



PAYFARE INC.

MAJORITY VOTING POLICY

1. Definitions

The following terms used in this Policy have the following meanings:

"**Board**" means the board of directors of the Company;

"**Committee**" means the Nomination and Governance Committee of the Board;

"**Company**" means Payfare Inc.;

"**Contested Election**" means any election of directors where (i) the number of nominees exceeds the number of seats available on the Board, and (ii) proxy materials are circulated in support of one or more nominees who are not part of the director nominees supported by the Board;

"**Majority**" means that the number of shares voted "for" a director's election exceeds 50% of the number of Votes Cast with respect to that director's election;

"**TSX**" means the Toronto Stock Exchange;

"**Uncontested Election**" means any election of directors that is not a Contested Election; and

"**Votes Cast**" means any "for" or "withheld" votes with respect to a director's election, excluding any failures to vote, defective votes or broker non-votes with respect to that director's election.

2. Introduction and Scope

In light of TSX policies and best practice standards in Canada, the Board has unanimously adopted this Majority Voting Policy (the "**Policy**") providing that director-nominees for election (or re-election) to the Board should receive at least the Majority of the Votes Cast in an Uncontested Election to be eligible to hold a position (or continue to hold a position) on the Board.

The Board believes that this Policy is in the best interests of the Company, its shareholders and other stakeholders. This Policy will be subject to review by the Board from time to time, and may be amended by majority vote of the Board for purposes of, among other things, complying with requirements of applicable securities regulatory agencies or stock exchanges, or so as to meet industry standards.

3. Uncontested Elections

3.1 Eligible Nominees

The Board will nominate for election or re-election as directors only those candidates who agree, prior to their nomination, to tender their resignations in the circumstances described in Section 3.2 of this Policy.

3.2 Action by Director

(a) Resignation of a Director

If a nominee for election as director in an Uncontested Election does not receive the vote of at least the Majority of the Votes Cast at any meeting for the election of directors at which a quorum has been confirmed, the director, duly elected in accordance with the requirements of the *Business Corporations Act* (Ontario), the Company's Articles and the Company's Bylaws, shall nonetheless immediately tender his or her resignation from the Board to the Chairman of the Board following said election. In the event that any director does not tender his or her resignation in accordance with this Policy, he or she will not be re-nominated by the Board.

(b) Director's Acknowledgement

By accepting a nomination for elevation for election or re-election and agreeing to serve as a director of the Board, each nominee is deemed to have agreed that he or she is bound by this Policy.

4. Contested Elections

In any Contested Election of directors, the directors will be elected by a plurality of votes of the shares represented in person or by proxy at the meeting and voted on the election of directors.

5. Action by the Board

5.1 Referral to the Committee

Following receipt of a resignation submitted pursuant to this Policy, the Board shall refer the resignation to the Committee for consideration. The Committee will consider factors that may be provided as guidance by the TSX and all factors deemed relevant by the members of the Committee, including, without limitation, the stated reasons why shareholders withheld votes from the election of that nominee, whether the director's resignation from the Board is in the best interests of the Company, and the Shareholder and the Company's legal obligations under applicable laws. For clarity, the following do not constitute exceptional circumstances: (i) the director's length of service; (ii) the director's qualifications; (iii) the director's attendance at meetings; (iv) the director's experience; or (v) the director's contributions to the Company. The Committee will then make a recommendation to the Board to make a final determination as to whether or not to accept the director's resignation.

5.2 Board Decision

Promptly following the applicable meeting of the shareholders of the Company, and in any event, within 90 days after the applicable shareholder meeting, the Board shall determine whether or not to accept the offer of resignation pursuant to this Policy. In making its decision, the Board will consider such additional information and factors that the Board considers to be relevant. The

Board shall accept the resignation absent exceptional circumstances. The Company must promptly issue a news release with the Board's decision, a copy of which must be provided to the TSX. If the Board determines not to accept a resignation, the news release must fully state the reasons for that decision.

5.3 Participation in Decision-Making Process – Special Rules

- (a) A director who tenders his or her resignation pursuant to this Policy shall not be permitted to participate in any meeting of the Board or Committee at which his or her resignation is to be considered.
- (b) In the event that a sufficient number of the Board members did not receive a Majority of the Votes Cast in the same election, such that the Board no longer has a quorum, then such directors who did not receive a Majority of the Votes Cast shall not be permitted to vote in any Board meeting or Committee Meeting at which his or her resignation is considered, but he or she shall be counted for the purposes of determining whether the Board or Committee has quorum.

5.4 Refusal of Resignation and Term of Office

If a director's resignation is not accepted by the Board:

- (a) such director will continue to serve until the next annual general meeting of shareholders and until his or her successor is duly elected, or his or her earlier resignation or removal, as provided for in the Company's Articles, as they may be amended, restated and/or supplemented from time to time; or
- (b) the director shall otherwise serve for such shorter time and under such other conditions as determined by the Board, considering all of the relevant facts and circumstances.

5.5 Acceptance of Resignation and Vacancy

If a resignation is accepted in accordance with this Policy, subject to any corporate law restrictions including, but not limited to, the Company's Articles and the Company's Bylaws as the same may be amended, restated and/or supplemented from time to time, the Board may

- (a) leave a vacancy in the Board unfilled until the next annual meeting of the Company;
- (b) fill the vacancy by appointing a new director whom the Board considers to merit the confidence of the Shareholders; or
- (c) call a special meeting of Shareholders to consider new board nominee(s) to fill the vacant position(s).

7. Management Information Circular

The foregoing Policy shall be described in each management information circular issued by the Company relating to the election of directors.