

MARCH NETWORKS CORPORATION

(the “Company”)

MANDATE FOR THE BOARD OF DIRECTORS

Statutory Power of the Board

The Board is elected by the shareholders of the Company and has the statutory power and obligation to supervise the management of the Company. The role of the Board is primarily one of stewardship. Although directors are elected by shareholders, a director’s duty is owed first and foremost to the Company and not to a particular constituency.

Fiduciary Duty and Duty of Care

The Board’s fundamental relationship with the Company is guided by a fiduciary principle that requires each director to act honestly and in good faith with a view to the best interests of the Company. In exercising their powers and discharging their duties, every director must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. These principles require a director to put the Company’s interests first, avoid conflicts of interest and avoid exploiting business opportunities of the Company for self-interest purposes.

The Board may designate the officers of the Company, specify their duties and delegate to them powers to manage the day to day business and affairs of the Company. In addition, the Board discharges its responsibilities through standing committees such as the Audit Committee, the Nominating and Governance Committee and the Compensation Committee and may also periodically form special committees to address specific issues of a more short-term nature. The duties and responsibilities delegated to standing committees of the Board are prescribed in the charters for such standing committees.

Primary Board Roles

The Board’s primary roles are to oversee corporate performance and provide quality, depth and continuity of management to meet the Company’s strategic objectives. The Board will focus its attention on the following key responsibilities:

- **Appoint and oversee the Chief Executive Officer and other senior officers.**

The Board will monitor and evaluate the performance of the Chief Executive Officer and key employees, settle the terms of employment of the Chief Executive Officer and key employees, with input from the Compensation Committee, approve organizational changes and ensure that adequate planning is undertaken for management training, development and succession.

- **Oversee strategy implementation and performance.**

The Board will review and evaluate a strategic planning process developed by Management and will provide guidance regarding the process. The Board will monitor Management's implementation of the process and provide ongoing advice on strategic planning matters for the Company. The Board will provide guidance regarding changes required to improve corporate performance in terms of profitability, growth and competitive strength. The Board will approve, at least on an annual basis, a strategic plan for the Company which takes into account, among other things, the opportunities and risks of the business.

- **Monitor the financial performance of the Company and other financial reporting matters.**

The Board will approve the audited financial statements and interim financial statements of the Company, and the notes thereto and the management's discussion and analysis accompanying such financial statements.

- **Identify and oversee management of principal business risks.**

The Board will, among other actions, require periodic reports from Management describing the Company's programs and systems for identifying financial and other business risks and for managing such risks and protecting corporate assets such as intellectual property, confidential information, physical property and employees. The Board will provide advice to Management regarding any changes or improvements necessary or desirable to improve the Company's management of its principal business risks.

- **Monitor the legal and ethical performance of the Company.**

The Board will seek assurances that the Company adheres to and complies with all applicable laws and legal standards and ensure that processes and policies are established and communicated to Management and other employees to encourage appropriate attention to legal compliance issues, including compliance with contractual obligations and claims against the Company, as well as timely reporting of significant legal matters to the Board.

The Board will seek assurances from the Chief Executive Officer, the General Counsel and Management that the Company's business is conducted in a manner that reflects strict adherence to core corporate values and that the Chief Executive Officer and Management create a culture of integrity throughout the Company.

- **Maintain shareholder relations.**

The Board will seek assurances from Management that the Company makes complete, accurate and timely disclosure of material information and complies with disclosure requirements prescribed in securities legislation. The Board will prepare and adopt a communication policy by which the Company communicates directly to shareholders or indirectly to shareholders through the financial press, analysts, employees and other

corporate stakeholders and regulatory authorities with regard to the plans, decisions, prospects and financial results of the Company and receives feedback from such stakeholders.

- **Develop and oversee the Company's approach to governance.**

The Board will develop, adopt and continually evaluate the Company's performance against corporate governance guidelines and practices that are applicable to the Company and will require reports from the Nominating and Governance Committee as to the Committee's activities regarding the Company's corporate governance practices.

- **Oversee internal control and management information systems.**

The Board will review periodic reports describing the Company's internal control systems and management information systems and provide counsel on changes required to improve the adequacy of the systems as well as oversee the Company's compliance with applicable audit, accounting and financial reports and requirements.

The Board's Commitment

The Board undertakes to maintain an independent view of the Company's strategic direction, the Chief Executive Officer and Management. The Board will continually seek to improve its effectiveness by:

- creating an atmosphere of intellectual honesty and promoting a culture of integrity within the Company and adherence to core corporate values;
- preparing for and attending Board meetings and promoting open, constructive and critical dialogue among Board members and between Board members and Management;
- keeping up to date on the Company, its business, principal risks and strategy, and engaging in dialogue inside and outside the boardroom on substantive issues;
- stating questions and concerns regarding the Company, its business, principal risks or other matters or issues as they arise;
- sharing perspectives, experience and judgment with and providing guidance and strategic direction to Management;
- continually assessing Management's operational performance in executing the Company's strategic plan and evaluating the adequacy of controls in audit and performance;
- declaring any conflicts of interest, real or perceived;
- continually seeking ways to assess and improve overall Board performance; and
- adhering to this mandate and reviewing and reassessing the adequacy of the mandate at least annually.