



## **MDF COMMERCE INC.**

### **MAJORITY VOTING POLICY**

#### **Background**

mdf commerce inc. (the “Corporation”) believes that each of its directors should have the confidence and support of its shareholders. To this end, the Corporation has adopted this majority voting policy. Future nominees for election to the Corporation’s board of directors (the “Board”) will, therefore, be required to adhere to this policy before they are nominated for election at any meetings of the Corporation’s shareholders.

#### **Framework**

This policy applies only to an uncontested election. An uncontested election means an election where the number of nominees to the Board is equal to the number of directors to be elected. As such, this policy does not apply to an election that involves a proxy battle where proxy material circulates in support of one or more nominees not named in the proxy circular furnished by the management of the Corporation. Where an election is contested, the plurality vote rule will apply.

#### **Policy**

In an uncontested election of the Corporation’s directors, each director will be elected by a majority of the shareholders present or represented by proxy at a meeting of the shareholders at which the directors are to be elected. Consequently, if a nominee to the Board receives a greater number of votes “withhold” from his or her election than votes “for” his or her election, he or she must promptly tender his or her resignation without delay to the chairman of the Board following certification of the shareholders’ vote. Furthermore, in accordance with this policy, the Corporation will consider that this nominee did not receive shareholder support even if he or she was elected in accordance with the Corporation’s operating rules.

The Board will consider the resignation offer and decide whether or not to accept it within 90 days of the date of the shareholders’ meeting. Except under exceptional circumstances, the Board will accept the resignation offer. Certain factors may be taken into consideration by the Board after its analysis including, among other things:

- (i) the underlying reasons for which the shareholders abstained from voting in favor of the director in question (if they can be determined);
- (ii) the Board’s general composition, including the relative combination of qualifications and experience;
- (iii) the belief that in accepting this resignation, the Corporation risks failing to comply with applicable laws, rules or regulation or with respect to market listing requirements or other governance requirements; and

- (iv) the belief that in accepting such resignation, the best interests of the Corporation and its shareholders will not be served.

The Board will announce its final decision through a press release and a copy of such release will be sent to the Toronto Stock Exchange. If the Board refuses the resignation offer, all reasons will be outlined in the press release.

The director who tenders his or her resignation pursuant to this policy will not participate in Board or Board sub-committee deliberations or in the decision surrounding the resignation offer. However, such director will remain active and take part in all other activities, deliberations and decisions to be made during the work of the Board and/or its other committees.

If the majority of Board members receive a greater number of votes “withhold” than votes “for”, the Board members who will receive more votes “for” than votes “withhold” will form a special committee made up of members chosen from among themselves to consider the resignation offers and submit a recommendation to the Board on the advisability of accepting or rejecting them.

If the Board accepts the resignation of the director in question, it may, at its sole discretion but in compliance with applicable laws, rules and regulations:

- (i) leave a vacancy until the next annual shareholders’ meeting;
- (ii) fill the vacancy by appointing a new director who, according to the Board, has the confidence of the shareholders; or
- (iii) call a special meeting of the shareholders at which time one or more nominees will be considered to fill the vacant position or positions.

This policy will be included in each management proxy circular furnished by the Corporation relating to the election of directors.

The Board adopted this policy on June 11, 2013, and was amended on February 7, 2017.