



5876 Owens Ave. Suite 100  
Carlsbad, CA 92008

(Enacted 10/13/2020)

## **Audit Committee Charter**

### **I. Purpose of Committee**

The Audit Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of AppTech Payments Corp. (the “Company”) and reports to the Board. Through this Charter, established to support the Board in fulfilling its oversight responsibilities for the monitoring the integrity of AppTechs:

- Financial statements, accounting, and financial reporting processes and financial statement audits;
- Compliance with legal and regulatory requirements
- Registered public accounting firm’s qualifications and independence;
- Performance of AppTech’s independent auditor and internal audit functions;
- Internal control processes over financial reporting and its disclosure controls and procedures;
- Process for identifying and managing risks and audits of its financial statements;
- Compliance with ethical standards adopted by the company.

The Committee’s principal responsibility is one of oversight. The fundamental responsibility for the company’s financial statements and disclosures rests with management and the independent auditor.

### **II. Committee Membership, Composition & Meetings**

The Committee will comprise of three (3) or more Directors as determined by the Board. All Committee members will meet the applicable standards of independence, and the determination of independence will be made by the Board and as defined by applicable standards in Section 10A of the Exchange Act. Further, at all times, the majority of Committee members must comply with all financial literacy requirements of the securities exchanges on which the company is listed. At least one member, the Committee Chair, will qualify as an “audit committee financial expert” as defined by the SEC.

Committee members shall be appointed by the Chairman of the Board and approved by the Board. Additionally, the Committee is chaired by an Independent Director appointed by the Chairman of the Board and approved by the Board. The Committee will meet at two (2) times per year, or more frequently, as circumstances dictate. The Committee Chair will preside at each meeting. The Committee Chair will approve the agenda for the Committee’s meetings and any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as practicable. The Committee may invite to any of its meetings other directors, members of Company management, and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee will maintain written minutes of its meetings. At each regularly scheduled meeting of



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the Board the chairperson of the Committee shall provide the Board with a report of the Committee's activities and proceedings.

### III. Committee Authority, Responsibilities and Duties

The audit committee should encourage continuous improvement and should foster adherence to the company's policies, procedures, and practices at all levels. The audit committee has the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisers when necessary to perform its duties and responsibilities and seek information it requires from employees, officers, and directors with prior approval from Chairman of the Board.

The audit committee will monitor our corporate financial statements and reporting and our external audits, including, among other things, our internal controls and audit functions, the results and scope of the annual audit and other services provided by our independent registered public accounting firm and our compliance with legal matters that have a significant impact on our financial statements. Our audit committee will also consult with our management and our independent registered public accounting firm before our annual audited financial statements are included in our Annual Report and, as appropriate, initiate inquiries into aspects of our financial affairs. Our audit committee will be responsible for establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters. Our audit committee will monitor compliance with our Code of Business Conduct and oversee our compliance programs. In addition, our audit committee is directly responsible for the appointment, retention, compensation and oversight of the work of our independent auditors, including approving services and fee arrangements. Our audit committee will approve related party transactions before we enter into them, in accordance with the applicable rules.

Further, the audit committee will discuss with independent auditor those matters required to be discussed by the auditors with the audit committee under the rules adopted by the Public Company Accounting Oversight Board (the "PCAOB"). The audit committee will receive the written disclosures and the letter from our independent auditor required by applicable requirements of the PCAOB regarding independent auditor's communication with the audit committee concerning independence, and will discuss with the independent auditor their independence. The audit committee will consider with dbbmckennon whether the non-audit services that the independent auditor provided to us during the previous year was compatible with their independence. Based upon the review and discussions described above, and if the requisite standards are met, the audit committee will recommend to the Board that the audited consolidated financial statements be included in the Annual Report for filing with the SEC.

Specifically, the Committee's responsibilities shall be:



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- (a) to review this Charter at least annually and recommend any necessary amendments to the board of directors;
- (b) to meet with management and the independent auditor to review and discuss the company's financial statements and internal control reports;
- (c) to appoint and oversee the work performed by the independent auditor retained for the purpose of preparing or issuing an audit report or related work (the independent auditor will report directly to the audit committee);
- (d) to review and preapprove both audit and non-audit services to be provided by the independent auditor;
- (e) to review all reports provided by the independent auditor;
- (f) to review the integrity of the Company's internal and external financial reporting processes;
- (g) to oversee, review, and periodically update the Company's code of business conduct and ethics and the company's system to monitor compliance with and enforcement of this code;
- (h) to review, with the Company's counsel, legal compliance and regulatory matters that could have a significant impact on the company's financial statements;
- (i) to discuss policies with respect to risk assessment and risk management, including appropriate guidelines and policies to govern the process, as well as the Company's major financial risk exposures and the steps management has undertaken to control them; and
- (j) to carry out such other tasks as the Board may from time to time delegate to the Committee for action consistent with this Charter.

#### IV. Performance Evaluations

The Committee shall, at least annually, conduct a self-evaluation of the performance of the Committee and its members, review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

#### V. Amendments

This Charter may be amended from time to time by the Board, and any amendment must be disclosed as required by, and in accordance with, applicable laws, rules and regulations.



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## **Compensation Committee Charter**

### **I. Purpose of Committee**

The primary objectives of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of AppTech Payments Corp. (the “Company”) are to assist the Board in fulfilling its oversight responsibility by:

- working with the CEO provide a roadmap of Compensation Committee activities over a 24-month period that will meet regulatory requirements but will allow for sequencing of initiatives consistent with the ability of the organization to resource the strategies;
- developing and overseeing the implementation of the Company’s compensation philosophy with respect to the Company’s directors, Chief Executive Officer (the “CEO”) and other executive officers, as defined by Rule 16a-1(f) of the Securities Act of 1933, as amended (“executive officers”);
- designing compensation programs that compensate the employees of the Company and its subsidiaries effectively and in a non-discriminatory manner consistent with such compensation philosophy, internal equity considerations, market practices, and the requirements of the appropriate employment laws and regulatory bodies;
- considering, when making pay for performance decisions, compliance with applicable laws and regulations that have an impact on our business in order to maintain the highest standards of integrity and ethical conduct;
- reviewing and recommending to the Board the Company’s compensation discussion and analysis for inclusion in the Company’s proxy statement as required by the Securities and Exchange Commission (“SEC”); and
- preparing a Committee report for the Company’s proxy statement.

### **II. Committee Membership, Composition & Meetings**

The Committee will comprise of three (3) or more Directors as determined by the Board. All Committee members will meet the applicable standards of independence, and the determination of independence will be made by the Board and as defined by applicable standards in Section 10A of the Exchange Act.

Committee members shall be appointed by the Chairman of the Board and approved by the Board. Additionally, the Committee is chaired by an Independent Director appointed by the Chairman of



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the Board and approved by the Board. The Committee will meet at two (2) times per year, or more frequently, as circumstances dictate. The Committee Chair will preside at each meeting. The Committee Chair will approve the agenda for the committee's meetings, and any member may suggest items for consideration. Briefing materials will be provided to the committee as far in advance of meetings as practicable. The Committee may invite to any of its meetings other directors, members of Company management, and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee will maintain written minutes of its meetings. At each regularly scheduled meeting of the Board, the chairperson of the Committee shall provide the Board with a report of the Committee's activities and proceedings.

### III. Committee Authority, Responsibilities, and Duties

The Compensation Committee should encourage continuous improvement and should foster adherence to the Company's policies, procedures, and practices at all levels. The compensation committee will make recommendations to the Board and review and approve our compensation policies and all forms of compensation to be provided to our directors and executive officers, including, among other things, annual salaries, bonuses, equity incentive awards, and other incentive compensation arrangements. In addition, our compensation committee will administer our equity incentive and employee stock purchase plans, including granting stock options or awarding restricted stock units to our directors and executive officers. Our compensation committee will also review and approve employment agreements with executive officers and other compensation policies and matters

In accordance with Nasdaq listing standards and our yet to be instituted compensation committee charter, our compensation committee will have the authority and responsibility to retain or obtain the advice of compensation consultants, legal counsel, and other compensation advisors, the authority to direct the Company to pay such advisors and the responsibility to consider the independence factors specified under applicable law and any additional factors the compensation committee deems relevant.

Specifically, the principal responsibilities of the Committee are to:

- At least annually, review the Company's overall compensation philosophy and evaluate the results of its policies to ensure that the compensation payable to the Company's executive officers provides overall competitive pay levels, creates proper incentives to enhance stockholder value, appropriately rewards performance, and is justified by the returns available to stockholders.
- Review and approve, subject to submission to the stockholders of the Company, if required by law or any applicable regulatory body, the Company's compensation programs for executive officers.



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- Coordinate the Board's role in establishing performance criteria and goals for the Company's executive officers, evaluate the performance of the executive officers, and certify whether and to what extent performance goals have been attained
- Establish and periodically review policies in the area of executive perquisites.
- Review and approve the terms of any employment agreement or any other agreement providing for severance, post-termination, or change of control benefits between the Company and any executive officer.
- Ratify change of control benefits between the Company and any non-executive officer.
- Review the performance of the CEO and determine the individual elements of total compensation for the CEO (at a meeting at which the CEO is not present), considering the performance of the CEO and the Company, the compensation practices of the Company's peer group(s) and the Company's compensation philosophy as established by the Committee.
- Review and discuss with the CEO the performance of the Company's executive officers and determine the individual elements of total compensation for each executive officer considering the recommendations of the CEO with respect to such compensation, the performance of such executive officers and the Company, the compensation practices of the Company's peer group(s) and the Company's compensation philosophy as established by the Committee.
- Determine compensation for such other officers as the Committee deems appropriate considering the recommendations of the CEO and management with respect to such officers, such officers' compensation, the performance of such officers and the Company, and the Company's compensation philosophy as established by the Committee.
- Grant or approve the grant of awards, whether in cash or otherwise pursuant to the Company's compensation programs, to the Company's executive officers taking into consideration the recommendations of the CEO with respect to such awards.
- Review and discuss with management the Compensation Discussion and Analysis, and approve the Compensation Committee Report, as required by SEC rules and regulations to be included in the Company's Proxy Statement for its Annual Meeting of Stockholders.
- Determine periodically the compensation for non-employee directors.



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- Oversee the completion of an annual compensation risk assessment, including an evaluation of incentive compensation policies and practices for all employees to ensure they do not pose risks that are reasonably likely to have a material adverse effect on the Company.
- Monitor compliance by directors and executive officers with the Company's stock ownership guidelines, if any.
- Perform the responsibilities of the Committee as enumerated in any compensation plan, if any.
- Retain, oversee and terminate compensation consultants, outside counsel, or other advisors or experts that advise the Committee as it deems appropriate, including approval of fees and other retention terms.
- Undertake such other responsibilities as may be assigned to the Committee, from time to time, by the Board or as designated in compensation or benefit plan documents. The Committee may delegate to the CEO such of its duties and responsibilities as the Committee deems to be in the best interests of the Company, provided such delegation is not prohibited by law, regulation, or listing standards.

#### IV. Performance Evaluations

The Committee shall, at least annually, conduct a self-evaluation of the performance of the Committee and its members, review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

#### V. Amendments

This Charter may be amended from time to time by the Board, and any amendment must be disclosed as required by, and in accordance with, applicable laws, rules, and regulations.



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(Enacted 03/17/2020)

## **Corporate Governance & Nominating Committee Charter**

### **I. Purpose of Committee**

The Corporate Governance & Nominating Committee (the "Committee") is a committee of the Board of Directors (the "Board") of AppTech Payments Corp. (the "Company") and reports to the Board. Through this Charter, the Board delegates certain responsibilities to the Committee to assist the Board in fulfillment of its duties to the Company and its shareholders. The Committee is established to support the Board in fulfilling its fiduciary duties to appoint the best-qualified candidates for the Board and Executive level positions. The Committee is further established to promote the effective functioning of the Board and assist the Board in exercising his or her business judgment and acting in the Company's best interests.

### **II. Committee Membership, Composition & Meetings**

The Committee shall be comprised of three (3) Directors. The Committee members and Committee Chair shall be appointed by the Chairman of the Board and approved by the Board. By the end of 2020, the Committee will be chaired by an Independent Director meeting the applicable standards of independence, and the Board will make the determination of independence and as defined by applicable standards in Section 10A of the Exchange Act.

The terms of all committee members, including the Committee Chair, shall be for one year that begins on the day appointed, or until the Chairman, with Board approval, appoints a new Committee.

As circumstances dictate, the Committee will meet at least two (2) times per year or more frequently. The Committee may meet in person, by telephone, or by electronic means at times and places to be determined by the Committee Chair. The Committee Chair will approve the agenda for the Committee's meetings, and any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as practicable. The Committee Chair will provide a written report to the Board within one week of each Committee meeting that includes attendance, the agenda, and a report of discussion, recommendations, and decisions.

The Committee Chair may request a joint session with other committees regarding matters that concern both committees.

### **III. Committee Authority, Responsibilities and Duties**





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The Committee shall be given the resources and assistance necessary to discharge its responsibilities. The Committee shall also have authority, in consultation with the Chairman of the Board, to engage outside and inside advisers as it deems necessary or appropriate.

The Committee's responsibilities shall be:

- (a) To assist in creating and, thereafter, monitor the implementation and operation of the Company's Corporate Governance Guidelines;
- (b) to review from time to time the adequacy of the Corporate Governance Guidelines in light of broadly accepted practices of corporate governance, emerging governance issues, and market and regulatory expectations, and to advise and make recommendations to the Board with respect to appropriate modifications;
- (c) to identify and review measures to strengthen the operation of the Corporate Governance Guidelines, and to advise the Board with respect thereto;
- (d) to prepare and supervise the implementation of the Board's annual reviews of (i) director independence and (ii) the Board's performance, as contemplated by the Corporate Governance Guidelines;
- (e) to identify, review, and evaluate candidates for election as Director who meet the standards set forth in the Corporate Governance Guidelines, including such inquiries as the Committee deems appropriate into the background and qualifications of candidates and interviews with potential candidates to determine their qualification and interest, and to recommend to the Board of Directors nominees for any election of directors in compliance with the Corporate Governance Guidelines (including the policy that a majority of Directors be independent of the Company and of the Company's management);
- (f) to, on an annual basis, evaluate itself, its Charter, and all committees and their respective charters in order to make recommendations for revisions to the Board. Further, the Committee establish criteria for and annually conduct an evaluation of the Board and its individual Directors in order to assess the effectiveness of the Board as a whole, each Board Committee and the contribution of individual Directors on a regular basis.
- (g) to advise the Board with respect to such other matters relating to the governance of the Company as the Committee may from time to time approve, including changes to terms or scope of this Charter and the Committee's overall responsibilities; and
- (h) to carry out such other tasks as the Board may from time to time delegate to the Committee for action consistent with this Charter.