

ENGHOUSE SYSTEMS LIMITED

BOARD CHARTER

The purpose of this document is to describe the mandate of the Board of Directors (the "Board") of Enghouse Systems Limited (the "Corporation") and to set out the division of responsibilities between the Board and the management of the Corporation ("Management").

1. THE BOARD OF DIRECTORS

(a) **Accountability**

The Board is accountable to the Corporation's shareholders for the conduct of the business and affairs of the Corporation. In carrying out such duties the Board is required to establish policies and procedures designed to promote and monitor good corporate governance and effective corporate management.

(b) **Roles of Board and Management**

The role of the Board is to oversee Management by establishing policies and procedures designed to promote and monitor good corporate governance and effective corporate management. The role of the Board is to focus on governance and stewardship rather than on the day-to-day operations of the Corporation which are the responsibility of Management. Its role is to confirm and maintain corporate direction (as initially developed and recommended by the Chief Executive Officer), assign responsibility to Management for the achievement of that direction, define executive limitations, and monitor performance against those objectives and executive limitations. With a view to maintaining overall corporate direction and strategy, the Board will regularly review corporate objectives so that they continue to be responsive to the changing business environment in which the Corporation operates.

(c) **Responsibilities of the Board**

In order to fulfill its role, the Board is responsible for:

(i) Corporate Goals, Performance Objectives and Operational Policies

- Develop and monitor processes for determining and evaluating the Corporation's strategic goals and objectives.
- Review and approve Management's strategic and operational plans to ensure that they are consistent with the identified strategic goals and objectives.
- Approve strategic and operational policies within which Management will operate, including the development and monitoring of effective internal controls, financial reporting and management information systems.
- Establish and monitor annual targets against which to measure corporate and executive performance.
- Implement and evaluate executive compensation and related policies that are appropriately linked to corporate performance.
- Develop and monitor policies for the appointment, development, evaluation and succession of senior Management.

(ii) Acquisitions

- Evaluate the Corporation's acquisition strategy and objectives.
- Review and approve potential acquisition opportunities presented by Management, including review of deal structure and due diligence.
- Monitor post-integration activities and related issues.

(ii) Board Processes

- Establish, monitor and maintain effective corporate governance policies and procedures for both the Board and Management.
- Appoint committees of the Board, delegate powers to them, establish and review their mandates, appoint their members and receive and consider their recommendations.
- Establish schedules and agendas for regular meetings of the Board to consider quarterly and annual financial performance, as well as providing for the consideration of matters within the purview of the Board and its committees.
- Appoint or engage experts as necessary and at the expense of the Corporation.

(iii) Effective Communication with Shareholders

- Establish and monitor policies and procedures that promote timely and accurate communication between the Corporation's stakeholders, including shareholders, the public and other interested parties.

(iv) Risk Management

- Understand, assess and monitor the principal risks of the business of the Corporation.
- Establish and monitor policies and procedures that address those corporate risks in a manner that balances the risks with returns to the Corporation's shareholders in a manner consistent with the Corporation's strategy.

(v) Relationship with the Chief Executive Officer

- Manage all material aspects of the employment of the Chief Executive Officer, including selection, appointment, evaluation, compensation and, if necessary, termination.
- Delegate to the Chief Executive Officer the authority to manage and supervise the business of the Corporation.

2. CHAIRMAN OF THE BOARD

(a) Appointment

The Board will in each year elect a Chair from among its members.

(b) Accountability and Role

The Chair is accountable to the Board for the fulfillment of the responsibilities of the office of Chair as outlined in the Corporation's by-laws and will lead the Board in establishing effective corporate governance processes and practices.

(c) Responsibilities

The responsibilities of the Chair will include the following:

- Assume principal responsibility for the operation and functioning of the Board.
- Provide overall leadership to the Board without limiting the ability of the Board to function as a unit.
- Fulfill his or her Board leadership responsibilities so that the Board is able to function independently of Management.
- Consult with the Board and the Corporate Secretary to set board agendas that are based on the responsibilities of the Board and reflect current priorities.
- Chair Board meetings effectively, including ensuring that appropriate briefing materials to be

delivered in a timely fashion, stimulating debate, facilitating consensus, encouraging full participation and discussion by individual directors and ensuring that clarity regarding decisions is reached and duly recorded.

- Oversee compliance with the governance policies of the Board regarding conduct of Board meetings, managing and reporting information and other policies related to the conduct of the Board's business.
- Encourage effective communication and relationships between the Corporation, shareholders, stakeholders and the general public.

4. CHAIRMAN OF COMMITTEES OF THE BOARD

Each of the Committees of the Board will in each year elect a Chair from among its members who is not a member of Management.

(a) Audit Committee

The Chairman of the Audit Committee will be accountable to the Board for overseeing the operations of the Audit Committee which serves, among other functions, as an independent and objective party to monitor the corporation's financial reporting process, business and financial risk, and its compliance with legal, ethical and regulatory requirements.

(b) Compensation Committee

The Chairman of the Compensation Committee will be accountable to the Board for overseeing the operations of the Compensation Committee which serves, among other functions, as an independent and objective party to appoint and compensate the Chief Executive Officer, review the appointment and compensation of senior Management, succession planning, assisting the Board in setting objectives for the Chief Executive Officer, reviewing and administering the Corporation's long-term incentive plans(s), and reviewing the corporation's general human resources policies.

(c) Corporate Governance Committee

The Chairman of the Corporate Governance Committee will be accountable to the Board for overseeing the operations of the corporate Governance Committee which serves, among other functions, as an independent and objective party to provide the Board with advice and recommendations relating to corporate governance in general, including, without limitation, all matters relating to the stewardship role of the Board in respect of the management of the Corporation, Board size and composition including the identification of new nominees to the Board and leading the candidate selection process, and orientation of new members, Board compensation and such procedures as may be necessary to allow the Board to function independently of Management.

5. THE CHIEF EXECUTIVE OFFICER

(a) Accountability and Role

The Chief Executive Officer is accountable to the Board for achieving corporate objectives established by the Board. The Chief Executive Officer will have the authority to manage and supervise the business of the Corporation, including making of all decisions regarding the Corporation's operations that do not require shareholder approval, are not specifically reserved to the Board by law, this mandate or under the terms of any delegation of authority from the Board.

(b) Responsibilities

The responsibilities of the Chief Executive Officer will include the following:

- Develop and recommend corporate strategies, and business and financial plans for the

approval of the Board.

- Manage the operations of the business in accordance with the strategic direction and operational policies as determined by the Board.
- Report Management information back to the Board in a timely manner so that the Board may effectively monitor and evaluate corporate performance against strategic goals and other stated objectives.
- Ensure that the Board is aware of relevant business trends, anticipated adverse media and analyst coverage, material external or internal changes, and any changes in the assumptions upon which any Board decision or approval has previously been made.
- Advise the Board if, in the Chief Executive Officer's opinion, the Board is not in compliance with its own policies, or legal or regulatory requirements.
- Provide the Board with information, both internal and external, that the Board may require in order to make fully-informed decisions regarding the operation of the business.
- Report in a timely manner any actual or anticipated non-compliance with any Board approved policy or decision.