

## **CHARTER OF THE BOARD OF DIRECTORS OF MDF COMMERCE INC.**

### **I. Purpose**

The Board of Directors of mdf commerce inc. (the "Corporation") has delineated its role and the role of management. The role of the Board is to supervise the management of the Corporation's business and affairs, with the objective of increasing shareholder value and ensuring implementation of the Company's mission and commitments. Management's role is to conduct the day-to-day operations in a way that will meet this objective.

Among the commitments of the Corporation to its various stakeholders are the following:

- To its customers, delivery of services and technology of the highest quality, delivered at a fair price.
- To its employees, the Corporation is committed to act with honesty, just management, fairness and to provide a safe and healthy environment free from the fear of retribution and with the respect and dignity due to everyone.
- To its suppliers and partners, the Corporation is committed to fair competition and the sense of responsibility required of a good customer or co-venturer.
- To the communities in which it is established, the Corporation is committed to observing sound business and environmental practices and to acting as a concerned and responsible neighbor, reflecting all aspects of good citizenship.
- To its shareholders, the Corporation is committed to pursuing sound growth and earnings objectives, achieved with appropriate governance, proper and true disclosure and the application of business ethics, while exercising prudence in the use of its assets and resources.

The Board approves all matters expressly required herein, under the Canada Business Corporations Act and other applicable legislation and the Corporation's Articles and By-laws. The Board may assign to Board committees the prior review of any issues it is responsible for. Board committee recommendations are subject to Board approval.

As part of its stewardship responsibility, the Board advises management on significant business issues and has the following responsibilities specified in Section IV hereof.

### **II. Composition and organization of the Board**

#### *Selection of Members*

The Board shall consist of not fewer than three and not more than ten directors, as determined from time to time by the directors. From time to time the Board or an appropriate committee of the Board shall review the size of the Board to ensure that the size facilitates effective decision-making.

### Membership Criteria

Board members must have an appropriate mix of skills, knowledge and experience in business. Directors selected should be able to commit the requisite time for all the Board's business.

### Unrelated Directors

To the extent possible or required by Law, a majority of the Board shall be composed of Directors who must be unrelated under the laws, regulations and listing requirements to which the Corporation is subject. The application of the definition of "unrelated director" to the circumstances of each individual director is the responsibility of the Board. Directors may be requested to answer written questionnaire to help determine the nature of their relationship with the Corporation.

### Chairman

The Board shall appoint its Chairman and Vice-Chairman (if one is to be appointed) from among the Corporation's Directors. In the event that the Chairman is a Director who is an executive of the Corporation, the Board shall also appoint a Lead Director from among the non-executive Directors to chair the Board at all meetings where Management is absent and to assume the following functions. In the event that the Chairman is a non-executive Director, the following functions will naturally rest with the Chairman of the Board:

1. Ensuring that the responsibilities of the Board are well understood by both the Board and Management, and that the boundaries between Board and Management responsibilities are clearly understood and respected;
2. Ensuring that the resources available to the Board (in particular timely and relevant information) are adequate to support its work;
3. Assisting the Chairman of the Board in setting the agenda of the Board;
4. Approaching potential candidates (with or without the CEO) once potential candidates are identified, to explore their interest in joining the Board;
5. Ensuring that relationships between the Board and Management are conducted in a professional and constructive manner. This involves working closely with the Chairman of the Board to ensure that the conduct of Board meetings provides adequate time for serious discussion of relevant issues and that the Corporation is building a healthy governance culture.

### Term of Directors

The Directors are elected by the Shareholders at every Annual Meeting. The term of office of each Director shall expire at the close of the Annual Meeting of Shareholders following that at which he or she was elected.

### **III. Meetings of the Board**

#### Board Agenda

The Chairman of the Board, in consultation with the appropriate members of Management, develops the agenda for Board Meetings.

#### Board Material Distribution

Information and materials that are important to the Board's understanding of the agenda items and related topics are distributed in advance of the meeting. The Corporation will deliver information on the business, operations and finances of the Corporation to the Board on a regular basis and on an as-required basis.

#### Board Meeting Frequency and Schedule

The Chairman of the Board, in consultation with the Directors and Management, will set the frequency and length of Board meetings.

#### Management at Meetings

Upon request of the Chairman, Management participates in meetings and makes presentations to allow Directors to gain additional understanding and insight into the Corporation's businesses.

#### Other Meetings

At the request of the Chairman or any non-executive Director, a meeting of the Board may be followed by session at which no executive Directors or other members of Management are present, to ensure free and open discussion and communication among the non-executive Directors.

### **IV. Duties and Responsibilities of the Board**

In addition to its statutory responsibilities, the Board has the following duties and responsibilities:

1. Ensuring the stewardship of the Corporation by overseeing the conduct of the business and supervising management, which is responsible for the day to day conduct of the business;
2. Appointing its Chief Executive Officer, developing his or her position description and ensuring succession preparedness with the recommendations of the Human Resources and Corporate Governance Committee;
3. Adopting a strategic planning process and thereafter reviewing and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business, all of which are developed at first by Management;

4. Identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;
5. Ensuring that appropriate structures and procedures are in place so that the Board and its committees can function independently of Management;
6. Adopting and reviewing the Corporation's communication policies, which (i) address how the Corporation interacts with analysts, investors, other key stakeholders and the public, and (ii) contain measures for the Corporation to comply with its continuous and timely disclosure obligations and to avoid selective disclosure.
7. Ensuring that the Corporation is acting in accordance with all applicable laws, the Corporation's By-laws and policies approved by the Board;
8. Conducting, through the Human Resources and Corporate Governance Committee by way of a written questionnaire, an annual review of Board practices and Board and Committee performance (including Directors' responsibilities and risks involved in being an effective Director);
9. Evaluating, through the Human Resources and Corporate Governance Committee, the performance and reviewing the compensation of the Chief Executive Officer and ensuring that such compensation is competitive and measured according to benchmarks which reward contribution to shareholder value and commitments;
10. Selecting, upon the recommendation of the Human Resources and Corporate Governance Committee or a sub-committee thereof, nominees for election as Directors;
11. Reviewing with the Human Resources and Corporate Governance Committee that the Board as a whole, the Committees of the Board and the Directors are capable of carrying out and do carry out their roles effectively;
12. Ensuring that new Directors are provided with adequate education and orientation facilities;
13. Overseeing the quality and integrity of the Corporation's accounting and financial reporting systems, disclosure controls and procedures and internal controls, with the involvement of the Audit Committee;
14. Discussing and developing the Corporation's approach to corporate governance in general, with the involvement of the Human Resources and Corporate Governance Committee.

## **V. Board committees**

### *Number, Structure and Jurisdiction of Committees*

The Board delegates certain of its functions to Committees, each of which has a written charter. There are two Committees of the Board: the Human Resources and Corporate Governance Committee and the Audit Committee. Other Committees or sub-committees may be established from time to time by Board resolution. The roles and responsibilities

of each Committee are described in the respective Committee charters. “Task Force” Committees may be established on an *ad hoc* basis to deal with specific subjects.

#### Independent Committee Members

To the extent possible or required by Law, members of the Audit Committee and the Human Resources and Corporate Governance Committee (or a sub-committee thereof with delegated nominating functions) shall each be unrelated under the laws, regulations and listing requirements to which the Corporation is subject. The Human Resources and Corporate Governance Committee reviews and recommends the memberships of the various Committees to the Board.

#### Committee Agendas

The Chairman of each Committee, in consultation with the appropriate members of Management, develops the agenda for Committee meetings.

#### Committee Report to Board

At the next Board meeting following each meeting of a Committee, the Committee Chairman reports to the Board of the committees’ activities. Minutes of Committee meetings are provided to all Directors upon request.

#### Assignment and Rotation of Committee Members

The responsibility for the assignment and rotation of Committee Members rests with of the Board, who acts in consultation with the Human Resources and Corporate Governance Committee. Rotation is not required but changes are made occasionally to accommodate the Board’s needs and individual interest and skills.

#### Frequency and Length of Committee Meetings

The Chairman of Committees, in consultation with Committee Members, will set the frequency and length of Committee meetings.

## **VI. Administrative matters**

#### Board Performance Assessment

The Board will ensure that regular formal assessments of the Board, its Committees and the individual Directors are carried out in order to enhance their performance.

#### Board Compensation

The Human Resources and Corporate Governance Committee regularly reviews and makes recommendations on Director’s compensation. Any proposed change to the compensation of Directors must be formally approved by the Board.

### Access to Management

The Board has complete access to the Corporation's Management. The Board shall require timely and accurate reporting from Management and shall regularly review the quality of Management's reports.

## **VII. Resources and authority of the Board**

The Board shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel or other experts, as it deems appropriate, without seeking approval of Management.

## **VIII. Confidential information**

Each Board member shall maintain the confidentiality of information to which he or she may have access and shall only communicate same to authorized persons. In addition, no director shall use any confidential information for his or her own personal benefit or the benefit of any other person.

## **IX. Conflicts of Interest**

In order that the honesty and impartiality of each director be maintained, each director shall avoid being placed in a position where personal obligations of such director might be exploited explicitly or implicitly by third parties with a view to obtaining favors or preferred treatments by the Corporation. Each director shall avoid being placed in a situation of conflict of interest and there must be non conflict between the personal interests of a director and his or her functions with the Corporation.