



REDKNEE
Looking Beyond

**REDKNEE SOLUTIONS INC.
(the "Company")
CHARTER FOR THE
BOARD OF DIRECTORS**

1. Purpose

- 1.1 The Board of Directors (the "Board") have the duty to supervise management of the business and the affairs of the Company. The Board, directly and through its committees, and the Chair of the Board shall provide direction to senior management, generally through the Chief Executive Officer (the "CEO"), to pursue the interests of the Company.

2. Independence and Conflict of Interest

- 2.1 The majority of the Board Members, shall be independent Directors, as that term is defined under National Instrument 52-110. The Chairman of the Board need not be an independent Director, as that term is defined under National Instrument 52-110.
- 2.2 The Board shall review the independence of its members as well as review any potential conflict of interest situations at least on an annual basis.

3. Committees of the Board

- 3.1 The Board shall establish appropriate Committees to deal with subject matter areas and shall appoint the members of each Committee from amongst the directors of the Company. These Committees shall be comprised of at least one independent Director and the remaining members of the Committees need not be independent Directors. For purposes of the Audit Committee, whether or not a committee member is "independent" will be determined in accordance with the definition of such term under *National Instrument 52-110 – Audit Committees*. For purposes of the Compensation Committee and the Nomination and Governance Committee, whether or not a committee member is "independent" will be determined in accordance with the definition of such term under *National Policy 58-201 – Corporate Governance Guidelines*. The Committees shall set out their roles and responsibilities in formal Charters which shall be approved by the Board and made publicly available. Each Committee Chair shall be appointed by the Board, shall report to the Board after each Committee meeting and shall annually provide the Board with a report on its activities in the previous year.

As a minimum the Committees shall comprise:

- a) Audit Committee
- b) Compensation Committee
- c) Nomination and Governance Committee

4. **Position Descriptions**

- 4.1 The Board shall develop clear position descriptions for the Chair of the Board and the Chair of each Board Committee, and approve any changes as recommended by the Nomination and Governance Committee. In addition, the Board, together with the CEO, shall approve a clear position description for the CEO, which includes delineating management's responsibilities.

On recommendation by the Audit Committee, the Board will approve any changes to the CFO position description.

5. **Corporate Governance Statement**

- 5.1 The Board shall develop the Company's approach to corporate governance, including publishing a Corporate Governance Statement annually that describes how it achieves good governance. The Corporate Governance Statement shall, at a minimum, describe how each of the principles of good governance and best practices contained in the Corporate Governance Guidelines set out under National Policy 58-201 (the "Corporate Governance Guidelines") issued by the Canadian Securities Administrators, is put into practice by the Company and also describe any additional corporate governance standards and procedures that the Company applies beyond these basic levels. Where, the Company is unable to comply with these guidelines, the Corporate Governance Statement shall describe how the features of good governance are being achieved.

6. **Management Authority Guidelines**

- 6.1 The Board should develop formal Management Authority Guidelines delineating authority retained by the Board and authority delegated to the CEO and the other members of the Executive Team. The Authority Guidelines shall also clearly state matters which should be presented to the Board and its Committees. These matters shall include significant changes to management structure and appointments; strategic and policy considerations; major acquisitions and capital expenditures; major marketing initiatives; significant agreements, contracts and negotiations; significant finance related and other general matters.

7. **Strategic Planning**

- 7.1 The Board shall adopt a strategic planning process and approve, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business with frequent input from management on the Company's performance against the strategic plan.

8. **Risk Management and Internal Controls**

- 8.1 The Board shall identify the principal risks of the Company's business, shall ensure that appropriate systems are implemented to manage these risks, and shall receive updates on the status of risk management activities and initiatives annually or more frequently as appropriate.

8.2 The Board shall, at least annually, provide oversight to a review of the effectiveness of the Company's system of internal controls. The review should cover all material controls, including financial, operational and compliance controls and risk management systems. The Board shall provide adequate oversight to the financial reporting process including the information systems processing. The Board shall verify the internal financial, operational and compliance controls and risk management systems have been established by management.

9. **Ethical Standards**

9.1 The Board shall adopt a written Code of Ethics and Business Conduct ("the Code") and shall establish the appropriate "tone at the top". To the extent feasible, the Board shall satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization. Any waivers from the Code that are granted for the benefit of the Company's directors or executive officers should be granted by the Board only.

9.2 The Board shall establish an Ethics and Compliance Committee and on recommendation from the Nomination and Governance Committee will approve any amendments to the mandate of the Ethics and Compliance Committee as required.

9.3 The Board shall receive the report of the Ethics and Compliance Committee on an annual basis with respect to the Committee's activities during the year.

10. **Whistle Blower Policy**

10.1 The Board shall establish a Whistle Blower policy and ensure that there are adequate procedures for it to be apprised on a timely basis and in sufficient detail of all concerns raised by employees, officers and directors of the Company and external parties regarding instances of misconduct including illegal or unethical behaviour, fraudulent activities, and violation of Company policies, particularly with respect to accounting, internal accounting controls or auditing matters and that such concerns are properly received, reviewed, investigated, documented and brought to an appropriate resolution.

11. **Oversight of Financial Performance**

11.1 The Board shall approve the annual budget on the recommendation of the Audit Committee and periodically receive an analysis of actual results versus approved budgets. The Board shall approve the annual and interim reports to shareholders, including the financial statements and MD&A.

12. **Auditor Matters**

12.1 The Board shall review and approve the recommendation of the Audit Committee to put before the shareholders for approval at the annual general meeting, the appointment, re-appointment and removal of the Company's Auditors and to approve the remuneration and terms of engagement of the Company's Auditors.

13. **Board Policies**

13.1 The Board may establish and maintain Board policies that establish the parameters for management of the Company, with consideration of legal and regulatory requirements, risk tolerance and the Company's strategies and objectives. The Board has established the following policies:

- (a) Whistle Blower Policy;
- (b) Code of Conduct and Business Ethics;
- (c) Insider Trading Policy;
- (d) Policy on Disclosure;
- (e) Majority Voting Policy;
- (f) Diversity Policy; and
- (g) Share Ownership Guidelines.

14. **Management Oversight**

14.1 The Board shall approve the corporate goals and objectives relevant to CEO compensation and evaluate the CEO's performance in light of those corporate goals and objectives.

14.2 The Board shall approve the compensation of the CEO, including salary, bonus, long term incentives and material benefits.

14.3 The Board shall provide oversight on the recommendation of the Nomination and Governance Committee regarding the appointment and succession plans for the Board and Executive Officers (including appointing, training and monitoring the CEO and other members of the Executive Teams).

14.4 The Board shall approve the compensation of executive officers and the appointment and termination of those individuals. All management incentive plans tied to performance shall be approved by the Board. The Board shall provide oversight to the determination of Senior Management responsibilities.

15. **Dialogue with Shareholders and Disclosure**

15.1 The Board shall establish a Disclosure and Compliance Committee responsible for overseeing the Company's Disclosure Policy and Insider Trading Policy.

15.2 The Nomination and Governance Committee and Audit Committee will recommend any changes to the Disclosure and Compliance Committee Mandate to the Board for approval.

15.3 The Board shall adopt a Disclosure Policy for the Company and there shall be a dialogue with shareholders based on the mutual understanding of objectives. The Board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place. The Board shall appoint one of the independent non-executive Directors to be the senior independent Director who shall be available to shareholders if they have concerns which

contact through the normal channels of Chairman, CEO or the Chief Financial Officer has failed to resolve or for which such contact is inappropriate.

- 15.4 The Chairman of the Board shall be available at the Annual General Meeting of the Company to respond to any shareholder questions on the activities and responsibilities of the Board.

16. Meeting Procedures

- 16.1 The Board shall meet at least quarterly and at such times and with such frequency as the Board shall determine is appropriate to meet its responsibilities. A quorum of the Board shall consist of a majority of the Directors. At least seven days' notice of any meeting of the Board shall be given, although such notice may be waived or shortened with the consent of all the members of the Board.
- 16.2 The independent directors shall hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.
- 16.3 In setting the meeting agendas, the Chairman of the Board shall encourage members of the Board to provide input in order to address emerging issues.
- 16.4 The Board shall set its annual agenda to ensure compliance with the requirements of the Corporate Governance Guidelines and shall cause the same to be done by its Committees with respect to their Charters. The Board shall review and approve the annual agendas of its Committees.
- 16.5 The Board shall be supplied in a timely manner with information (including regular management financial information) and resources in a form and of a quality appropriate to enable it to discharge its duties and to allow monitoring of management's objectives and strategies.
- 16.6 The Secretary of the Board shall circulate the minutes of meetings of the Board to all members of the Board for review and comments.
- 16.7 Directors are expected to attend every Board meeting and review all meeting materials in advance of the meetings.

17. Board Effectiveness

- 17.1 The Board shall review the Corporate Governance Guidelines on an annual basis to ensure that they remain relevant and cause the same to be done by each of its Committees of their Charter.
- 17.2 In conjunction with the Nomination and Governance Committee, the Board shall adopt a process for nominating or appointing individuals as directors, including:
- (a) Consider what competencies and skills the Board, as a whole, should possess;
 - (b) Assess what competencies and skills each existing director possesses; and

- (c) Consider the appropriate size of the Board, with a view to facilitating effective decision-making.
- 17.3 The Board, its Committees and each individual Director shall regularly conduct a self-assessment regarding his, her or its effectiveness and contribution. A self-assessment shall consider in the case of the Board or a Board Committee, its Charter and in the case of an individual Director, the applicable position description(s), as well as the competencies and skills each individual Director is expected to bring to the Board.
- 17.4 The Board shall provide continuing education opportunities for all Directors, so that individuals may maintain or enhance their skills and abilities as Directors, as well as to ensure their knowledge and understanding of the Company's business remains current.
- 17.5 The Board shall ensure that all new Directors receive a comprehensive orientation. All new Directors should fully understand the role of the Board and its Committees, as well as the contribution individual Directors are expected to make (including, in particular, the commitment of time and resources that the Company expects from its Directors). All new directors should also understand the nature and operation of the Company's business.
18. **Board Administration**
- 18.1 The Board shall establish and monitor procedures for identification of and dealing with conflicts of interest. Directors shall recuse themselves from a particular matter where there may be a perception of conflict or a perception that they may not bring objective judgment to the consideration of the matter.
- 18.2 The Board shall not take any action which may confer on certain shareholders or other parties an unfair advantage at the expense of other shareholders or the Company.
- 18.3 Directors shall annually complete a Directors and Officers Questionnaire to facilitate the detection of any independence issues or conflicts of interest at the Board level.
- 18.4 The Board shall oversee an annual review of director compensation to ensure development of a compensation strategy that properly aligns the interests of Directors with the long-term interests of the Company and shareholders.
- 18.5 The Company shall indemnify Directors against losses that may arise from the appropriate exercise of their authority as Directors, and shall arrange for an adequate level of Directors and Officers Liability Insurance to supplement this indemnification.
- 18.6 The Board shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers being necessary or advisable in order to perform its duties and responsibilities.

18.7 The Board shall be entitled to engage independent counsel and other advisors as it considers necessary to carry out its duties and to set and pay the compensation for any such advisors.

19. **No Rights Created**

19.1 This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements as well as in the context of the Company's article and By-laws, it is not intended to establish any legally binding obligations.