



## PAYFARE INC.

### NOMINATION AND GOVERNANCE COMMITTEE CHARTER

#### I. General

##### 1. Purpose of the Committee

The purpose of the Nomination and Governance Committee (the “**Committee**”) is to assist the board of directors (the “**Board**”) of Payfare Inc. (the “**Company**”) in fulfilling its corporate governance and director nomination responsibilities.

##### 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 engage and compensate any outside advisor that it determines to be necessary or advisable to permit it to carry out its duties.

#### 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 for such terms as the Board deems appropriate and will hold office for such time or until they are removed by the Board or 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 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.

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 the agenda for Committee meetings. The Chair, in consultation with the Committee members, will determine the schedule and frequency of the Committee meetings.

(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 Chair of the Board and the Chief Executive 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 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 Executive 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. Nomination Responsibilities**

### **1. Recruitment**

With respect to director recruitment in general, the Committee will be responsible for:

- (a) conducting an analysis of the collection of tangible and intangible skills and qualities necessary for an effective Board given the Company's current operational and financial condition, the industry in which it operates and the strategic outlook of the Company;
- (b) periodically comparing the tangible and intangible skills and qualities of the existing Board members with the analysis of required skills and identifying opportunities for improvement; and
- (c) recommending, as required, changes to the selection criteria used by the Board to reflect the needs of the Board.

Nominees will be selected for qualities such as integrity, business judgment, independence, business or professional expertise, international experience, residency and familiarity with geographic regions relevant to the Company's strategic priorities.

If the Company is legally required by contract or otherwise to provide third parties with the right to nominate directors, the selection and nomination of those directors need not involve the approval of the Committee.

### **2. Identification of Nominees**

With respect to the identification of potential nominees, the Committee will be responsible for:

- (a) identifying individuals qualified to become new Board members and recommending to the Board the new director nominees for the next annual meeting of shareholders;
- (b) defining roles and expectations of Board members; and

- (c) identifying and maintaining a list of potential directors that possess the qualifications established by the Committee.

### **3. Recommendation of Nominees**

In making its recommendations to the Board, the Committee will consider:

- (a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- (b) the competencies and skills that the Board considers each existing director to possess;
- (c) the competencies and skills each new nominee will bring to the boardroom; and

whether or not each new nominee can devote sufficient time and energy to his or her duties as a Board member.

### **4. Membership Qualifications**

With respect to membership qualifications, the Committee is responsible for monitoring director membership to ensure qualifications under applicable laws are maintained.

Every year, the Committee will review the credentials and performance of nominees proposed for election to the Board. In doing so, it will consider director qualifications under applicable laws, regulations and rules, as well as the needs of the Company and the talents already represented on the Board.

## **IV. Corporate Governance Responsibilities**

### **1. The Board and Committees of the Board**

The Committee is responsible for identifying and making recommendations to the Board as to the structure of the Board and the committees of the Board to be constituted from time to time and the structure of those committees. The committees of the Board will at all times, in addition to the Committee, include an audit committee and a compensation committee. The Committee will, at least annually, review the Board Mandate and the charter of each committee of the Board and make recommendations to the Board with respect thereto in order to ensure that all aspects of corporate governance of the Company and its management and the performance of the Company's obligations to its shareholders, employees and members of the public are being effectively reviewed.

### **2. Assessment of the Board and its Committees**

The Committee is responsible for arranging for annual surveys of the directors to be conducted with respect to their views on the effectiveness of the Board, its committees and the directors. In conjunction with those surveys, the Committee will assess, and report to the Board on, the effectiveness of the Board, as well as the effectiveness and contribution of each of the Board's committees. That assessment will take into account the responsibilities of the Board and each committee, the position descriptions applicable to the Chair of the Board and the chairs of each committee and the annual survey of directors, as well as the competencies and skills that each individual director is expected to bring to the Board and its committees, attendance at Board and committee meetings and overall contributions made to the Board and its committees.

### **3. Position Descriptions**

The Committee is responsible for, at least annually, reviewing and making recommendations to the Board regarding the position descriptions for the Executive Chair of the Board, the Lead Independent Director and for each chair of a committee of the Board.

### **4. Principal Occupation Changes and Other Directorships**

The Committee is responsible for reviewing, and making recommendations to the Board on, the continued appropriateness of Board membership upon a director changing his or her principal occupation or ceasing to be an officer of the Company or accepting additional positions as a corporate director with for-profit corporations at arm's length to the Company.

### **5. Orientation and Continuing Education**

The Committee is responsible for reviewing, and making recommendations to the Board regarding, orientation and education programs to be undertaken for all new members of the Board and continuing education programs to be made available to members of the Board.

### **6. Insurance and Indemnification of Directors**

The Committee is responsible for assessing the directors' and officers' insurance policy and making recommendations relating to its renewal or amendment or the replacement of the insurer. Subject to applicable law and the articles and by-laws of the Company, the Committee is also responsible for administering all policies and practices of the Company with respect to the indemnification of directors and officers by the Company and for approving all payments made pursuant to them.

### **7. Disclosure**

In connection with the continuous disclosure obligations of the Company, the Committee is responsible for:

- (a) reviewing and approving any corporate governance report to be made in accordance with applicable securities laws and stock exchange requirements for inclusion in the Company's management information circular, annual report and/or annual information form; and
- (b) reviewing and approving the Company's disclosure of this Charter and any information regarding the Committee and its activities, when required, in the Company's annual information form, management information circular and/or annual report.

### **8. Other Corporate Governance Matters**

The Committee is responsible for monitoring and making recommendations with respect to the following matters:

- (a) the Board's role on shareholder and investor issues including the adoption of shareholders rights plans and related matters;
- (b) policies regarding management serving on outside boards;
- (c) policies regarding diversity;

- (d) retirement policy for directors based upon age, health or other considerations;
- (e) the Company's Code of Business Conduct and Ethics and compliance with that code, including the granting of any waivers from the application of the code (other than waivers applicable to members of the Nomination and Governance Committee, which shall be considered by our Audit Committee, or waivers applicable to our directors or executive officers, which shall be subject to review by our Board as a whole);
- (f) the Company's Insider Trading Policy and compliance with that policy, including reviewing systems for ensuring that all directors and officers of the Company who are required to file insider reports pursuant to the policy do so;
- (g) the Company's Corporate Disclosure Policy and compliance with that policy; and
- (h) the retainer, subject to the Committee's approval and at the expense of the Company, of outside advisors for individual members of the Board in appropriate circumstances and the procedures relating to that retainer.