

# LIGHTSPEED POS INC.

## CHARTER OF THE BOARD OF DIRECTORS

### I. GENERAL

#### 1. Mandate and Purpose

The board of directors (the “**Board**”) of Lightspeed POS Inc. (the “**Company**”) is responsible for supervising the management of the business and affairs of the Company. The Company’s officers and employees are responsible for day-to-day management and conduct of business and the implementation of any strategic or business plans approved by the Board. The Board shall guide management and oversee management’s execution of the Company’s strategic and business plans.

Each director is responsible for:

- (a) acting honestly and in good faith with a view to the Company’s best interests; and
- (b) exercising the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

#### 2. Authority

- (a) The Board has the authority to delegate to subcommittees, provided however that the Board shall not delegate any power or authority required by any law, regulation, rule or listing standard to be exercised by the Board as a whole.
- (b) The Board has the authority, and the Company will provide it with proper funding to enable it, to:
  - (i) engage independent counsel and other advisors as it determines necessary or advisable to carry out its duties and to set and pay the compensation for any such advisors; and
  - (ii) communicate directly with the external auditors and to obtain information it requires from employees, officers, directors and external parties.

### II. PROCEDURAL MATTERS

#### 1. Composition

The number of directors shall be not less than one and not more than 10 and is to be fixed by the Board in accordance with applicable laws, regulations, rules and listing standards upon the recommendation of the Compensation, Nominating and Governance Committee. The size of the Board should be one that can function effectively as a board.

The Board will be comprised of a majority of “independent” directors as such term is defined by applicable laws, regulations, rules and listing standards. For a director to qualify as “independent”, the Board must affirmatively determine that the director has no relationship with the Company that

would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

At least three directors shall be “financially literate” as such terms are defined by applicable laws, regulations, rules and listing standards and at least one director will have accounting or related financial management experience or expertise.

## **2. Board Chair**

The Board shall appoint one member to act as its chair (the “**Chair**”), which Chair shall have the duties and responsibilities set out in the Board Chair Position Description.

If at any point the Chair is not independent, the Board shall also appoint one member as a lead independent director, which lead independent director shall have the duties and responsibilities set out in the Lead Independent Director Position Description.

The Chair may be removed from the position at any time at the discretion of the Board. The incumbent Chair will continue in office until a successor is appointed or he or she is removed by the Board or ceases to be a director of the Company. If the Chair is absent from a meeting, the Board will, by majority vote, select another director to preside at that meeting.

## **3. Board Committees**

Subject to applicable laws, regulations, rules and listing standards, the Board shall determine the size, composition and role of its committees (including the type of committees to be established) and the methods by which the committees aid the Board in fulfilling its duties and responsibilities. All committees will operate pursuant to a written charter which sets forth the duties and responsibilities of the committee. Committee charters will be subject to periodic review and assessment by the relevant committee which shall recommend any proposed changes to the Board.

The Board shall appoint the members of each committee of the Board promptly after each annual shareholders’ meeting upon the recommendation of the Compensation, Nominating and Governance Committee. Each committee member shall be appointed and hold office in accordance with the charter of the committee to which such member is appointed.

## **4. Meetings**

The Chair is responsible for developing and setting the agenda for Board meetings and determining the time, place and frequency (which shall be at least quarterly) of Board meetings.

Each director is responsible for attending and participating in Board meetings.

The Board and the Chair may invite any officer or employee of the Company or any advisors as it deems appropriate from time to time to attend Board meetings (or any part thereof) and assist in the discussion and consideration of matters relating to the Board. The Board will meet *in camera* at each meeting and the independent directors shall decide, at each Board meeting, whether an *in camera* meeting without the non-independent directors and management present, as applicable, is appropriate at such meeting.

## **5. Board Performance and Charter Review**

The Board will annually review and assess its performance, effectiveness and contribution, including an evaluation of whether this Charter appropriately addresses the matters that are and should be within its scope. The Board will conduct such review and assessment in such manner as it deems appropriate with the assistance of the Compensation, Nominating and Governance Committee.

## **III. RESPONSIBILITIES**

In addition to such responsibilities as may be required by applicable laws, regulations, rules or listing standards, the responsibilities of the Board include:

### **1. Strategic Planning**

- (a) Reviewing and approving the short and long term strategic and business plans prepared by management for the Company and evaluating management's progress in carrying out these strategic and business plans.
- (b) Reviewing and, where appropriate, approving the Company's financial objectives, plans and actions, including significant capital allocations and expenditures.
- (c) Reviewing and approving material transactions not in the ordinary course of business.

### **2. Chief Executive Officer and other Executive Officers**

- (a) Appointing the Chief Executive Officer ("CEO") and developing and maintaining a written position description for the role of CEO.
- (b) Developing corporate goals and objectives that the CEO is responsible for meeting, considering the Compensation, Nominating and Governance Committee's evaluation of the CEO's performance against such corporate goals and objectives and determining, on the basis of the Compensation, Nominating and Governance Committee's recommendation, the CEO's annual compensation.
- (c) Reviewing the Compensation, Nominating and Governance Committee's recommendations concerning the goals and objectives of the Company's executive compensation plans and, where appropriate, amending existing plans or adopting new ones.
- (d) Reviewing and, where appropriate, accepting the Compensation, Nominating and Governance Committee's recommendations with respect to compensation of executive officers.
- (e) Taking steps to satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers foster a culture of integrity throughout the Company.

- (f) Reviewing, at least annually, with the assistance of the Compensation, Nominating and Governance Committee, appointment and succession plans for the CEO and management of the Company.

### **3. Reporting and Public Disclosure, Auditing and Internal Controls**

- (a) Approving, after they have been recommended for approval by the Audit Committee, the Company's annual and interim financial statements, MD&A, prospectus-type documents, earnings press releases (including financial outlook, future-oriented financial information and other forward-looking information) and other disclosure material filed with any securities commission before the Company publicly discloses this information.
- (b) Approving, based on the recommendation of the Audit Committee, the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company and the compensation of the external auditor.
- (c) Adopting a communication policy for the Company and overseeing communications with shareholders, other stakeholders, analysts and the public, including the adoption of measures for receiving feedback from stakeholders.
- (d) Reviewing and monitoring, with the assistance of the Audit Committee,
  - (i) the quality and integrity of the Company's financial statements and related information;
  - (ii) the qualifications, independence, appointment and performance of the external auditor;
  - (iii) the accounting and financial reporting policies, practices and procedures of the Company and its subsidiaries and affiliates; and
  - (iv) adequacy and effectiveness of the Company's system of internal controls over financial reporting, including any significant deficiencies and significant changes in internal controls, and its disclosure controls and procedures, in the latter case with a view to ensuring all public disclosures are timely, factual, accurate and broadly disseminated in accordance with applicable laws, regulations, rules and listing standards.

### **4. Compliance and Risk Management**

- (a) Building a culture of honesty and accountability throughout the Company by reviewing on an annual basis the recommendations of the Compensation, Nominating and Governance Committee regarding changes to the Code of Business Conduct and Ethics and any waivers or violations thereof.

- (b) Overseeing legal and regulatory compliance and the effectiveness of the Company's compliance and enterprise risk management practices, including reviewing reports provided at least annually by management on the risks inherent in the Company's business (including crisis preparedness, information system controls, business continuity, cybersecurity and disaster recovery).
- (c) Identifying the principal risks of the Company's business, and ensuring the implementation of appropriate systems to manage these risks.
- (d) Monitoring the implementation of procedures and initiatives relating to corporate, social and environmental responsibilities, and health and safety rules and regulations.
- (e) Reviewing and approving, with the assistance of the Compensation, Nominating and Governance Committee, any recommended changes to the corporate governance policies and processes adopted by the Company.

## **5. Board Composition and Administration**

- (a) Overseeing the recruitment and selection, having regard to evaluation criteria recommended by the Compensation, Nominating and Governance Committee, of new directors and retention of existing directors.
- (b) Considering the recommendations of the Compensation, Nominating and Governance Committee as to the adequacy, amount and form of director compensation in light of retention objectives and director's time commitments, responsibilities and risks faced.
- (c) Determining, with the assistance of the Compensation, Nominating and Governance Committee, those individuals proposed to be director nominees for each annual meeting of shareholders, taking into consideration past performance and the competencies and skills it considers necessary for effective board operation, as well as diversity of candidates, particularly with respect to the representation of women on the Board.
- (d) Receiving and reviewing the Compensation, Nominating and Governance Committee's annual review and assessment of the performance, effectiveness and contributions of the Board, committees thereof and the directors themselves.
- (e) Considering the recommendations of the Compensation, Nominating and Governance Committee regarding new director onboarding and continuing education of existing directors.

## **6. Advice and Counsel to Management**

- (a) Providing advice and counsel to management, both in formal Board and committee meetings and through informal, individual director contacts with the CEO and other members of management.

## **7. Limitation on Duties of the Board**

The Board shall discharge its responsibilities and shall assess the information provided by the Company's management and any external advisors, including the external auditor, in accordance with its business judgment. Directors are entitled to rely, absent knowledge to the contrary, on the integrity of the persons from whom they receive information and the accuracy and completeness of the information provided.

Nothing in this Charter is intended or may be construed as to impose on any director a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under applicable law. This Charter is not intended to change or interpret the Company's amended articles of incorporation or by-laws or any law, regulation, rule or listing standard to which the Company is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws, regulations, rules and listing standards. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to Company securityholders or other liability whatsoever.