



PAYFARE INC.

COMPENSATION COMMITTEE CHARTER

I. General

1. Purpose of the Committee

The purpose of the Compensation Committee (the “**Committee**”) is to assist the board of directors (the “**Board**”) of Payfare Inc. (the “**Company**”) in overseeing compensation and succession planning matters, including the Board’s responsibilities of:

- (a) appointing, compensating and evaluating and planning for the succession of officers and other senior management personnel of the Company; and
- (b) approving the Company’s annual compensation budget.

2. Authority of the Committee

- (a) The Committee has the authority to delegate to individual members or subcommittees of the Committee.
- (b) The Committee has the authority to retain any outside advisor at the expense of the Company, without the Board’s approval, at any time and has the authority to determine that advisor’s fees and other retention terms. For greater certainty, the Committee has sole authority to retain and terminate any consulting firm to be used to evaluate the Chief Executive Officer or the compensation of the Chief Executive Officer or any other officers or senior management personnel.

II. Procedural Matters

1. Composition

The Committee will be composed of a minimum of three members.

2. Member Qualifications

- (a) Every Committee member must be a director of the Company.
- (b) A majority of Committee members must be “independent” as defined under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

3. Member Appointment and Removal

Members of the Committee will be appointed by the Board, based on the recommendations of the Nomination and Governance Committee. The members of the Committee will be appointed at the time of each annual meeting of shareholders and will hold office until the next annual meeting or until they are removed by the Board or until they cease to be directors of the Company.

If a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Nomination and Governance Committee, and will be filled by the Board if the membership of the Committee falls below three directors.

4. Committee Structure and Operations

(a) **Chair**

Each year, the Board will appoint one member of the Committee to be the Chair of the Committee. The Chair of the Committee may be removed at any time at the discretion of the Board. If, in any year, the Board does not appoint a Chair, the incumbent Chair will continue in office until a successor is appointed. The Chair of the Committee will be considered a financial expert, having accounting or related financial management experience or expertise.

If the Chair of the Committee is absent from any meeting, the Committee will select one of the other members of the Committee to preside at that meeting.

(b) **Meetings**

The Chair of the Committee will be responsible for developing and setting, in consultation with other members of the Committee, the agenda for Committee meetings, and determining the time, place and frequency of Committee meetings, however the Committee will meet at least 4 times per year.

(c) **Notice**

Notice of the time and place of every meeting will be given in writing, by phone or other electronic means to each member of the Committee, the internal auditor, the Chair of the Board, the Chief Executive Officer and the Chief Financial Officer at least 48 hours before the time fixed for that meeting.

(d) **Quorum**

A majority of the Committee will constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee 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 Committee may invite any of the directors, officers and employees of the Company and any advisors as it sees fit to attend meetings of the Committee and assist in the discussion and consideration of matters relating to the Committee.

During each meeting of the Committee, the Committee will meet with only Committee members present in person or by other permitted means.

(f) **Secretary**

Unless otherwise determined by resolution of the Board, the corporate secretary of the Company or his or her nominee will act as the Secretary to the Committee.

(g) **Records**

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

(h) **Liaison**

The Chief Financial Officer will act as management liaison with the Committee.

5. Committee and Charter Review

The Committee will conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter, in accordance with the process developed by the Board. The Committee will conduct that review and assessment in such manner as it deems appropriate and report the results to the Board.

The Committee will also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any best practice guidelines recommended by regulators or the Toronto Stock Exchange, and will recommend any required or desirable changes to the Board.

6. Reporting to the Board

The Committee will regularly report to the Board on all significant matters it has considered and addressed and with respect to such other matters that are within its responsibilities, including any matters approved by the Committee or recommended by the Committee for approval by the Board. The Committee will circulate to the Board copies of the minutes of each meeting held.

III. Responsibilities

1. General

The Committee is responsible for:

- (a) reviewing the Company's overall compensation philosophy;
- (b) addressing matters related to compensation of the Chief Executive Officer (the "CEO");
- (c) making recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and
- (d) reviewing executive compensation disclosure before the Company publicly discloses this information.

2. CEO Compensation

With respect to compensation of the CEO, the Committee is responsible for:

- (a) reviewing and approving corporate goals and objectives relevant to CEO compensation;
- (b) evaluating the CEO's performance in light of those corporate goals and objectives; and

- (c) determining (or making recommendations to the Board with respect to) the CEO's compensation level based on this evaluation.

In determining the long-term incentive component of the compensation of the CEO, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive compensation given to chief executive officers at comparable companies and the compensation given to the CEO in past years.

3. Annual Review of CEO Compensation

The Committee will annually review and assess the competitiveness and appropriateness of the compensation package of the CEO. In conducting that review, the Committee will consider:

- (a) the compensation package of the CEO for the prior year;
- (b) the Committee's evaluation of the performance of the CEO;
- (c) the Company's performance and relative shareholder return, as well as other key measures of performance;
- (d) whether the compensation package reflects an appropriate balance between salary and incentive compensation, as well as the mix between short- and longer-term incentives to improve performance of the Company;
- (e) the competitiveness of the compensation package, including the value of similar incentive awards and benefits such as pensions and supplementary executive retirement plans, paid to equivalent officers at comparable companies;
- (f) the impact of the level and form of awards on the Company and its shareholders from a tax, accounting, cash flow and dilution perspective; and
- (g) the awards given to the CEO.

4. Compensation of Senior Officers

In consultation with the CEO, the Committee will oversee the evaluation of the Company's senior officers and will make recommendations to the Board with respect to the total compensation package for the Company's senior officers other than the CEO.

The Committee will consider all forms of remuneration when determining the level of compensation paid to senior officers, including long-term incentives and benefits. The Committee will also consider information regarding other companies, the nature of the Company's business, the need to obtain qualified individuals, short-term and long-term performance goals and actual performance and shareholder returns and evaluations and compensation in previous years.

5. Compensation of Directors

The Committee will, on an annual basis:

- (a) review the adequacy, amount and form of the compensation to be paid to each director;
- (b) consider whether that compensation realistically reflects the time commitment, responsibilities and risks of the directors; and

- (c) make recommendations to the Board based on this review and analysis.

The Committee also will make recommendations to the Board on minimum share ownership requirements for directors of the Company.

6. Incentive-Compensation Plans

With respect to incentive-compensation plans, the Committee is responsible for:

- (a) reviewing and approving all of the Company's long-term incentive plans, including changes to those plans;
- (b) reviewing and approving all payments made under the Company's short- and long-term incentive plans; and
- (c) reviewing and approving any senior officer change of control contracts or special benefits and any other senior officer financial arrangements or changes to those arrangements.

7. Equity-Based Plans

With respect to equity-based plans, the Committee is responsible for [periodically reviewing and making recommendations to the Board regarding equity-based compensation plans that the Company establishes for, or makes available to, its employees and/or consultants, including the designation of those who may participate in those plans, share and option availability under those plans and the administration of share purchases under those plans.

In addition, the Committee will review periodically the extent to which these forms of compensation are meeting their intended objectives, and will make recommendations to the Board regarding modifications to more accurately relate that compensation to employee performance.

8. Risk Oversight and Mitigation

In fulfilling its responsibilities, the Committee will consider the implications of the risks associated with the Company's compensation policies and practices and will adopt (or recommend the adoption of) practices to mitigate compensation policies and practices that could encourage excessive risk-taking.

9. Disclosure

With respect to disclosure, the Committee is responsible for:

- (a) obtaining advice on and tracking disclosure requirements related to executive compensation disclosure;
- (b) reviewing executive compensation disclosure information before the Company publicly discloses this information; and
- (c) in particular, reviewing the "Executive Compensation" and "Indebtedness" sections and preparing the "Report on Executive Compensation" section of the management information circular (or similarly captioned disclosure).