



PAYFARE INC.

MANDATE OF THE BOARD OF DIRECTORS

I. GENERAL

1. Mandate

The board of directors (the “**Board**”) of Payfare Inc. (the “**Company**”) is responsible for the stewardship of the Company. The Board is elected by the shareholders of the Company to supervise the management of the business and affairs of the Company, with the goal of enhancing long-term shareholder value.

2. Board Committees

To assist it in exercising its responsibilities, the Board hereby establishes three standing committees of the Board: an audit committee (the “**Audit Committee**”), a compensation committee (the “**Compensation Committee**”) and a Nomination and Governance Committee (the “**Nomination and Governance Committee**”). The Board may establish other standing committees, from time to time.

Each committee will have a written charter. At a minimum, each charter will clearly establish the committee’s purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members and subcommittees), and manner of reporting to the Board. Each charter will be reviewed by the Board (or the Nomination and Governance Committee), once every two years.

The Board is responsible for appointing directors to each of its committees, in accordance with the written charter for each committee.

3. Expectations and Responsibilities of Directors

The Board expects that each director will, among other things:

- (a) act honestly, in good faith and with a view to the best interests of the Company;
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- (c) commit the time and energy necessary to properly carry out his or her duties;
- (d) attend all Board and committee meetings, as applicable; and
- (e) review in advance all meeting materials and otherwise adequately prepare for all Board and committee meetings, as applicable.

4. The Board’s Expectations of Management

The Board expects that management will, among other things:

- (a) review continuously the Company's strategies and their implementation in light of evolving conditions;
- (b) present a comprehensive annual operating plan and report regularly on the Company's performance and results relative to that plan;
- (c) report regularly on the Company's business and affairs, with a focus on matters of material consequence for the Company;
- (d) implement systems to identify and manage the principal risks of the Company's business;
- (e) implement and maintain appropriate systems of internal control; and
- (f) implement and maintain appropriate disclosure controls and procedures.

In addition, the Board expects that the Chief Executive Officer ("CEO") and the other executive officers of the Company will conduct themselves with integrity and that the CEO and other executive officers will create a culture of integrity throughout the Company.

5. Decisions Requiring Prior Approval of the Board

The Board is responsible for pre-approving material proposals on mergers, acquisitions and other material investments or divestitures of or by the Company; corporate finance proposal including, but not limited to, debt and equity financing.

II. PROCEDURAL MATTERS

1. Composition

The Board will be composed of a majority of "independent" directors, as defined under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

At a minimum, each director will have demonstrated personal and professional integrity, achievement in his or her field, experience and expertise relevant to the Company's business, a reputation for sound and mature business judgment, the commitment to devote the necessary time and effort in order to conduct his or her duties effectively and, if required, financial literacy.

2. Director Qualifications

In addition to the qualifications specified for directors in the *Business Corporations Act* (Ontario), directors of the Company will be subject to the following requirements:

- (a) all directors will be financially literate as defined in National Instrument 52-110 – *Audit Committees*; and
- (b) following a change in principal occupation, place of residence, or a similar change in credentials, directors are expected to report that change to the Nomination and Governance Committee for consideration.

3. Board Structure and Operations

(a) Chair

The Board will appoint an independent director to act as Chair of the Board. If the Board determines that this is not appropriate in the circumstances and instead appoints a non-independent director to act as Chair of the Board, the Board will also appoint an independent director to act as lead director (the “**Lead Independent Director**”). Either an independent Chair of the Board or the Lead Independent Director will act as the effective leader of the Board and ensure that the Board’s agenda will enable it to successfully carry out its duties. The Chair of the Board and the Lead Independent Director, as applicable, may be removed at any time at the discretion of the Board.

The designation of the Chair of the Board and the Lead Independent Director, if applicable, will take place annually, at the first meeting of the Board after the meeting of shareholders at which the directors are elected.

If, in any year, the Board does not appoint a Chair or Lead Independent Director, if applicable, the incumbent Chair and Lead Independent Director, if applicable, will each continue in office until a successor is appointed.

If the Chair of the Board or Lead Independent Director, if applicable, is absent from any meeting, the Board will select one of the other members of the Board to preside at that meeting.

(b) Meetings

The Chair of the Board (or Lead Independent Director, if applicable) will be responsible for developing and setting, in consultation with other members of the Board and senior management, the agenda for Board meetings, and determining the time, place and frequency of Board meetings. However, the Board will meet at least 4 times per year and as many additional times as the Board deems necessary to carry out its duties.

(c) Notice

Notice of the time and place of every meeting will be given in writing, by phone or by other electronic means to each member of the Board and the Chief Executive Officer (“**CEO**”) at least 48 hours before the time fixed for that meeting.

(d) Quorum

A majority of the Board will constitute a quorum. No business may be transacted by the Board except at a meeting of its members at which a quorum of the Board is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

(e) Attendees

The Board may invite any of the officers and employees of the Company and any advisors as it sees fit to attend a meeting of the Board and assist in the discussion and consideration of matters relating to the Board.

(f) **In Camera Sessions**

The Board will reserve a portion of each regularly scheduled meeting for discussion among the independent directors only.

(g) **Records**

Minutes of meetings of the Board will be recorded and maintained by the Secretary of the Company and will be subsequently presented to the Board for review and approval.

(h) **Liaison**

The CEO will act as management liaison with the Board.

4. Board Mandate Review

The Board will review and assess the adequacy of this Mandate on an annual basis, taking into account all legislative and regulatory requirements applicable to the Board, as well as any best practice guidelines recommended by securities regulatory authorities or the Toronto Stock Exchange.

III. RESPONSIBILITIES

1. Supervising Management of the Company

The Board is responsible for, in addition to its responsibilities set out in the by-laws of the Company:

- (a) designating the offices of the Company, appointing officers, specifying their duties and delegating to them the power to manage the day-to-day business and affairs of the Company;
- (b) reviewing the officers' performance and effectiveness; and
- (c) acting in a supervisory role, such that any duties and powers not delegated to the officers of the Company remain with the Board and its committees.

In addition, the Board is responsible for, to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Company.

2. Strategic Planning

The Board is responsible for adopting a strategic planning process and approving, on at least an annual basis, a strategic plan or an update to the Company's long-term strategic plan, which takes into account, among other things, the opportunities and risks of the business.

That process will include:

- (a) the Board overseeing the Company's strategic direction and major policy decisions generally;
- (b) the Board devoting at least a day-long meeting to strategic planning annually; and
- (c) the Board discussing strategies and their implementation regularly at Board meetings.

On at least an annual basis, the Board will approve the Company's strategic plan or an update to the Company's long-term strategic plan, which will take into account, among other things, the opportunities and risks of the Company's business. The Board will review and approve the corporate financial goals, operating plans and actions of the Company, including significant capital allocations, expenditures and transactions that exceed thresholds set by the Board.

More specifically, in respect of each fiscal year, the Board will:

- (a) meet with management regarding the strategic planning for the Company in which future trends, opportunities and risks over a three year horizon are jointly identified; and
- (b) consider a strategic plan which addresses those trends, opportunities and risks.

The annual capital and operating budget projections for the following fiscal year will be reviewed and a budget will be presented by senior management for approval by the Board.

3. Risk Management

The Board is responsible for the identification of the principal risks of the Company's business, and ensuring the implementation of appropriate systems to manage these risks.

The Board will ensure that systems are in place to identify principal risks to the Company and its businesses and that appropriate procedures are in place to manage those risks and to address and comply with applicable regulatory, corporate, securities and other compliance matters. Specifically, the Board will ensure that procedures are in place to comply with the law, the Company's by-laws, and all significant Company policies and procedures.

4. Succession Planning

The Board is responsible for succession planning (including appointing, training and monitoring senior management) and, to assist it with certain of these responsibilities, the Board has established the Compensation Committee.

The Board is responsible for overseeing succession planning matters for officers and senior management, including the appointment, training and monitoring of those persons, and to assist it with certain of these responsibilities, the Board has established the Compensation Committee. The Board is also responsible for:

- (a) generally ensuring depth in senior management;
- (b) reviewing candidates for senior management positions;
- (c) considering annually the organizational structure of the Company; and
- (d) considering annually other succession planning matters.

5. Communications Policy

The Board is responsible for adopting a communications policy for the Company.

The Board is responsible for adopting a communications policy (the "**Corporate Disclosure Policy**") that ensures that the Company communicates effectively with its shareholders, other stakeholders, and the public in general.

The Corporate Disclosure Policy will:

- (a) contain measures for the Company to comply with its continuous and timely disclosure requirements and to avoid selective disclosure;
- (b) address how the Company interacts with analysts, investors, other key stakeholders and the public; and
- (c) address who reviews and approves major Company announcements.

The Company will maintain an investor relations group contact with the responsibility of maintaining communications with the investing public in accordance with the Corporate Disclosure Policy.

6. Internal Controls

The Board is responsible for the Company's internal control and management information systems.

The Board is responsible for ensuring the integrity of the Company's internal control and management information systems. The Board may delegate its responsibilities relating to the Company's internal control and management information systems to the Audit Committee.

7. Corporate Governance

The Board is responsible for developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company.

The Board is responsible for developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company. The Board will track developments in corporate governance and adapt best practices to the needs and circumstances of the Company. The Board will monitor and evaluate the effectiveness of the system of corporate governance at the Company, including the information requirements of the Board, the frequency and content of meetings and the need for any special meetings, communication processes between the Board and management, the charters of the Board and its committees and policies governing the size and composition of the Board.

The Board may delegate its responsibilities relating to corporate governance to the Nomination and Governance Committee.

8. Measures for Receiving Feedback from Security Holders

The Board will establish procedures to ensure that the Company provides timely information to current and potential security holders and responds appropriately to their inquiries. The Board (or a Board committee) will ensure that designated persons under the Corporate Disclosure Policy are available to meet regularly with financial analysts and institutional investors.

9. Position Descriptions

The Board is responsible for:

- (a) developing clear position descriptions for the Executive Chair of the Board, the Lead Independent Director and the chair of each Board committee;

- (b) together with the CEO, developing a clear position description for the CEO, which includes delineating management's responsibilities; and
- (c) developing or approving the corporate goals and objectives that the CEO is responsible for meeting.

10. Orientation and Continuing Education

The Board is responsible for:

- (a) ensuring that all new directors receive a comprehensive orientation, so that they fully understand:
 - (i) the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and energy that the Company expects from its directors); and
 - (ii) the nature and operation of the Company's business; and
- (b) providing continuing education opportunities for all directors, so that they may:
 - (i) maintain or enhance their skills and abilities as directors; and
 - (ii) ensure that their knowledge and understanding of the Company's business remains current.

11. Code of Business Conduct and Ethics

The Board is responsible for adopting a written code of business conduct and ethics (the "**Code**"), applicable to directors, officers and employees of the Company. The Code will constitute written standards that are reasonably designed to promote integrity and deter wrongdoing and will address the following issues:

- (a) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest;
- (b) protection and proper use of corporate assets and opportunities;
- (c) confidentiality of corporate information;
- (d) fair dealing with the Company's security holders, customers, suppliers, competitors and employees;
- (e) compliance with laws, rules and regulations; and
- (f) reporting of any illegal or unethical behaviour.

The Board is responsible for monitoring compliance with the Code. Any waivers from the Code that are granted for the benefit of the Company's directors or executive officers will be granted by the Board (or a Board committee) only.

12. Nomination of Directors

The Board is responsible for nominating or appointing individuals as directors and, to assist it with this responsibility, the Board has established the Nomination and Governance Committee.

Before nominating or appointing individuals as directors, the Board will:

- (a) consider what competencies and skills the Board, as a whole, should possess;
- (b) assess what competencies and skills each existing director possesses (including the personality and other qualities of each director);
- (c) consider the appropriate size of the Board, with a view to facilitating effective decision-making; and
- (d) consider the advice and input of the Nomination and Governance Committee.

13. Compensation Matters

The Board is responsible for overseeing compensation matters (including compensation of officers and other senior management personnel, and approving the Company's annual compensation budget) and, to assist it with these responsibilities, the Board has established the Compensation Committee.

More specifically, the Board is responsible for approving:

- (a) the CEO's compensation level, after consideration of the evaluation conducted by and the recommendations of the Compensation Committee; and
- (b) non-CEO officer and director compensation, incentive-compensation plans and equity-based plans, after consideration of the recommendations of the Compensation Committee.

14. Regular Board Assessments

The Board is responsible for regularly and at least annually or every two years assessing its own effectiveness and contribution, as well as the effectiveness and contribution of each Board committee and each individual director. Those assessments will consider:

- (a) in the case of the Board, this Mandate;
- (b) in the case of a Board committee, the committee's charter; and
- (c) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to bring to the Board.

More specifically, the Board will conduct its assessment of the Board and its committees. The results of the assessments will be reported to the full Board. Responsibility for the assessment process and any follow-up action will lie with the Board and Nomination and Governance Committee and the Lead Independent Director.

The Board will consider attendance at Board and committee meetings when making those assessments.

15. Outside Advisors

The Board is responsible for implementing a system which enables the Board or a committee to engage an external advisor at the expense of the Company in appropriate circumstances. The engagement of the external advisor will be subject to the approval of the Board (or a Board committee).