



Vecima Networks Inc.
Confidentiality and Disclosure of Information Policy

1. Definitions

1.1 **Audit Committee:** means the committee of Vecima Networks' Board of Directors that is responsible for overseeing the Company's financial reporting process, internal controls and disclosure controls.

1.2 **Board of Directors:** means the Board of Directors of Vecima Networks Inc.

1.3 **CEO:** means the Chief Executive Officer of Vecima Networks Inc.

1.4 **CFO:** means the Chief Financial Officer of Vecima Networks Inc.

1.5 **COO:** means the Chief Operating Officer of Vecima Networks Inc.

1.6 **Officers:** means any of the CEO, CFO, or COO of Vecima Networks Inc.

1.7 **Company:** means Vecima Networks Inc. or one of its subsidiaries, and Companies means Vecima Networks Inc. and its subsidiaries.

1.8 **Generally Disclosed:** means information that has been released via a news release distributed through a widely circulated news or wire service.

1.9 **Material Change:** in relation to the affairs of any Reporting Issuer, means a change in the business, operations, assets or ownership of that Reporting Issuer that would reasonably be expected to have a significant effect on the market price or value of any of the securities of that Reporting Issuer, or a decision to implement such a change made by:

1.9.1 Senior management of that Reporting Issuer who believe that confirmation of the decision by the Board of Directors of that Reporting Issuer is probable, or

1.9.2 The Board of Directors of that Reporting Issuer.

1.10 **Material Fact:** in relation to securities issued or proposed to be issued by any Reporting Issuer, means a fact that would reasonably be expected to have a significant effect on the market price or value of such securities.

1.11 **Material Information:** means any information relating to the business and affairs of any Reporting Issuer, that results in, or would reasonably be expected to result in, a significant change in the market price or value of any of the listed securities of that

Reporting Issuer. Material Information includes both Material Changes and Material Facts. (See Schedule A for examples of potential Material Information)

1.12 **Necessary Course of Business:** refers to an exception to Tipping, as described in Section 7 of this Policy.

1.13 **Policy:** means the Vecima Networks Inc. Confidentiality and Disclosure of Information Policy, as amended from time to time.

1.14 **Quiet Period:** means the period beginning two weeks prior to the end of a quarter or annum and ending the second business day following the general disclosure of financial results to the public.

1.15 **Reporting Issuers:** refers to Vecima Networks and any other Subsidiary of Vecima Networks, which is a reporting issuer. At the time of constructing this Policy, Vecima Networks Inc. is the only reporting issuer.

1.16 **Selective Disclosure:** refers to a prohibited activity, as described Section 7 of this Policy.

1.17 **Special Relationship:** for the purpose of this Policy, a person is in a Special Relationship with a Reporting Issuer if the person:

1.17.1 Is a Vecima Networks employee, or

1.17.2 Is engaging in or is proposing to engage in any business or professional activity with or on behalf of any one of the Reporting Issuers, and includes, without limitation, a consultant.

1.18 **Subsidiary:** means an affiliated body corporate as defined by the *Canada Business Corporations Act*, as amended from time to time.

Exert from Canada Business Corporations Act Definitions, Section 2.5:

Subsidiary body corporate (5) A body corporate is a subsidiary of another body corporate if

(a) it is controlled by

(i) that other body corporate,

(ii) that other body corporate and one or more bodies corporate each of which is controlled by that other body corporate, or

(iii) two or more bodies corporate each of which is controlled by that other body corporate; or

(b) it is a subsidiary of a body corporate that is a subsidiary of that other body corporate.

1.19 Vecima Networks Employee: refers to each director, officer, employee and contractor of Vecima Networks or any of its Subsidiaries.

1.20 Tipping: refers to a prohibited activity, as described in Section 7 of this Policy.

1.21 Unintentional Selective Disclosure: refers to a prohibited activity, as described in Section 9 of this Policy.

2. Objectives

This Policy sets out Vecima Networks' policies and practices on corporate disclosure and maintaining confidentiality of information. The objectives of the Policy are:

- 2.1 To disclose information in a timely, consistent and appropriate manner;
- 2.2 To protect and prevent the improper use or disclosure of Material Information and Company confidential information;
- 2.3 To promote market equality in giving all public investors adequate information on which to base their decisions to buy and sell Vecima Networks securities;
- 2.4 To strengthen investors confidence in Vecima Networks securities through transparency and investor equality;
- 2.5 To widely disseminate Material Information pursuant to all applicable legal requirements;
- 2.6 To educate Vecima Networks employees on the appropriate use and disclosure of Material Information and Company confidential information;
- 2.7 To foster and facilitate compliance with applicable laws.

3. Corporate Disclosure Obligations of Material Information

3.1 Pursuant to policies set by securities regulators, the Reporting Issuers must Generally Disclose Material Information to the public immediately or as soon as practicable, on such information becoming known to the Reporting Issuers or upon it becoming apparent the information is Material Information. Where practicable, stock exchanges listing Vecima Networks securities must be notified immediately prior to the release of Material Information by Investor Relations. In the case of quarterly earnings releases, the Company's policy is to make all reasonable efforts to finalize the investor reporting package of information the business day following board approval and to release the information the business day following finalization.

3.2 Vecima Networks' directors and officers will consider whether or not information is material and therefore must be Generally Disclosed and how such Material Information is to be disclosed in accordance with applicable securities laws. The CEO will approve the content of any news release disclosing such information and pass it to Investor Relations to ensure it is properly disclosed. (See Schedule A for examples of potential Material Information)

3.3 Generally, there is no requirement to interpret and disclose the impact of external political, economic or social developments on the affairs of the Reporting Issuers. However, if such information somehow relates to Vecima Networks more significantly than most other businesses in our industry sector, an announcement must be made.

3.4 The CEO will also determine whether the Material Information constitutes a Material Change. If it is determined that a Material Change exists, Investor Relations shall be directed to file a Material Change report with relevant Canadian securities commissions within the required time period (currently 10 days of the Material Change) and notify the Corporate Secretary.

3.5 Timing the release of a Material Change may be delayed with the approval of the CEO and securities regulators when disclosure would be “unduly detrimental” to the interests of the Reporting Issuer (for example, if release of the Material Change would prejudice negotiations in a corporate transaction). In such circumstances, Investor Relations will cause to be filed a confidential Material Change report and notify the Corporate Secretary. The CEO will review the need to keep the Material Change report confidential and advise the relevant commissions of such continuing need in accordance with securities legislation (currently, an issuer must advise securities commissions within 10 days of the date of filing the confidential Material Change report, and every 10 days thereafter, of its belief that the Material Change report must remain confidential).

4. Disclosure Model

Investor Relations will use the following disclosure model when making a planned disclosure of Material Information, such as a scheduled quarterly earnings release:

- 4.1 Contact the relevant stock exchanges immediately prior to the release of Material Information.
- 4.2 Issue a news release containing the Material Information through a widely circulated news or wire service.
- 4.3 Post a news release on the Investor Relations section of Vecima Networks’ web page.
- 4.4 Electronically document the Material Information with the System for Electronic Document Analysis and Retrieval (SEDAR).

5. Disclosure Responsibility

5.1 Investor Relations and the Corporate Secretary will take the lead role in preparing disclosure documents by working in cooperation with each other and with other areas of the Companies, which, depending on the subject matter, can include, for example: Communications, Marketing, Legal Services, Controller, Treasury, Regulatory and operating Subsidiaries.

5.2 Any employee preparing a public presentation may contact Investor Relations to ensure the presentations content has been generally disclosed. Care should be taken with respect to financial and operational projections not already released and any discussions of this nature should be referred to the CFO.

6. Maintaining Confidentiality of Material Information and Confidential Information

6.1 If you have confidential information about any one of the Companies, that information is subject to strict confidentiality restrictions and care must be taken to ensure that it is provided only to Vecima Networks employees or third parties who require access to this confidential information to further business purposes of the Companies and only on the basis that recipients maintain the confidentiality.

6.2 Access to confidential information must also be restricted to authorized persons aware of their confidential obligations and who have signed a confidentiality agreement where required by the Company.

6.3 Material Information, before it is Generally Disclosed, is a type of Company confidential information and therefore, is subject to strict confidentiality restrictions as well. Access to Material Information must be restricted to persons who are aware of or are informed of the disclosure requirements and practices concerning Material Information and the prohibitions on trading in securities that arise from having knowledge of Material Information. (See Vecima Networks Insider Trading Policy)

6.4 The following are examples of procedures for maintaining the confidentiality of confidential information and Material Information that has not been Generally Disclosed and must be observed at all times where practical:

- 6.4.1 Documents and files containing Material Information or confidential information must be kept in a safe place to which access is restricted to individuals who need to know that information and code names should be used if necessary;
- 6.4.2 Documents and files containing Material Information or confidential information must be identified as such;
- 6.4.3 Material Information or confidential information must not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis;
- 6.4.4 Documents containing Material Information or confidential information must not be displayed in public places and should not be discarded where others can retrieve them;
- 6.4.5 Vecima Networks employees must ensure they maintain confidentiality of Material Information or confidential information in their possession outside of the office as well as inside the office;
- 6.4.6 Transmission of documents by electronic means, such as fax or directly from one computer to another, must be made only where it is reasonable to believe that the transmission can be made and received under secure conditions;
- 6.4.7 Unnecessary copying of documents that contain Material Information or confidential information must be avoided and documents containing such

information should be promptly removed from conference rooms and work areas after meetings have concluded; and

- 6.4.8 Extra copies of documents containing confidential information or Material Information must be shredded or otherwise destroyed.

6.5 Where disclosure of a Material Change is delayed pursuant to securities legislation as described in Section 3.5, the Reporting Issuer is under a duty to take precautions to keep the Material Change confidential. During the period before Material Information is Generally Disclosed, Investor Relations will closely monitor market activity in the Reporting Issuers' securities.

7. Tipping, Selective Disclosure and Necessary Course of Business

7.1 Pursuant to securities legislation, the Reporting Issuers and any person in a Special Relationship with the Reporting Issuers, are prohibited from informing anyone, other than in the Necessary Course of Business, of Material Information before that Material Information has been Generally Disclosed. This prohibited activity is commonly known as Tipping.

7.2 Disclosure to any person or select group (including investment analysts and the media), of Material Information that has not been Generally Disclosed, is considered Selective Disclosure.

7.3 Selective Disclosure is a prohibited activity unless such disclosure is made in the Necessary Course of Business. This is a limited exception to the Tipping provision and exists so as not to unduly interfere with a company's ordinary business activities. The exception would generally cover communications that are required to be made to further the business purposes of the Companies with:

- 7.3.1 Vendors, suppliers or strategic partners on issues such as sales and marketing and supply contracts;
- 7.3.2 Employees, officers and board members;
- 7.3.3 Lenders, legal counsel, auditors and underwriters, and other professional advisors to a company;
- 7.3.4 Parties to negotiations;
- 7.3.5 Credit rating agencies;
- 7.3.6 Industry associations; or
- 7.3.7 Government agencies.

7.4 The Necessary Course of Business exception would not generally permit a Company to make a Selective Disclosure of Material Information to an analyst, institutional investor or other market professional.

8. Confidentiality Agreements

Disclosure made pursuant to a confidentiality agreement does not necessarily mean the disclosure being made would fall within the Necessary Course Business exception set out in the Tipping provision.

9. Unintentional Selective Disclosure

9.1 Any Selective Disclosure made, whereby the person who made the disclosure either did not know or was reckless in not knowing (prior to making such disclosure) that the information was both Material Information and had not been Generally Disclosed, is commonly referred to as Unintentional Selective Disclosure. Unlike U.S. securities legislation, Canadian securities legislation does not provide a “safe harbor” which allows companies to correct an Unintentional Selective Disclosure of Material Information.

9.2 If it appears possible that a Vecima Networks employee has made an Unintentional Selective Disclosure, a Vecima Networks officer or the Corporate Council must be immediately contacted. If it is determined that there has been Unintentional Selective Disclosure, the CEO, the Corporate Secretary, Investor Relations or the Corporate Council must immediately take all appropriate steps including:

9.2.1 Generally Disclosing the Material Information that has been Unintentionally Selectively Disclosed and notifying the person to whom the Unintentional Selective Disclosure was made that such information has not been Generally Disclosed and must remain confidential and that he or she may not trade in securities of the Reporting Issuers with knowledge of such information until it is Generally Disclosed.

9.2.2 Where the CEO determines that General Disclosure of an Unintentional Selective Disclosure is required, Investor Relations must notify the relevant stock exchanges immediately of the Unintentional Selective Disclosure and determine, with the approval of the CEO, what action, if any, is appropriate.

10. Insider Trading

Securities legislation also prohibits anyone in a Special Relationship with a Reporting Issuer from trading in securities of the Reporting Issuer with knowledge of Material Information regarding the Reporting Issuer that has not been Generally Disclosed. This prohibited activity is commonly known as “insider trading.” Insider trading is beyond the scope of this Policy. (See Vecima Networks Inc. Insider Trading Policy)

11. Company Authorized Spokespeople

11.1 The Company’s primary spokespeople to the investment community will normally be the CEO, the CFO, the COO, and Investor Relations.

11.2 In addition, the primary spokespeople may refer media-related inquiries to an external consultant or other persons within the Company who are considered experts on the subject matter.

11.3 Vecima Networks employees who are not authorized to be external communicators will not respond on behalf of the Companies to any inquiries from, or initiate communication with, the financial community, shareholders or media. All such communication must be referred to Authorized Spokespeople, as appropriate, unless specifically asked by a primary spokesperson. In particular, Vecima Networks employees must refer inquiries from analysts and institutional investors as well as from the media to Investor Relations.

12. Spokespeople to be Fully Informed of Company Developments

It is essential that Vecima Networks employees keep the Spokespeople, as listed in Section 11, sufficiently apprised of potentially material Company developments so they can discuss and evaluate any events that might impact the disclosure process, including: material operational and regulatory developments, merger or acquisition activities, extraordinary transactions, and senior executive changes.

13. Keeping Board of Directors Informed

The Corporate Council, Investor Relations and the Corporate Secretary are responsible for keeping the Board of Directors informed of all material developments and significant information disseminated to the public.

14. Retention of Disclosure Documents

14.1 Investor Relations and the Corporate Secretary will maintain a file of all disclosure documents prepared and filed with the securities regulators during the last ten years.

14.2 Investor Relations will keep copies for five years of all widely distributed information sent to analysts and investors and copies of analyst reports on Vecima Networks and transcripts or tape recordings of conference calls and notes from executive meetings with analysts or investors.

14.3 Nothing in this Policy is intended to lessen the number of years documents must be kept by the Companies pursuant to any applicable legal requirements.

15. Market Rumours

15.1 The Company's general policy is to neither confirm nor deny rumours when asked to comment. Authorized Spokespeople must simply state, "Vecima Networks has a policy that we do not comment on rumours and speculation". However, when authorized by the CEO, Authorized Spokespeople, may make exceptions, and respond to certain rumours that are deemed harmful to Vecima Networks' interests, if not rebutted; for example, rumours that an executive has left the company or is ill, when this is not the case.

15.2 If a rumour is essentially accurate with respect to potential Material Information, which the Reporting Issuers has not yet Generally Disclosed, an obligation to Generally Disclose may be created. Should the securities regulators request that the Company make a definitive statement in response to a market rumour that is causing significant volatility in Vecima Networks securities, the CEO will consider the matter and determine whether to make a statement. (See Section 18)

16. Electronic Communication

16.1 All communications, including electronic communications, must comply with securities laws. Electronic communications include electronic mail, Websites, the Internet, the System for Electronic Document Analysis and Retrieval (SEDAR), and the System for Electronic Disclosure by Insiders (SEDI).

16.2 Investor Relations and the Corporate Secretary will monitor and ensure that disclosure through electronic communications made on behalf of the Reporting Issuers comply with relevant disclosure requirements under applicable securities laws in all relevant jurisdictions.

16.3 The Companies will not, through electronic communication, publish documents offering securities to the general public or related promotional materials before or during a public offering, unless permitted pursuant to applicable securities laws.

16.4 Electronic communication should include a disclaimer to the effect that the posting of offering documents through electronic communications that can be accessed in jurisdictions where such securities are not qualified for distribution and are not intended to constitute an offering in that jurisdiction.

16.5 Electronic communications will not be used to “tip” or leak Material Information. Proper precautions must be taken when using electronic communications to discuss undisclosed Material Information about the Reporting Issuers. (See Section 6)

17. Internet Discussion Forums, Chat Rooms, Bulletin Boards and Electronic Mail

Due to the immediacy of the communication, we encourage Vecima Networks employees not to participate in discussions about Vecima Networks on Internet discussion forums, chat rooms or bulletin boards. If Vecima Networks employees do participate in such discussions, they may not, at any time, discuss confidential information or Material Information.

18. Dealing with Regulators

18.1 If requested by a stock exchange or other securities regulatory authority to make a public statement, including in response to a rumour, the CEO will consider whether to make a statement and determine the content of the disclosure, if any. In making its

decision, the CEO may consider the advice, if any, of the securities regulatory authority or other external advisors, as he deems appropriate.

18.2 Investor Relations will be responsible for receiving inquiries from the Market Surveillance Division of the stock exchanges with respect to unusual trading activity or market rumours.

18.3 Investor Relations is responsible for contacting the Market Surveillance Divisions of the stock exchanges in advance of a news release of Material Information, to watch for unusual trading, and to determine, in consultation with the CEO, if a halt in trading is required. (See also Section 9)

19. Dealing with the Investment Community

19.1 In communicating with investment analysts, security holders, potential investors and the media, the following practices must be avoided:

19.1.1 Selective Disclosure;

19.1.2 Distribution of investment analyst reports (only lists of all analysts providing coverage will be supplied); and

19.1.3 Commenting on current period earnings estimates and financial assumptions other than as may be Generally Disclosed.

20. Quiet Periods

20.1 Vecima Networks Inc. observes scheduled Quiet Periods beginning two weeks prior to the end of a quarter or annum and ending the second business day following the General Disclosure of financial results to the public.

20.2 Any Vecima Networks Officer may call discretionary Quiet Periods at any time for a length deemed appropriate. All affected employees shall receive notice in such an event and be subject to the usual Quiet Period restrictions.

20.3 During Quiet Periods, all Vecima Networks employees are prohibited from commenting on current period earnings estimates and financial assumptions, other than to cite or refer to existing public guidance. Communications must be limited to commenting on publicly available or non-Material Information. During Quiet Periods, Vecima Networks employees must also avoid initiating meetings (in person or by phone) with investment analysts, security holders, potential investors and the media on items significant to investors, other than responding to unsolicited inquiries concerning factual information. The Company does not, however, have to stop all communications with analysts or investors during this period; for example, the Company may participate in investment meetings and conferences organized by other parties, as long as Material Information which has not been Generally Disclosed, is not Selectively Disclosed.

21. Dealing with the Media

21.1 Media news conferences on financial matters are normally conducted in separate forums from investors but access to information disclosed should be similar in all material respects. Investor Relations must attend media conferences to monitor that Material Information has not been Generally Disclosed.

21.2 The Company will not provide any Material Information or related documents to a reporter on an exclusive basis.

21.3 Spokespeople should promptly respond to all media inquiries. Company Officers or subject matter experts should be utilized in key announcements, as appropriate, to build credibility and provide more informed disclosure.

22. Forward-Looking Information

22.1 Forward-looking information must only be released with caution, and only in circumstances determined by the CFO or Investor Relations. To the extent any forward-looking information is provided in required disclosure documents under securities legislation, it must be clearly marked as forward-looking and all material assumptions used in the preparation of the forward-looking information must be identified.

22.2 Written and oral statements must be accompanied by appropriate contingency and cautionary language or notices, which should identify or refer to the risks and uncertainties that may cause the actual results to differ materially from those projected in the statements. Also included should be a statement that disclaims the Company's intention or obligation to update or revise the forward-looking information, whether the result of new information, future events or otherwise. Notwithstanding this disclaimer, should subsequent events prove past statements to be materially different, the Company may in its discretion choose to issue a news release. In this case, the Company may update its guidance on the anticipated impact on revenue and earnings or other key metrics.

22.3 If the Company has issued a forecast or projection in connection with an offering document pursuant to securities legislation, the Company will update that forecast or projection periodically, as required by securities legislation.

24. Policy Communications and Consequences for Non-Compliance with this Policy

24.1 All Vecima Networks employees will be advised of this Policy and its importance. This Policy must be strictly complied with. Violations may be grounds for disciplinary action, including dismissal.

24.2 You are encouraged to report possible violations of this Policy. See Section 26 below, Contact Persons.

25. Personal Responsibility

It is the responsibility of all Vecima Networks employees to comply with the law and this Policy. Failure to do so may result in legal sanctions against the Company or its employees and/or sanctions by the Company against its employees.

26. Contact Persons

If you have any questions about any aspect of this Policy or your duties under it, please contact Investor Relations.

Schedule A

Excerpt from s. 4.3 of National Policy 51-201: Examples of Potential Material Information

The following are examples of information that would be Material Information if they result in, or would reasonably be expected to result in, a significant change in the market price or value of any of the listed securities of any one of the Reporting Issuers:

- Changes in share ownership that may affect control of a company
- Major reorganizations, amalgamations or mergers
- Takeover bids, issuer bids or insider bids
- Public or private sale of additional securities
- Planned repurchases or redemptions of securities
- Planned splits of common shares
- Changes in a company's dividend payments or policies
- Material modification to rights of security holders
- A significant increase or decrease in near-term earnings prospects
- Unexpected changes in financial results for any periods
- Changes in the value or composition of a company's assets
- Any development that affects the company's technology, products or markets
- Major labour disputes or disputes with major contractors or suppliers
- Significant new contracts, products, patents or services or significant losses of contracts or business
- The commencement of, or developments in, material legal proceedings or regulatory matters
- Significant acquisitions or dispositions of assets, property or joint venture interests
- The borrowing or lending of a significant amount of money
- Any mortgaging or encumbering of a company's assets
- Changes in rating agency decisions
- Significant new credit arrangements