

## **ENGHOUSE SYSTEMS LIMITED**

### **MAJORITY VOTING POLICY FOR THE ELECTION OF DIRECTORS**

In an uncontested election of Directors, any nominee for Director who receives a greater number of votes “withheld” from his or her election than votes “for” such election (a “Majority Withhold Vote”) shall tender his or her conditional resignation to the Chairman of the Board of Directors within thirty (30) days of the Company’s annual meeting. Such resignation shall only be effective upon acceptance by the Board of Directors. In this policy, an “uncontested election” shall mean an election in which the number of nominees for Director shall be equal to the number of Directors to be elected. In a contested election, this policy shall not apply and nominees shall be elected by plurality voting.

The Corporate Governance Committee shall promptly consider such tendered resignation and recommend to the Board of Directors the action to be taken with respect to such tendered resignation. The recommendation of the Corporate Governance Committee may be, among other things, to (i) accept the resignation; (ii) defer acceptance of the resignation until a replacement Director with certain necessary qualifications held by the subject Director can be identified and elected to the Board of Directors; (iii) reject the resignation, but address what the Corporate Governance Committee believes to be the underlying reasons as to why the Director received a greater number of votes withheld; (iv) reject the resignation, but resolve that the Director will not be re-nominated in the future for election; or (v) reject the resignation. If the Corporate Governance Committee recommends that the Board of Directors accept the tendered resignation, the Corporate Governance Committee shall also recommend to the Board of Directors whether to fill the vacancy resulting from the resignation or to reduce the size of the Board of Directors.

In considering a tendered resignation, the Corporate Governance Committee is authorized to consider all factors it deems relevant to the best interests of the Company, including without limitation (i) any stated reasons why shareholders withheld their vote with respect to the subject Director; (ii) what the Corporate Governance Committee believes to be the underlying reasons for the Majority Withhold Vote, including whether these reasons relate to the incumbent Director’s performance as a Director, whether these reasons relate to the Company or another company, and whether these reasons are curable and alternatives for effecting any cure; (iii) the percentage of outstanding shares represented by votes cast and withheld from voting on the election of the subject Director; (iv) the tenure and qualifications of the Director; (v) the Director’s past and expected future contributions to the Company; (vi) the other policies of the Company; (vii) the overall composition of the Board of Directors, including whether accepting the resignation would cause the Company to fail to meet any applicable securities laws and rules of provincial securities commissions and the TSX; and (viii) whether the resignation of the Director could result in the triggering of change in control or similar provisions under any contract by which the Company is bound or any benefit plan of the Company and, if so, the potential impact thereof.

Any Director who tenders his or her resignation pursuant to this policy shall not participate in any meeting of the Corporate Governance Committee, if he or she is a member of that Committee, to consider the decision to recommend to the Board of Directors whether his or her resignation shall be accepted.

The Board of Directors shall act on the Corporate Governance Committee’s recommendation within ninety (90) days following the date of the applicable annual meeting. In considering the

Corporate Governance Committee's recommendation, the Board of Directors will consider the factors considered by that Committee and such additional information and factors that the Board of Directors considers to be relevant. Following the Board of Directors' decision on the resignation, the Board of Directors shall promptly disclose, via press release, its decision whether to accept the Director's resignation offer including the reasons for rejecting the resignation offer, if applicable. If a resignation is accepted, the Board of Directors may (i) leave the resultant vacancy in the Board of Directors unfilled until the next annual meeting of shareholders of the Company; (ii) fill the vacancy through the appointment of a Director whom the Board of Directors considers to merit the confidence of the shareholders of the Company; or (iii) call a special meeting of the shareholders of the Company to consider the election of a nominee recommended by the Board of Directors to fill the vacant position.

The Board of Directors may at any time in its sole discretion supplement or amend any provision of this policy in any respect, repeal the policy in whole or part or adopt a new policy relating to Director elections with such terms as the Board of Directors determines in its sole discretion to be appropriate. The Board of Directors will have the exclusive power and authority to administer this policy, including without limitation the right and power to interpret the provisions of this policy and make all determinations deemed necessary or advisable for the administration of this policy. All such actions, interpretations and determinations which are done or made by the Board of Directors in good faith will be final, conclusive and binding.