



PAYFARE INC.

INSIDER TRADING POLICY

1. Purpose of this Policy

The board of directors (the “**Board**”) of Payfare Inc. (the “**Company**”) has adopted this Insider Trading Policy (the “**Policy**”), which is designed to provide guidance to the directors, officers and employees of the Company and its subsidiaries (who are referred to collectively in this Policy as “**Company Personnel**”) with respect to stock trading. This Policy aims to assist Company Personnel in understanding their obligations and responsibilities under Canadian securities laws and the rules of the Toronto Stock Exchange. The ultimate responsibility to avoid improper trading and comply with the law rests with each individual. This Policy has been adopted in order to protect the reputation of the Company and to protect it and Company Personnel from any potential liability.

The provisions of this Policy will be supplemented by any greater prohibitions or restrictions prescribed by any applicable laws or the Toronto Stock Exchange. Any Company Personnel uncertain whether other prohibitions or restrictions apply should consult with the Chief Financial Officer of the Company.

2. Application of this Policy

All Company Personnel are required to review and comply with this Policy. However, certain provisions, as specified, only apply to Reporting Insiders (as defined in Appendix A to this Policy) and Designated Persons. “**Designated Persons**” are directors, officers and employees of the Company who will have in specific instances, or will likely have on an ongoing basis, access to or be in possession of material non-public information concerning the Company. The Chief Financial Officer will be responsible for determining who is a Designated Person from time to time. Those included on the Designated Persons list will be advised.

Company Personnel are responsible for ensuring that their Related Persons comply with this Policy, as applicable. For purposes of this Policy, “**Related Persons**” means, in relation to any individual, a member of his or her immediate family residing in the same household (including children temporarily living away from home while attending school), any entity in which the individual or his or her immediate family have an economic or personal interest and anyone acting on that individual’s behalf or on behalf of his or her immediate family or on behalf of that entity.

3. Prohibited Activities and Blackout Periods

(a) Securities

For purposes of this Part 3, the term “**security**” includes:

- (a) a put, call, option or other right or obligation to purchase or sell securities of the Company;
- (b) a security, the market price of which varies materially with the market price of the securities of the Company; and

(c) a derivative that is related to a security of the Company because the derivative's market price, value, delivery obligations, payment obligations or settlement obligations are, in a material way, derived from, referenced to or based on the market price, value, delivery obligations, payment obligations or settlement obligations of the security of the Company.

(b) **Prohibition on Insider Trading**

Securities legislation prohibits "**persons in a special relationship with the Company**" (as defined in Appendix A to this Policy) from purchasing or selling securities of the Company with knowledge of a "material fact" or "material change" about the Company that has not been "generally disclosed". This prohibited activity is commonly known as "insider trading". Company Personnel are prohibited from trading in securities of the Company or any third party about which they have material non-public information until that information has been fully disclosed and at least two clear and full trading days have elapsed, in order for the information to be disseminated effectively to the public markets. Company Personnel should consult the Corporate Disclosure Policy for guidance on what constitutes "material information".

(c) **Prohibition on Tipping**

Securities legislation also prohibits the Company and any persons in a special relationship with the Company from informing, other than in the "necessary course of business", anyone of a material fact or a material change (or "privileged information" in the case of Québec) before that "material information" has been generally disclosed. This prohibited activity is commonly known as "tipping".

The tipping provisions generally apply to persons in a special relationship with the Company. Persons in a special relationship include, but are not limited to, anyone (a "**tippee**") who learns of material information from someone that the tippee knows or should know is a person in a special relationship with the Company.

The "special relationship" definition is broad. The tipping prohibition is not limited to communications made by senior management, investor relations professionals and others who regularly communicate with analysts, institutional investors and market professionals. The tipping prohibition applies, for example, to unauthorized disclosures by non-management Company Personnel.

There is a potentially infinite chain of tippees who are caught by the prohibitions against tipping and insider trading. Because tippees are themselves considered to be in a special relationship with the Company, material information may be third or fourth hand and still be subject to the prohibitions.

Because the "special relationship" definition is so broad, the Company has established its Corporate Disclosure Policy to clearly define who within the Company has responsibility for corporate communications.

(d) **Prohibition on Speculation**

Purchases of the Company's securities should be for investment purposes only and not for short-term speculation. All dealings in puts and calls, all short sales and all buying or selling on the market with the intention of quickly reselling or buying back at a profit are

prohibited. In addition, trading in securities of other public companies with the knowledge that the Company is contemplating or engaged in acquiring that company or its securities or negotiating significant business arrangements with that company is prohibited. These prohibitions apply to all Company Personnel and their Related Persons.

- (e) Furthermore, Reporting Insiders are strongly discouraged from: (i) purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities of the Company granted as compensation or held, directly or indirectly, by them; or (ii) forward selling securities that may be delivered in the future upon the exercise or redemption of securities granted under the Company's security-based incentive award plans, or otherwise monetizing those securities, if the interest of the Reporting Insider in those securities has not yet vested.

- (f) **Limitation on Margin Accounts**

Securities held in a margin account can present problems if the individual does not have sufficient funds to meet a margin call and the securities are sold by the broker. Because such a sale may occur at a time when the individual is in possession of material non-public information or when otherwise not permitted to trade in the Company's securities, Company Personnel and their Related Parties cautioned against operating a margin account for the purpose of purchasing or holding the Company's securities if they will be at risk of being forced to sell the Company's securities at a time when trading is prohibited.

- (g) **Use of Discretionary Accounts**

Company Personnel and their Related Persons who have a discretionary account with a broker must advise their broker in writing that there are to be no purchases or sales of the Company's securities by that discretionary account without first discussing it with that person in order to ensure compliance with this Policy and insider trading laws.

- (h) **Trades in Securities of Customers**

Company Personnel are prohibited from purchasing shares in customers and their subsidiaries or direct affiliates if the Company's relations with those customers could be considered to have a material impact on the securities of those customers.

- (i) **Quarterly Blackout Periods**

The Company's securities may not be purchased or sold by Company Personnel, and their Related Persons beginning on the 14th day before the end of the fiscal quarter and ending after the second clear and full trading day following the quarterly financial results or the annual results being made public by news release. This period is referred to as a "**quarterly blackout period**". The period starting after the second clear and full trading day following the news release until the start of the next quarterly blackout period is referred to as a "**trading window**". For clarification, no trading is permitted even during a trading window if an individual is in possession of material non-public information.

(j) **Exercising Options**

Company Personnel are prohibited from exercising options during a blackout period or if the option holder is in possession of any material non-public information concerning the Company or its subsidiaries.

Under the Company's Option Plan, if the expiration date of an option would otherwise fall within a blackout period or within 2 days following the expiration of a blackout period, the expiration date will be 7 business days following the expiration of the applicable blackout period.

(k) **Special Blackout Periods**

Other "special blackout periods" may be prescribed from time to time by the Chief Executive Officer or the Chief Financial Officer as a result of special circumstances relating to the Company which could give rise to material information. Everyone with knowledge of that material information will be subject to the special blackout period. In the case of a special blackout period, involved individuals will be informed by the Chief Financial Officer. No person subject to a special blackout period may disclose to anyone that a special blackout period has been designated.

(l) **Quiet Periods**

The Company observes a quarterly quiet period, during which no earnings guidance or comments with respect to the current quarter's operations or expected results will be provided to analysts, investors or other market professionals. The quiet period runs from the beginning of the 14th day before the end of the fiscal quarter and ending the second clear and full trading day following the disclosure of the quarterly or annual financial results.

The Company does not need to stop all communications with analysts or investors during the quiet period. However, communications should be limited to responding to inquiries concerning publicly available or non-material information. The purpose of this quiet period is to avoid the potential for, or perception of, selective disclosure.

(m) **Pre-clearance Requirements**

At no time may Designated Persons or Reporting Insiders trade, directly or indirectly, in Company securities unless the prior approval of the Chief Financial Officer has been obtained. This provision has been adopted as a means of providing assistance in preventing inadvertent violations and avoiding situations that could have the appearance of improper trading.

Clearance is only valid for such period as the then current trading window remains open, unless otherwise specified by the Chief Financial Officer. If the trade is not completed before that time, the transaction will not be completed and clearance of the transaction must be re-requested. If clearance is denied, the fact of that clearance request and subsequent refusal must be kept confidential.

The pre-clearance request must specify the amount and nature of the proposed trades. In addition, the applicant must attest that he or she is not in possession of material non-public information concerning the Company.

4. Insider Reporting Requirements

(a) Reporting Requirements for Reporting Insiders

Under Canadian securities laws, Reporting Insiders are generally required to disclose to applicable regulatory authorities the fact of becoming a Reporting Insider. Thereafter, Canadian securities laws require a Reporting Insider to disclose any change in direct or indirect beneficial ownership of, or control or direction over, securities and any change in any interest in, or right or obligation associated with, a related financial instrument. Reporting Insiders must file an insider report electronically through the "System for Electronic Disclosure by Insiders" ("**SEDI**"), usually within 5 days after the trade occurs.

A "**related financial instrument**" generally means an agreement, arrangement or understanding to which a Reporting Insider is a party, the effect of which is to alter, directly or indirectly, the Reporting Insider's economic interest in a security of the Company or economic exposure to the Company.

(b) Procedure for Reporting

Filing of insider reports is the responsibility of each Reporting Insider. However, the Company will provide advice and assistance with respect to those filings, if specifically requested to do so within 2 days of the occurrence of the event that gave rise to the reporting obligation.

5. Monitoring Compliance

(a) Initial Certification of Compliance with Insider Trading Policy

The Company expects compliance with this Policy and applicable laws by all Company Personnel. In order to ensure knowledge and understanding of this Policy, all Company Personnel will be required to sign a certificate concerning compliance with this Policy upon commencement of employment.

(b) Periodic Certification of Compliance with Insider Trading Policy

In order to ensure ongoing compliance with this Policy and with applicable laws, all Company Personnel will be required to sign a certificate concerning compliance with this Policy periodically.

(c) Periodic Survey of Reporting Insiders

Periodically, the Chief Financial Officer will request confirmation from Reporting Insiders as to whether reported results remain current. This monitoring is intended to assist the Company and Reporting Insiders to detect any inadvertent breaches of this Policy and to remedy those situations promptly.

(d) Compliance Committee Responsibilities

The Chief Financial Officer is responsible for compliance matters related to this Policy. The responsibilities include:

- (i) administering this Policy and monitoring and enforcing compliance with its provisions, including:
 - (A) monitoring reporting by Reporting Insiders (see Section 5(c)); and
 - (B) upon learning of any violation of the prohibitions against insider trading or tipping, determining what measures the Company should take, if any;
- (ii) designating and announcing, in their discretion, as applicable:
 - (A) quarterly blackout periods and trading windows relating to the Company's securities; and
 - (B) special blackout periods relating to the Company's securities or the securities of other public companies;
- (iii) organizing training sessions to educate Company Personnel on insider trading;
- (iv) responding to all inquiries relating to this Policy;
- (v) providing copies of this Policy to all Company Personnel;
- (vi) proposing revisions to this Policy as necessary to reflect changes in applicable insider trading laws;
- (vii) preparing periodic reports on this Policy's implementation and preparing documentation of compliance efforts;
- (viii) implementing procedures which may be through the Company's Code of Business Conduct and Ethics reporting procedures for Company Personnel to report suspected breaches within the Company without fear of retribution;
- (ix) maintaining as Company records originals or copies of all required reports relating to insider trading;
- (x) reporting to the Board on all matters that arise with respect to this Policy and the Company's procedures relating to this Policy; and
- (xi) such other responsibilities as may be delegated to the Chief Financial Officer by the Board from time to time.

The Chief Financial Officer may designate one or more individuals who may perform certain of its duties.

6. Consequences of Non-Compliance

(a) Civil, Quasi Criminal and Criminal Liability

Violation of insider trading and tipping prohibitions can result in severe consequences under Canadian securities laws, applicable corporate legislation and the *Criminal Code*, including fines, civil liability and imprisonment.

(b) **Disciplinary Sanctions**

Violation of this Policy or insider trading laws or tipping prohibitions by any Company Personnel may subject that person to disciplinary action by the Company, up to and including termination.

**INSIDER TRADING POLICY
CERTIFICATE**

I certify that I have read and fully understand Payfare Inc.'s Insider Trading Policy and will comply with its provisions and applicable insider trading laws and tipping prohibitions.

Per: _____
Signature

Name

Position

Date

APPENDIX A TO INSIDER TRADING POLICY

“insiders” of the Company generally include a director or officer of the Company or of any subsidiary of the Company, any significant shareholder of the Company, and a director or officer of any significant shareholder of the Company.

“major subsidiary” means a subsidiary of the Company if:

- (a) the assets of the subsidiary, as included in the Company’s most recent annual audited or interim statement of financial position, are 30% or more of the consolidated assets of the Company reported on that statement of financial position; or
- (b) the revenue of the subsidiary, as included in the Company’s most recent annual audited or interim statement of comprehensive income, is 30% or more of the consolidated revenue of the Company reported on that statement.

“person” generally includes:

- (a) an individual;
- (b) a corporation;
- (c) a partnership or trust; and
- (d) an association, syndicate or organization, whether incorporated or not.

“persons in a special relationship with the Company” generally include an employee of the Company or of any subsidiary of the Company, an insider of the Company, any person engaging in, proposing to engage in, or considering or evaluating whether to engage in, any business or professional activity with or for the Company, and any person who obtains material non-public information from one of the foregoing persons. Insiders of the Company can be deemed to be in a special relationship with another public company if the Company is considering or proposing a take-over bid or similar combination transaction with that public company or is considering or proposing a purchase of a substantial portion of that public company’s assets.

“Reporting Insiders” of the Company include:

- (a) the chief executive officer, chief financial officer and chief operating officer of the Company, of a significant shareholder of the Company or of a major subsidiary of the Company (or individuals performing similar functions);
- (b) a director of the Company, of a significant shareholder of the Company or of a major subsidiary of the Company;
- (c) an officer responsible for a principal business unit, division or function of the Company;
- (d) the Company itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; and
- (e) any other insider that

- (i) in the ordinary course receives or has access to information as to material facts or material changes concerning the Company before the material facts or material changes are generally disclosed; and
- (ii) directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the Company.