.

(b) Nothing herein expressed or implied is intended or shall be construed as conferring upon or giving to any person, firm, or corporation, other than the parties hereto, any rights or benefits under or by reason of this Agreement.

(c) Each party agrees to execute such further documents as may be necessary or desirable to effect the purposes of this Agreement.

(d) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

(e) This Agreement, in its interpretation and effect, shall be governed by the laws of the Commonwealth of Kentucky applicable to contracts executed and to be performed therein, and without regard to any of such state’s conflicts-of-law provisions.

(f) If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be unaffected thereby and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative.

* * * * *

IN WITNESS WHEREOF, the undersigned have executed this Stock Option Agreement as of the date first written above.

CREATIVE REALITIES, INC.

By: /s/ Will Logan

Name: Will Logan

Title: Chief Financial Officer

OPTIONEE

Richard Mills
Print name

/s/ Richard Mills
Signature

Signature Page – Stock Option Agreement

NOTICE OF EXERCISE
CREATIVE REALITIES, INC.
STOCK OPTION AGREEMENT

(To be signed only upon exercise of stock option)

Pursuant to a Stock Option Agreement dated as of _____ (the "Option Agreement"), the undersigned is the holder of an option (the "Option") to purchase _____ shares of common stock, \$.01 par value per share, of Creative Realities, Inc., a Minnesota corporation (the "Company"). In accordance with the terms of the Option Agreement, the undersigned hereby irrevocably elects to exercise the Option with respect to _____ shares of common stock and to purchase such shares from the Company, and herewith makes payment of \$ _____ therefor:

- by cash, uncertified or certified check or bank draft;
- by delivery of shares of common stock; or
- by instructing the Company to withhold from the shares issuable upon exercise of the Option shares of common stock in payment of \$ _____ of the exercise price (and/or any related withholding tax obligations, if permissible under applicable law).

The undersigned requests that the certificate(s) for such shares be issued in the name of _____, and be delivered to _____, whose address is set forth below the signature of the undersigned.

Dated:

(Signature)

(Address)

(Address)

(Social Security or other Tax ID No.)

**CREATIVE REALITIES, INC.
STOCK OPTION AGREEMENT**

THIS STOCK OPTION AGREEMENT (this “**Agreement**”) is made and entered into as of June 15, 2022, by and between Will Logan (“**Optionee**”), and Creative Realities, Inc., a Minnesota corporation (the “**Company**”).

BACKGROUND

The Company has adopted the Creative Realities, Inc. 2014 Stock Incentive Plan (the “**Plan**”) pursuant to which shares of Company common stock have been reserved for issuance under the Plan. Optionee is an employee of the Company and will perform substantial work on behalf of the Company. Company desires to provide Optionee an option to purchase certain shares of Company common stock upon the terms and conditions set forth herein, specifically including but not limited to the restrictive covenants contained herein.

AGREEMENT

Now, THEREFORE, the parties hereby agree as follows:

1. Incorporation of the Plan by Reference. The terms and conditions of the Plan, a copy of which has been earlier delivered to Optionee, are hereby incorporated into this Agreement by this reference. In particular, the provisions of Section 9.13 of the Plan, respecting any sale of the Company, govern the terms and conditions of this Agreement. In the event of any direct conflict or inconsistency between the provisions of this Agreement and those of the Plan, the provisions of the Plan shall govern and control. By its terms, the Plan may be amended subsequent to the date of this Agreement, in which case the Plan as so amended shall continue to govern and control the terms and conditions of this Agreement in the case of any such direct conflict or inconsistency.

2. Grant of Option; Exercise Price. Subject to the terms and conditions herein set forth, the Company hereby irrevocably grants to Optionee, from shares of common stock reserved under the Plan, the right and option (the “**Option**”) to purchase all or any part of an aggregate of 600,000 shares of Company common stock, \$0.01 par value per share (the “**Shares**”), at the per-Share exercise price of \$1.00 (the “**Exercise Price**”), which price is intended to be at least 100% of the fair market value of the Company’s common stock on the grant date (i.e., the date of this Agreement).

3. Exercisability and Vesting of Option. The Option shall be exercisable only to the extent that all of the Option, or any portion thereof, has vested. Except as provided in Section 4, the Option shall vest in the manner described below based upon achievement on or before February 17, 2025 of the following Share Price Targets (“**Share Price Targets**”), but only for so long as Optionee continues to serve the Company as a director, officer, employee or consultant.

Individual	Total Shares	Share Price Targets					Guaranteed Price
		\$ 2.00	\$ 3.00	\$ 4.00	\$ 5.00	\$ 6.00	
Logan	600,000	30,000	60,000	90,000	120,000	150,000	150,000
	% of Shares Vested	5%	10%	15%	20%	25%	25%

The “Guaranteed Price” has the meaning ascribed to such term in that certain Agreement and Plan of Merger, dated as of November 12, 2021, by and among Reflect Systems, Inc., a Delaware corporation, the Company, CRI Acquisition Corporation, a Delaware corporation, and RSI Exit Corporation, as amended from time to time.

The Share Price Targets will be calculated based on the volume-weighted average price (VWAP) of a share of Company common stock over the immediately prior ten (10) trading days, as reported on the Nasdaq Capital Market.

Notwithstanding the foregoing, if a “Sale Transaction,” as such term is defined in the Plan, occurs, then the entirety of this Option will vest immediately upon the earlier of (i) any termination of service by the Company without “cause” (as such term is defined in Section 4(d) below) or (ii) 180 days after the consummation of the Sale Transaction.

4. Term of Option. To the extent vested, and except as otherwise provided in this Agreement, the Option shall be exercisable until the ten year anniversary of the date hereof. Nevertheless, this Option may earlier vest or may earlier terminate as set forth in the applicable paragraphs below:

(a) In the event of a termination of Optionee’s service to the Company or its subsidiaries (whether as a director, officer, employee or consultant, as the case may be) due to the death or disability of Optionee, then Optionee’s legal representative may thereafter exercise the Option, to the extent then vested, until the earlier of (i) 90 days after the death or disability of Optionee, as applicable, or (2) the expiration of the Option set forth in the first sentence of this Section 4. The unvested portion of the Option will terminate upon Optionee’s death or disability.

(b) In the event of a termination of Optionee’s service to the Company or its subsidiaries (whether as a director, officer, employee or consultant, as the case may be) due to “cause” (including a voluntary departure by Optionee under circumstances constituting “cause”), then the entire Option, regardless of whether any portion thereof is then vested (including any portion of the Option that may have vested in connection with a Sale Transaction), will thereupon immediately terminate and be null and void without any further action required on the part of the Company.

(c) In the event of a termination of Optionee’s service to the Company or its subsidiaries (whether as a director, officer, employee or consultant, as the case may be) under circumstances not involving or constituting “cause,” then the unvested portion of the Option will thereupon terminate but that portion of the Option that is vested as of the date of termination of service will continue to be exercisable until the earlier of (i) 90 days after the termination of Optionee, as applicable, or (2) expiration of the Option set forth in the first sentence of this Section 4.

(d) For purposes of this Agreement, the following events or circumstances will constitute “cause”: (i) Optionee willfully destroys any property of the Company; (ii) Optionee commits any act of dishonesty (as determined by the Company’s Board of Directors in its reasonable discretion) with respect to the Company or its business; (iii) Optionee uses or divulges, in violation of the written policies applicable to Optionee or in violation of a written agreement to which Optionee is bound, any confidential information of the Company (including confidential information of subsidiaries); (iv) Optionee engages in any conduct that is or could be materially detrimental to the Company, its business or its reputation, including violation of written policies or refusal to abide by the repeated directives of the Company, as determined by the Company’s Board of Directors in its reasonable discretion; (v) Optionee is indicted or convicted of a serious misdemeanor or felony; or (vi) Optionee uses alcohol or drugs in a manner such that the Company, its business or its reputation, is or could be jeopardized, as determined by the Company’s Board of Directors in its reasonable discretion. In addition, if Optionee has a written employment agreement with the Company or one of its subsidiaries, and such employment agreement contains a definition of “cause” (or similar such term or concept) that is broader than the above, then such additional and broader events or circumstances defining “cause” (or similar such term or concept) are incorporated herein by this reference.

5. Method of Exercising Option. Subject to the terms and conditions of this Agreement and the Plan, the Option may be exercised, in whole or in part, by giving written notice to the Company specifying the number of Shares to be purchased and accompanied by the full purchase price for such shares (which written notice may be in the form of Notice of Exercise attached hereto). The Exercise Price shall be payable: (a) in United States dollars upon exercise of the Option and may be paid by cash, uncertified or certified check or bank draft; (b) by delivery of shares of common stock in payment of all or any part of the option price, which shares shall be valued for this purpose at the Fair Market Value (as such term is defined in the Plan) on the date on which the Option is exercised; or (c) at Optionee's election, by instructing the Company to withhold from the Shares issuable upon exercise of the Option shares of common stock in payment of all or any part of the exercise price (and/or any related withholding tax obligations, if permissible under applicable law), which shares shall be valued for this purpose at the Fair Market Value or in such other manner as may be authorized from time to time by the Company's board of directors or a compensation committee thereof. Any such notice shall be deemed given when received by the Company at the address provided in Section 10 of this Agreement. All Shares that shall be purchased upon the proper exercise of the Option as provided herein shall be fully paid and non-assessable. Notwithstanding the foregoing, this Option may not be exercised in whole or in part until each of the following events has occurred: (a) after the date hereof, the Company's shareholders have approved an amendment to the Plan to increase the number of shares of Company common stock reserved for issuance under the Plan to an amount of shares that is sufficient to cover the issuance of Shares covered by the Option, and (b) the cap on the number of options and stock appreciation rights that may be issued to a Plan participant in each fiscal year of the Company is eliminated.

6. Rights of Option Holder. As holder of the Option, Optionee shall not have any of the rights of a shareholder with respect to the Shares covered by the Option except to the extent that one or more certificates for such Shares shall be delivered to Optionee upon the due exercise of all or any part of the Option.

7. Transferability. The Option shall not be transferable except to the extent permitted by Section 9.3 of the Plan.

8. Optionee Representations. Optionee hereby represents and warrants to the Company that Optionee has reviewed with his or her own tax advisors the federal, state and local tax consequences of the transactions contemplated by this Agreement, including the grant of this Option by the Company. Optionee is relying solely on such advisors and not on any statements or representation of the Company or any of its agents. Optionee understands that Optionee will be solely responsible for any tax liability that may result to Optionee as a result of the transactions contemplated by this Agreement, including the grant by the Company of the Option. Optionee further understands that, as to matters involving an interpretation under the Plan, the Board of Directors of the Company (or an applicable committee thereof) has sole and complete discretionary authority to definitively interpret the Plan, which interpretation shall be final, conclusive and binding upon the Optionee.

9. Securities Law Matters. Optionee acknowledges that the Shares to be received upon any exercise of the Option may not have been registered under the Securities Act of 1933 or the applicable securities laws of any state (collectively, the "**Securities Laws**"). If such Shares shall have not been so registered, Optionee acknowledges and understands that the Company is under no obligation to register, under the Securities Laws, the Shares received by Optionee or to assist Optionee in complying with any exemption from such registration if Optionee should at a later date wish to dispose of the Shares. Optionee acknowledges that, if not then registered under the Securities Laws, any certificates representing the Shares shall bear a legend restricting the transferability thereof in substantially the following form:

The shares represented by this certificate have not been registered or qualified under federal or state securities laws. The shares may not be offered for sale, sold, pledged or otherwise disposed of unless so registered or qualified, unless an exemption exists or unless such disposition is not subject to the federal or state securities laws. In its discretion, the Company may require that the availability of any exemption or the inapplicability of such securities laws be established by an opinion of counsel, the form and substance of which opinion shall be reasonably satisfactory to the Company.

10. Notices. All notices and other communications required under this Agreement will be in writing and will be deemed to have been duly given two days after mailing, via certified mail return-receipt requested, to the applicable party at the following addresses:

If to the Company: Creative Realities, Inc.
Attention: Chief Executive Officer
13100 Magisterial Drive, Suite 100
Louisville, KY 40223

If to Optionee: Will Logan
11004 Kings Crown Drive
Prospect, KY 40059

11. Dispute Resolution.

(a) The parties will endeavor to resolve any disputes relating to the Agreement through amicable negotiations. Failing an amicable settlement, any controversy, claim or dispute arising under or relating to this Agreement, including the existence, validity, interpretation, performance, termination or breach of this Agreement, will finally be settled by binding arbitration before a single arbitrator (the "**Arbitration Tribunal**") jointly appointed by the parties. The Arbitration Tribunal shall self-administer the arbitration proceedings using the Commercial Rules of the American Arbitration Association ("**AAA**"); provided, however, the AAA shall not be involved in administration of the arbitration. The arbitrator must be a retired judge of a state or federal court of the United States or a licensed lawyer with at least 15 years of corporate or commercial law experience and have at least an AV rating by Martindale Hubbell. If the parties cannot agree on an arbitrator, either party may request a court of competent jurisdiction to appoint an arbitrator, which appointment will be final.

(b) The arbitration will be held in Louisville, Kentucky. Each party will have discovery rights as provided by the Federal Rules of Civil Procedure within the limits imposed by the arbitrator; provided, however, that all such discovery will be commenced and concluded within 45 days of the selection of the arbitrator. It is the intent of the parties that any arbitration will be concluded as quickly as reasonably practicable. Once commenced, the hearing on the disputed matters will be held four days a week until concluded, with each hearing date to begin at 9:00 a.m. and to conclude at 5:00 p.m. The arbitrator will use all reasonable efforts to issue the final written report containing award or awards within a period of five business days after closure of the proceedings. Failure of the arbitrator to meet the time limits of this Article will not be a basis for challenging the award. The Arbitration Tribunal will not have the authority to award punitive damages to either party. Each party will bear its own expenses, but the parties will share equally the expenses of the Arbitration Tribunal. The Arbitration Tribunal shall award attorneys' fees and other related costs payable by the losing party to the successful party. This Agreement will be enforceable, and any arbitration award will be final and non-appealable, and judgment thereon may be entered in any court of competent jurisdiction.

12. General Provisions.

(a) The Option is granted pursuant to the Plan and is governed by the terms thereof. The Company shall at all times during the term of the Option reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of this Agreement.

(b) Nothing herein expressed or implied is intended or shall be construed as conferring upon or giving to any person, firm, or corporation, other than the parties hereto, any rights or benefits under or by reason of this Agreement.

(c) Each party agrees to execute such further documents as may be necessary or desirable to effect the purposes of this Agreement.

(d) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

(e) This Agreement, in its interpretation and effect, shall be governed by the laws of the Commonwealth of Kentucky applicable to contracts executed and to be performed therein, and without regard to any of such state's conflicts-of-law provisions.

(f) If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be unaffected thereby and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative.

* * * * *

IN WITNESS WHEREOF, the undersigned have executed this Stock Option Agreement as of the date first written above.

CREATIVE REALITIES, INC.

By: /s/ Richard Mills

Name: Richard Mills

Title: Chief Executive Officer

OPTIONEE

Will Logan
Print name

/s/ Will Logan
Signature

Signature Page – Stock Option Agreement

NOTICE OF EXERCISE
CREATIVE REALITIES, INC.
STOCK OPTION AGREEMENT

(To be signed only upon exercise of stock option)

Pursuant to a Stock Option Agreement dated as of _____ (the "Option Agreement"), the undersigned is the holder of an option (the "Option") to purchase _____ shares of common stock, \$.01 par value per share, of Creative Realities, Inc., a Minnesota corporation (the "Company"). In accordance with the terms of the Option Agreement, the undersigned hereby irrevocably elects to exercise the Option with respect to _____ shares of common stock and to purchase such shares from the Company, and herewith makes payment of \$_____ therefor:

- by cash, uncertified or certified check or bank draft;
- by delivery of shares of common stock; or
- by instructing the Company to withhold from the shares issuable upon exercise of the Option shares of common stock in payment of \$_____ of the exercise price (and/or any related withholding tax obligations, if permissible under applicable law).

The undersigned requests that the certificate(s) for such shares be issued in the name of _____, and be delivered to _____, whose address is set forth below the signature of the undersigned.

Dated: _____

(Signature)

(Address)

(Address)

(Social Security or other Tax ID No.)
