



CODE OF ETHICS AND BUSINESS CONDUCT

I. PURPOSE AND APPLICATION

mdf commerce inc. and its subsidiaries (“**mdf commerce**”) is committed to maintaining high standards of integrity and accountability in conducting its business while at the same time seeking to grow the business and its value. This code of ethics and business conduct (the “**Code**”) provides a framework of guidelines and principles to govern ethical and professional behaviour in conducting our business.

This Code applies to all directors, officers, employees, consultants and sub-contractors of mdf commerce. The guidelines set out in this Code may be further supplemented by specific corporate, divisional or departmental policies. As with all guidelines or principles, you are expected to use your own judgement and discretion, having regard to these standards, to determine the best course of action for any specific situation. If you are unsure about a particular situation or course of action, speak to your immediate supervisor or any senior executive officer of mdf commerce if you are not comfortable speaking with your immediate supervisor.

When faced with a situation, to help you make ethical choices, ask yourself the following questions:

- Is this legal?
- Is it fair?
- Would I want other people to know I did it?
- How would I feel if I read about it in the newspaper?
- How will I feel about myself if I do it?
- What would I advise a family member or a close friend to do in a similar situation?

II. CONFLICTS OF INTEREST

It is our policy to ensure that mdf commerce’s best interests are paramount in all of our dealings with customers, suppliers, contractors, competitors, existing and potential business partners and other representatives and are conducted in a manner that avoids actual or potential conflicts of interest.

In general, a conflict of interest exists where a representative’s personal interests interfere with his or her ability to act in the best interests of mdf commerce. Conflicts of interest may exist in any situation where your ability to act objectively, or in the best interests of mdf commerce, are influenced. These include the receipt of improper material personal benefits by you or your family and friends, as a result of your position with mdf commerce.

Full and timely disclosure of any actual or potential conflict of interest is strongly encouraged. Proper disclosure provides an opportunity to obtain advice from the appropriate level of management and to resolve actual or potential conflicts of interests in a timely and effective manner. Directors and officers shall disclose any potential material conflicts of interest in writing to the Board of Directors of mdf commerce, for review on a quarterly basis in accordance with applicable law.

III. GRATUITIES, BENEFITS AND GIFTS

You may not solicit, directly or indirectly, accept, offer or receive, in the course of your duties,

monetary benefits, valuable property, gifts, commissions or any other gratuities of any kind. At all times, you must refuse an invitation or benefit from customers or suppliers when this could impair your ability to make an objective and fair decision. Occasional privileges related to an employee's duties are considered routine business practices, such as business meals, low-value items, including items bearing a supplier's logo or gift baskets, and occasional invitations to local sporting and cultural events. These privileges should be of low value, not repetitive, and not leave any doubt about the integrity of the employee. If a gift or benefit offered exceeds the limits of normal business practice, you may accept it only with the prior written authorization of your supervisor. It is understood that small gifts displaying the logo of mdf commerce (such as mugs, pens, T-shirts or other such items) offered occasionally during promotional events (such as trade shows or fairs) do not violate this Code.

Government Employees and Officials

Gratuities, benefits and gifts are not appropriate for government employees or officials.

IV. PROTECTION AND USE OF MDF COMMERCE'S ASSETS AND OPPORTUNITIES

All representatives are responsible for protecting mdf commerce's assets from improper use including fraud, theft and misappropriation. It is mdf commerce's policy to protect its assets and promote their efficient use for legitimate business purposes. mdf commerce's assets should not be wasted through carelessness or neglect nor appropriated for improper personal use. Proper discretion and restraint should always govern the personal use of mdf commerce's assets.

Use of Electronic Systems

You are encouraged to use electronic business communications with a view to improving productivity. mdf commerce's electronic communication systems and all messages written or transmitted using such systems, including backup copies, are the property of mdf commerce.

mdf commerce's electronic business communications are not private communications and their security cannot be completely assured. You should assume that all communications written, sent, received or saved on mdf commerce's electronic systems can be read or heard by someone other than the recipient.

mdf commerce reserves the right to monitor the use of its electronic systems (including electronic communications) to prevent their misuse. Please refer to mdf commerce's Policy concerning Use of the Technical Environment for further information on the use of mdf commerce's electronic systems and mdf commerce's right to monitor.

Intellectual Property

You have the responsibility to protect and preserve mdf commerce's intellectual property. As an absolute rule, any intellectual property created by you during the course of employment is considered mdf commerce's property. Intellectual property is considered confidential information and strategic assets of mdf commerce and should not be disclosed to or used by third parties without the approval of the Chief Legal Officer of mdf commerce.

Corporate Opportunities

The benefit of any business venture, opportunity or potential opportunity resulting from your employment with mdf commerce should not be appropriated for any improper personal advantage. As employee, officer or director, you owe a duty to mdf commerce to advance its legitimate

interests when the opportunity to do so arises.

V. CONFIDENTIALITY OF CORPORATE INFORMATION

Information is a key asset of mdf commerce. It is our policy to ensure that mdf commerce's proprietary and confidential information, including proprietary and confidential information that has been entrusted to mdf commerce by others, is adequately safeguarded. All confidential information, including information about mdf commerce's business, assets, opportunities, products, customers, suppliers and competitors, should be properly protected from advertent or inadvertent disclosure. Confidential information should be conspicuously marked or identified as being confidential whenever practicable and should be disclosed only when properly authorized or required by law or stock exchange requirements or where appropriate in furtherance of mdf commerce's interests.

VI. FAIR DEALING WITH OTHER PEOPLE AND ORGANIZATIONS

All business dealings undertaken on behalf of mdf commerce should be conducted in a manner that preserves our integrity and reputation. It is mdf commerce's policy to seek to avoid misrepresentations of material facts, manipulation, concealment, abuse of confidential information or any other illegal or unfair practices in all dealing with mdf commerce's security holders, customers, suppliers, competitors and employees.

VII. RELATIONSHIP WITH PUBLIC OFFICIALS

Some of mdf commerce's employees may do business with federal, provincial, local or foreign government agencies. As a result, mdf commerce may be subject to lobbying obligations as all employees engaged in business with a governmental body or agency must know and abide by the specific rules and regulations covering relations with such public agencies. Such employees must also conduct themselves in a manner that avoids any dealings that might be perceived as attempts to improperly influence public officials in the performance of their official duties. When dealing with agencies on legal matters, the Chief Legal Officer of mdf commerce should be consulted in advance.

In addition, discussions or contact with current or former government officials or employees regarding potential employment or consulting arrangements with mdf commerce may be subject to various conflicts of interest, anti-bribery and/or lobbying rules and regulations. Similarly, should these individuals join mdf commerce, these individuals may be prohibited or restricted from performing certain tasks and duties for mdf commerce, particularly if they relate to the government office previously held by them. The Chief Legal Officer of mdf commerce should be consulted in advance prior to entering into discussions with such individuals to ensure compliance with applicable rules and regulations as well as any applicable corporate policies.

Political Contributions and Activities

You may engage in legitimate political activity on your own time without using mdf commerce's property. However, it is prohibited to make political contributions, donations, or provide services at favorable rates on behalf of mdf commerce to a recipient involved in federal, provincial, state, territorial, municipal or other political process.

VIII. BRIBERY, KICKBACKS AND FRAUD

No funds or assets of mdf commerce shall be paid, loaned or otherwise disbursed as bribes, "kickbacks", or other payments designed to influence or compromise the conduct of the recipient,

including any payments to a government employee or official, a political party or a candidate for political office. As employee, officer or director of mdf commerce, you should not accept any funds or other assets for assisting in doing business with mdf commerce.

IX. COMPLYING WITH THE LAW

mdf commerce strives to ensure that its business is conducted in all material respects in accordance with all applicable laws, stock exchange rules and securities regulations in all the Canadian jurisdictions.

Specifically, it is also our policy to seek to comply with all applicable securities laws and regulations to ensure that information about mdf commerce not yet disclosed to the public and which would reasonably be expected to influence an investor's decision to buy, sell or hold securities of mdf commerce or to significantly affect the price or the value of such security ("Inside Information") is disclosed in accordance with the law. The persons who possess Inside Information may not buy or sell mdf commerce securities while such information remains non-public and must refrain from passing such information on to others, including family and friends. These trading prohibitions apply to directors, officers and employees of mdf commerce. The prohibition on such trading is based on such information potentially providing an unfair advantage to a person. Each director, officer and employee of mdf commerce must abide by the provisions of these guidelines, when applicable. Please refer to mdf commerce's Policy Concerning the Use of Inside Information and Black-Out Periods for further information on trading restrictions and black-out periods.

X. TIMELY DISCLOSURE

It is fundamental that all persons investing in mdf commerce securities have equal access to information that may influence their investment decisions, therefore placing all participants in the market on an equal footing. The timely disclosure policies of the Toronto Stock Exchange and of the Canadian Securities Administrators elaborate upon the provisions of the securities legislation of all of the provinces of Canada which require that when a material change occurs which is not generally known, a press release disclosing the substance of the change must be issued.

In accordance with mdf commerce's Disclosure Policy, it is essential that the Disclosure Committee and, when appropriate, the Board of Directors of mdf commerce, be kept fully apprised of all pending material developments in order to evaluate and discuss those events and to determine the appropriateness and timing for public release of information. Subject to the immediately following sentence, once the Disclosure Committee determines that a development is material, it will authorize the issuance of a news release, unless the Disclosure Committee determines that such developments must remain confidential for the time being. News releases announcing financial results or containing financial information based on unreleased financial results will also be reviewed by mdf commerce's Audit Committee and ultimately approved by the Board of Directors of mdf commerce. If developments are to remain confidential, appropriate confidential filings will be made and control of the information will be instituted.

XI. REPORTING OF ILLEGAL OR UNETHICAL BEHAVIOUR

mdf commerce strives to foster a business environment that promotes integrity and deters unethical or illegal behaviour. It is our responsibility to seek to monitor and ensure compliance with the guidelines set out in this Code, including compliance with accounting, internal accounting controls or auditing applicable to mdf commerce. Any concerns or complaints in this regard shall be communicated in accordance with mdf commerce's Whistleblower Procedures.

It is mdf commerce's policy to ensure that you can communicate freely in respect of matters covered by this Code. No one may retaliate against you for expressing a concern or complaint in good faith regarding a perceived violation of this Code. Retaliation includes any form of penalty, adverse employment consequence, including discharge, suspension, demotion or transfer, harassment or discrimination. In addition to reporting suspected violations of this Code, and concerns regarding accounting, internal accounting controls or auditing matters some provincial and federal legislation relating to environmental, labour, privacy, human rights, competition, securities law and other matters also provide protection to individuals who report suspected violations under those laws. All representatives are encouraged to comply fully with the requirements of these laws if any violation or breach is suspected, without fear of retaliation.

XII. COMPLIANCE AND WAIVERS

It is the role of the Board of Directors to seek to monitor compliance with the Code. Disciplinary measures may be taken against any representative who authorizes, directs, approves or participates in any violation of a provision of this Code. These measures will depend upon the circumstances of the violation and may range from formal sanction or reprimand to dismissal from employment. Consideration will be given to whether or not a violation was intentional, as well as to the level of good faith shown by a representative in reporting the violation or in cooperating with any resulting investigation or corrective action. In addition, persons who violate the law during the course of their employment are subject to criminal and civil penalties, as well as payment of civil damages to mdf commerce or third parties. A Director or officer who violates this Code may be asked to resign or may not be nominated for re-election.

Waivers from the Code will generally only be granted in appropriate circumstances upon full review and consideration of a request for a waiver, on a case-by-case basis. Waivers granted for the benefit of senior officers or directors require approval from the Board of Directors of mdf commerce, which should ascertain whether a waiver is appropriate and seek to ensure that the waiver is accompanied by appropriate controls designed to protect mdf commerce's interests.

All matters of concern, including requests for waivers, shall be communicated to the Chief Executive Officer or Chief Legal Officer of mdf commerce.