

ENGHOUSE SYSTEMS LIMITED

COMPENSATION COMMITTEE CHARTER

1. PURPOSE

The Board of Directors (the "Board") of Enghouse Systems Limited (the "Corporation") has established a Compensation Committee (the "Committee") to take such actions on its behalf as are necessary regarding:

- appointing and compensating the Chief Executive Officer;
- reviewing the appointment and compensation of senior management of the Corporation ("Management");
- succession planning;
- assisting the Board in setting objectives for the Chief Executive Officer of the Corporation;
- reviewing and administering the Corporation's long-term incentive plan(s); and
- reviewing the Corporation's general human resources policies.

2. COMPOSITION

The Committee shall be composed of at least two directors, a majority of whom will be unrelated directors (i.e. defined as a director who is independent of Management and is free from any interest and any business or relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view of the best interests of the Corporation, other than interests and relationships arising from shareholdings). Committee members shall be appointed by the Board and once appointed shall exercise their duties until the next annual general meeting of shareholders or until their successors have been chosen and appointed by the Board.

Any member may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to be a director. The Board will fill vacancies in the Committee by appointment from among members of the Board. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all its powers.

3. RESPONSIBILITIES AND DUTIES

In addition to such other duties as may be assigned to the Committee from time to time by the Board, the Committee will have the following duties:

(a) **Senior Management:**

- Establish, monitor, review and revise, at least annually, performance guidelines for the Chief Executive Officer and guidance for the development of corporate strategy.
- Make recommendations to the Board for the compensation plan of the Chief Executive Officer, including salary, incentives, benefits and other perquisites.
- Evaluate annually the performance of the Chief Executive Officer, considering in every case, among other things, his/her personal objectives and the performance of the Corporation.
- Review annually the compensation policy for officers and ensure that these policies are in conformity with the business plans, the strategies and the objectives of the Corporation and are consistent with desired external comparators.
- Review the compensation plans for officers and senior management (which are approved by the Chief Executive Officer from time to time) to assure that they are appropriate, respond both to the Corporation's requirements and are externally equitable.
- Review the Chief Executive Officer's evaluation of the performance and incentive pay awards

of such officers and senior management.

(b) **Long-Term Incentive Plans:**

- Act as the Board committee responsible for administering the Corporation's employee stock option plan and such other incentive plans that may be adopted by the Board from time to time ("Plans").
- Monitor, review and recommend that the Board approve:
 1. Awards under the Plans, including delegation to Management of option grants, provided that such grants shall be within specific parameters set by the Committee and such grants shall be subject to Board approval.
 2. Any stock options to be granted outside the Plans.
 3. The terms and conditions of the Plans and any stock option agreements and any amendments to the Plans.
- Consult with Management on a regular basis, to satisfy itself that the Plans are meeting their intended objectives and are in compliance with applicable laws and regulations.

(c) **Corporate Human Resources:**

- Review, approve and monitor, on a regular (and at least annual) basis, the Corporation's compensation and benefits programs, developed by Management.
- Review with Management on a regular basis the corporation's human resources policies, to satisfy itself that the corporation's human resources policies are in compliance with applicable laws and regulations.
- Review Management's recommendations respecting hirings, firings, transfers and promotions of senior officers and related severance packages.
- Review and monitor the overall employment environment of the Corporation.
- Consider any other human resources issues as it considers appropriate or as may be referred to it by the Board.
- Promote succession planning.

4. MEETINGS AND QUORUM

The meetings of the Committee may be held at the executive offices of the Corporation or at such other place that the Committee may determine from time to time. Meetings of the Committee may be held at all times on the call of any member of the Committee. The Committee may meet on not less than 48 hours written or verbal notice from the Chair to all members (or without notice if all persons entitled to notice have waived or are deemed to have waived such notice). At the request of the Chief Executive Officer, the Chairman of the Committee shall hold immediately a meeting of the Committee to address any question that, in the opinion of the Chief Executive Officer of the Corporation, should be put to the attention of the Committee.

A majority of members of the Committee will constitute a quorum for the transaction of business. The Committee shall be entitled to determine its own procedure, subject to this Charter and such powers as are delegate to it by the Board. All decisions of the Committee will be by majority vote. In the event of a tie the Chair will have the second, or casting vote in addition to his or her original vote. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair will have the right to exercise all powers of the Committee between meetings but will attempt to involve all other members as appropriate prior to the exercise of any powers and will, in any event, advise all other members of any decisions made or powers exercised.

5. EXPERTS AND ADVISORS

The Committee may retain or appoint, at the Corporation's expense, and with the approval of the Chair of the Board, such experts and advisors as it deems necessary to carry out its duties. The Committee will oversee the retention or appointment of expert advisors for the Board and all of its Committees.

6. SECRETARY AND MINUTES

The Secretary of the Corporation, or such other person as may be appointed by the Chair of the Committee, will act as Secretary of the Committee. The minutes of the Committee will be in writing and duly entered in the books of the Corporation. The minutes of the Committee will be circulated to all other members of the Board, redacted as may be determined necessary by the Chair to excise any sensitive personnel information not otherwise material to the Board.

7. COMPLAINTS PROCEDURE

The Committee will establish a procedure for the receipt, retention and follow-up of complaints of all members of the Board.