



CODE OF ETHICAL BUSINESS CONDUCT

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1 Purpose

The Code of Ethical Business Conduct of Vecima Networks Inc. contains the specific Corporate Policies adopted by the Board of Directors that relate to the legal and ethical standards of conduct of Directors, Employees and agents of the Company.

The purpose of this General Policy Regarding Laws and Business Conduct is to provide a general statement regarding the Company's expectations as to the legal and ethical nature of conduct of the Company's Directors, Employees and agents while acting on the Company's behalf and to provide for the administration of the Company's Code of Ethical Business Conduct.

This Corporate Policy is intended to enhance the qualifications of the Code of Ethical Business Conduct as a program that is reasonably designed, implemented and enforced so as to be generally effective in preventing and detecting criminal conduct, and that promotes an organizational culture that encourages ethical conduct.



The Company believes that this Code of Ethical Business Conduct exceeds the requirements of the definition of a "Code of Ethics" as set forth in the regulations of the Canadian Securities Administrators (CSA) issued pursuant to Section 3.8 of Multilateral Instrument 58-201. However, for purposes of clarity and to ensure compliance with Section 3.8, this Code of Ethical Business Conduct as it applies to these listed officers is designed to deter wrongdoing and promote:

- 1.1 honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- 1.2 full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, any securities exchange or regulatory body and in other public communications made by the Company;
- 1.3 compliance with applicable governmental laws, rules and regulations;
- 1.4 the prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code; and
- 1.5 accountability for adherence to the Code.



2 Definitions

As used in the Code of Ethical Business Conduct:

- 2.1 "Company" means Vecima Networks Inc., a Canadian corporation, its divisions, subsidiaries, and successors.
- 2.2 "Director" means any Director of Vecima Networks Inc.
- 2.3 "Employee" means any employee of the Company, including the Company's chief executive officer, chief financial officer, chief operating officer, controller, or persons performing similar functions.
- 2.4 "High Level Personnel" means individuals who have substantial control over the Company or who have a substantial role in policy-making within the Company, including Directors, executive officers and individuals in charge of a major business or functional unit of the Company, such as sales, administration or finance.
- 2.5 "Laws" means laws, rules and regulations of governmental agencies and authorities.
- 2.6 "Audit Committee" means the Audit Committee of the Board of Directors of the Company.



3 Policy

3.1 Standards of Conduct

It is the Company's policy to observe and comply with all Laws applicable to it or the conduct of its business wherever located. In some situations the applicable Law of Canada may conflict with the applicable Law of another country. In such cases the Company will endeavor to resolve such conflict following the guidance of its Corporate Counsel. Where such a conflict cannot be resolved, the applicable Law of Canada will be observed and complied with by the Company.

The Code of Ethical Business Conduct applies to agents of the Company as well as its Directors and Employees.

The Code of Ethical Business Conduct sets forth specific Corporate Policies governing the conduct of the business of the Company. These policies were developed and are intended to be applied in good faith with reasonable business judgment to enable the Company to achieve its operating and financial goals within the framework of the Law.



It is the personal responsibility of each Director, Employee and agent of the Company to adhere to the standards and restrictions, whether imposed by Law, the Code of Ethical Business Conduct or other Corporate Policies applicable to his or her assigned duties and responsibilities and to conduct him or herself accordingly. Such standards and restrictions require each Director, Employee and agent to avoid any activities which would involve the Company in any practice which is not in compliance with the Code of Ethical Business Conduct. Any Director, Employee or agent who does not adhere to such standards and restrictions is acting outside the scope of his or her employment, responsibilities or agency.

Beyond legal compliance, all Company Directors, Employees and agents are expected to observe high standards of business and personal ethics in the discharge of their assigned duties and responsibilities. This requires the practice of fair dealing, honesty and integrity by Directors and Employees in every aspect of dealing with other Company Employees, the public, the business community, shareholders, customers, suppliers, competitors and governmental and regulatory authorities. Directors and Employees when acting on behalf of the Company shall not take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or other unfair-dealing practices.

IT IS THE POLICY OF THE COMPANY NOT TO DISCRIMINATE AGAINST EMPLOYEES, SHAREHOLDERS, DIRECTORS, CUSTOMERS OR SUPPLIERS ON ACCOUNT OF RACE, COLOR, AGE, GENDER, SEXUAL ORIENTATION, RELIGION OR NATIONAL ORIGIN EXCEPT AS MAY BE REQUIRED BY APPLICABLE LAW. ALL OF SUCH PERSONS SHALL BE TREATED WITH DIGNITY AND RESPECT AND THEY SHALL NOT BE UNREASONABLY INTERFERED WITH IN THE CONDUCT OF THEIR DUTIES AND RESPONSIBILITIES.



3.2 Administration of Code of Ethical Business Conduct

The Code of Ethical Business Conduct of the Company shall be administered as follows:

3.2.1 Scope of Code of Ethical Business Conduct

The Audit Committee shall, periodically, in light of the experience of the Company, review the Code of Ethical Business Conduct, and when necessary or desirable, make recommendations to the Board of Directors:

- 3.2.1.1 to ensure that any weaknesses revealed through monitoring, auditing and reporting systems are eliminated or corrected;
- 3.2.1.2 to ensure that it meets or exceeds industry standards; and
- 3.2.1.3 to ensure its continued conformance to applicable Law.

3.2.2 Allocations of Responsibility

The Audit Committee shall be responsible for the administration of the Code of Ethical Business Conduct. The Audit Committee shall establish such procedures as it shall deem necessary or desirable in order to discharge this responsibility. Such procedures shall provide for obtaining advice of legal counsel where appropriate. In discharging these responsibilities, the Audit Committee may delegate authority to such committees, officers and other Employees and may engage such agents and advisors as it shall deem necessary or desirable.



3.2.3 Delegation of Substantial Authority

No Director or Employee of the Company shall delegate substantial authority to any individual whom such Director or Employee knows, or through the exercise of due diligence should know, has engaged in illegal activities or other conduct, either of which is inconsistent with an effective compliance and ethics program.

3.2.3.1 For this purpose, persons with "substantial authority" include (i) High Level Personnel, (ii) individuals who exercise substantial supervisory authority, such as a production manager or a sales manager, and (iii) any other individuals who, although not a part of the Company's management, nevertheless exercise substantial discretion when acting within the scope of their authority (for example, an individual with authority to negotiate or set price levels or an individual authorized to negotiate or approve significant contracts).

3.2.3.2 The Audit Committee, in administering the Code of Ethical Business Conduct, shall consider, adopt and promulgate guidelines for background checks on individuals who are being delegated substantial authority.



3.2.4 Communication of Policies

To ensure the continued dissemination and communication of the Code of Ethical Business Conduct, the Audit Committee shall take, or cause to be taken, reasonable steps to communicate effectively the standards and procedures included in the Code of Ethical Business Conduct to Directors, Employees and agents of the Company.

3.2.5 Monitoring and Auditing

The Audit Committee shall take reasonable steps to monitor and audit compliance with the Code of Ethical Business Conduct, including the establishment of monitoring and auditing systems that are reasonably designed to detect conduct in violation of the Code of Ethical Business Conduct by Directors, Employees and agents of the Company.

- 3.2.5.1 To the extent so directed by the Audit Committee, the information developed by the Company's independent auditors in performing their engagement by the Company and by its internal audit function in the performance of their assigned responsibilities shall be made available to the Audit Committee in its capacity as administrator of the Code of Ethical Business Conduct as a means of monitoring and auditing compliance with the Code of Ethical Business Conduct.



3.2.5.2 To the extent so directed by the Audit Committee, the results of the periodic health, safety and environmental audits and export administration audits of the Company's facilities shall be made available to the Audit Committee in its capacity as the administrator of the Code of Ethical Business Conduct as a means to monitor and audit compliance with the Code of Ethical Business Conduct.

3.2.6 Board Committees

The Corporate Counsel shall report to the Audit Committee of the Board of Directors, at least once each year, regarding the general effectiveness of the Code of Ethical Business Conduct.

As necessary, officers of the Company shall report on the Health, Safety and Environmental condition of the Company to the Board of Directors at least once each year as it relates to the Code of Ethical Business Conduct.



3.2.7 Reporting System

Directors and Employees are both encouraged and obligated to promptly report any violations of the Code of Ethical Business Conduct.

The Audit Committee shall establish a reporting system that will allow violations of the Code of Ethical Business Conduct to be reported and acted upon by Directors, officers or other Employees of the Company with sufficient authority to deal objectively with the reported matters.

The existence and nature of the reporting system shall be communicated to all Employees and, to the extent appropriate, to agents of the Company. The reporting system shall include a mechanism available to all Company Employees to submit anonymous tips. If in doubt about the person to contact, reports should be made to the anonymous tip mechanism or the Lead Independent Director.

It shall be a violation of this Corporate Policy to intimidate or impose any form of retribution on any Employee or agent who utilizes such reporting system in good faith to report suspected violations (except that appropriate action may be taken against such Employee or agent if such individual is one of the wrongdoers).



3.2.8 Investigation of Violations

If, through operation of the Company's compliance monitoring and auditing systems or its violation reporting systems or otherwise, the Company receives information regarding an alleged violation of the Code of Ethical Business Conduct, the person or persons authorized by the Audit Committee to investigate alleged violations of the Code of Ethical Business Conduct shall, as appropriate, in accordance with procedures established by the Audit Committee:

- 3.2.8.1 evaluate such information as to gravity and credibility;
- 3.2.8.2 initiate an informal inquiry or a formal investigation with respect thereto;
- 3.2.8.3 prepare a report of the results of such inquiry or investigation, including recommendations as to the disposition of such matter;
- 3.2.8.4 make the results of such inquiry or investigation available to the Board of Directors or the Audit Committee for action (including disciplinary action by the Audit Committee); and
- 3.2.8.5 recommend changes in the Code of Ethical Business Conduct necessary or desirable to prevent further similar violations.

The Company may disclose the results of investigations to law enforcement agencies.



3.2.9 Disciplinary Measures

Directors and Employees will be held accountable for failure to adhere to the Company's Code of Ethical Business Conduct. The Company shall promptly and consistently enforce its Code of Ethical Business Conduct through appropriate means of discipline. Pursuant to procedures adopted by it, the Audit Committee shall determine whether violations of the Code of Ethical Business Conduct have occurred and, if so, shall determine the disciplinary measures to be taken against any Director, Employee or agent of the Company who has so violated the Code of Ethical Business Conduct.

The disciplinary measures, which may be invoked at the discretion of the Audit Committee or senior management, include, but are not limited to, counseling, oral or written reprimands, warnings, probation, suspension without pay, demotions, reductions in salary, termination of employment and restitution.

Persons subject to disciplinary measures shall include, in addition to the violator, others involved in the wrongdoing such as (i) persons who fail to use reasonable care to detect a violation, (ii) persons who if requested to divulge information withhold material information regarding a violation, and (iii) supervisors who approve or condone the violations or attempt to retaliate against Employees or agents for reporting violations or violators.



3.2.10 Waivers

Any waiver of the requirements of the Code of Ethical Business Conduct for Directors or executive officers of the Company may be made only by the Audit Committee of the Company. The Company will promptly disclose such waivers to its shareholders as may be required by Law.

3.2.11 Documentation

Subject to the applicable document retention program, the Company shall document its compliance efforts and results to evidence its commitment to comply with the standards and procedures set forth above.

3.2.12 Advice and Assistance

When in doubt about the propriety of a particular course of action, Employees are encouraged to contact the anonymous tip mechanism or the Lead Independent Director