

## FACT INC.

### NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

#### I. GENERAL

##### 1. Purpose of the Committee

The purpose of the Nominating and Corporate Governance Committee (the “**Committee**”) is to: (i) identify and recommend to the Board of Directors (the “**Board**”) of FACT Inc. (the “**Company**”) individuals qualified to be nominated for election to the Board; (ii) recommend to the Board the members and Chair for each Board committee; and (iii) develop and recommend corporate governance principles for the Board of the Company.

##### 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 at the expense of the Company and without Board’s approval, as 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 four (4) members.

##### 2. Member Qualifications

- (a) Every Committee member must be a director of the Company.
- (b) The majority of members must be “independent” as such term is defined in applicable securities legislation.
- (c) All members of the Committee will meet all requirements and guidelines for nominating committee service as specified in applicable securities and corporate laws and the rules and regulations of the OTC Markets Group or any stock exchange on which the Company is listed or quoted from time to time.

##### 3. Member Appointment and Removal

Members of the Committee will be appointed by the Board, based on the recommendations of the Committee. The members of the Committee will be appointed at the conclusion 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.

Where 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 4 directors.

#### 4. **Committee Structure and Operations**

(a) **Chair**

The Board will appoint one member of the Committee to act as Chair of the Committee (the “**Chair**”). The Chair 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 is absent from any meeting, the Committee will select one of the other members of the Committee to preside at that meeting. The Chair of the Committee shall have the duties and responsibilities set forth in **Appendix “A”** hereto.

(b) **Meetings**

The Chair, in consultation with the Committee members, will determine the schedule and frequency of the Committee meetings, provided that the Committee will meet at least 2 times per year. The Chair will develop and set the Committee’s agenda, with input from other Committee members, the Chair of the Board, and senior management, as appropriate.

(c) **Notice**

Notice of the time and place of every meeting will be given in writing to each member of the Committee, the Chair of the Board, the Chief Executive Officer of the Company and the Chief Financial Officer of the Company at least 1 month prior to the time fixed for such 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 a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

(e) **Attendees**

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee and assist thereat 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**

The Committee Chair will appoint a Secretary to the Committee who need not be a director or officer of the Company.

(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 Company's Chief Executive Officer or the Company's 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 such review and assessment in such manner as it deems appropriate and report the results thereof 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 OTC Markets Group, or other stock exchange on which the Company is listed or quoted from time to time, and will recommend changes to the Board thereon.

**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. CORPORATE GOVERNANCE AND RESPONSIBILITIES**

**1. Corporate Governance**

The Committee shall have the following responsibilities:

- (a) Reviewing the Company's corporate governance policies and procedures on a periodic basis and making recommendations to the Board respecting amendments to the following Corporation policies, as applicable:
  - i. Board of Director Charter;
  - ii. Communications / Corporate Disclosure Policy;
  - iii. Code of Business Conduct and Ethics;
  - iv. Whistleblower Policy;
  - v. Insider Trading Policy and any other policy dealing with trading in the Company's securities; and
  - vi. Anti-Corruption and Bribery procedures and policy;

- (b) Reviewing disclosure in the Company's public disclosure documents relating to corporate governance practices and recommending any necessary changes;
- (c) Proposing agenda items and content for submission to the Board related to corporate governance issues and providing periodic updates to the Board on recent developments in corporate governance; and
- (d) Developing and implementing an adequate process for the formal assessment annually of the performance and effectiveness of the Board, its Committees and the Board and Committee chairs.

## **2. Nominating and Succession**

The Committee shall have the following powers and responsibilities respecting nomination and succession:

- (a) In advance of each annual shareholder meeting, consider the size and composition of the Board with a view to determining the impact of the number of directors, the effectiveness of the Board and recommend to the Board, if necessary, a reduction or increase in the size of the Board;
- (b) Determine the skills and qualifications necessary for individual directors and determine the expertise and skill set required of the Board as a whole in light of the Company's business and stage of development;
- (c) Based on the determinations made under section b, recommend to the Board nominees to fill vacancies on the Board and management nominees to be recommended for election as directors at annual shareholder meetings;
- (d) Seek out candidates to fill Board positions and assist the Company in attracting qualified individuals to act as Board members based on the determinations made in sections a, b and c; and
- (e) Establish an orientation and education program for new members of the Board and provide opportunities for continuing education of all directors to ensure their knowledge and understanding of the Company's business remains current.

## **IV. OTHER 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. 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 therewith, the Committee will assess the effectiveness of the Board, as well as the effectiveness and contribution of each of the Board's committees and will report to the Board thereon. Such 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 chair of the Board, and each chair of a committee of the Board.

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

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

## **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 thereto.

## **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 regulations 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. Miscellaneous Matters**

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

- (a) shareholder and investor issues including the adoption of shareholders rights plans and related matters;
- (b) policies regarding management serving on outside boards;
- (c) retirement policy for directors based upon age, health or other considerations;
- (d) the minimum equity investment in the Company in the form of common shares to be maintained by non-management Board members and the time period over which such investment may be made;
- (e) the Company's charitable and political donation policies;
- (f) the Company's Code of Business Conduct and Ethics and compliance therewith, including the granting of any waivers from the application of the Code;
- (g) the Company's Insider Trading Policy and compliance therewith, 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;
- (h) the Company's Corporate Disclosure Policy, if any, and compliance therewith; and
- (i) 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 thereto.

**Adopted by the Board on:** Dec 10, 2020.

## **APPENDIX “A”**

### Nominating and Corporate Governance Committee Chair - Position Description

1. The Chair of the Committee shall be principally responsible for overseeing the operations and affairs of the Committee and, in particular, will:
  - (a) Ensure the independence of the Board in the discharge of its responsibilities;
  - (b) Schedule and settle the agenda for Committee meetings with input from other Committee members, the Chair of the Board, and senior management, as appropriate;
  - (c) Facilitate the timely, accurate and proper flow of information to and from the Committee;
  - (d) Chair Committee meetings, including stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual members and confirming that clarity regarding decision making is reached and adequately recorded;
  - (e) Encourage the Committee to hold an in-camera session as part of regularly scheduled Committee meetings;
  - (f) Ensure that an appropriate system is in place to assess the performance of the Committee as a whole, the Committee’s individual members and make recommendations for changes when appropriate;
  - (g) Reporting to the full Board on the activities of the Committee; and
  - (h) Carry out such other duties as may reasonably be requested by the Board.