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**CORPORATE GOVERNANCE AND COMPENSATION COMMITTEE MANDATE**

**VECIMA NETWORKS INC.**

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## **1 Purpose**

The primary purpose of the Corporate Governance and Compensation Committee (hereafter also referred to as the “Corporate Governance Committee”) is to assist the Board of Directors in fulfilling its oversight responsibilities in relation to:

- 1.1 the Corporation’s overall approach to corporate governance;
- 1.2 the size, composition and structure of the Board and its committees;
- 1.3 the identification and recommendation to the Board of qualified individuals for appointment to the Board and its committees;
- 1.4 compensation of the CEO, including plans and programs relating to cash compensation, incentive compensation, equity-based awards and other benefits and perquisites;
- 1.5 orientation and continuing education for directors;
- 1.6 matters involving conflicts of interest of directors and officers; and
- 1.7 any additional matters delegated to the Corporate Governance Committee by the Board.



## **2 Composition**

The Board on the recommendation of the Corporate Governance Committee will appoint the members of the Corporate Governance Committee and its Chair annually. The Corporate Governance Committee will consist of three or more members.

The majority of the members of the Corporate Governance Committee will be Independent Directors.

## **3 Meetings**

The Corporate Governance Committee will meet at least once annually and as many additional times as the Corporate Governance Committee deems necessary to carry out its duties effectively.

Notice of every meeting will be given to each member and the Chair of the Board.

A majority of the members of the Corporate Governance Committee will constitute a quorum. No business may be transacted by the Corporate Governance Committee except at a meeting of its members at which a quorum is present.

The Corporate Governance Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend its meetings and assist in the discussion and consideration of any matter.

The Chair or any member of the Corporate Governance Committee may convene a meeting of the Corporate Governance Committee.



#### **4 Duties and Responsibilities**

To carry out its oversight responsibilities, the Corporate Governance Committee will:

- 4.1 make recommendations to the Board with respect to the appropriate size and composition of the Board;
- 4.2 make recommendations to the Board with respect to qualifications for members of the Board, with a view to the independence and expertise required for effective governance and satisfaction of applicable regulatory requirements, and procedures for identifying possible candidates who meet the criteria adopted;
- 4.3 make recommendations to the Board with respect to the selection of nominees for election or appointment to the Board to fill Board vacancies;
- 4.4 make recommendations to the Board with respect to the number, composition and mandates of committees of the Board;
- 4.5 make recommendations to the Board with respect to the appointment of directors to Board committees and the selection of committee chairs;
- 4.6 make recommendations to the Board with respect to the establishment and implementation of procedures to review the contribution of individual directors and the effectiveness of the Board and its committees, including the completion of annual directors' questionnaires and the dissemination of results to the Board;
- 4.7 assist management in development of an orientation program for new members of the Board and an education program for all members of the Board;



- 4.8 make recommendations to the Board with respect to the Corporation's approach to corporate governance issues, including: (i) the relationship of the Board to management; (ii) the review of the Board mandate at least once a year; and (iii) the adequacy of the structures and procedures in place to permit the Board to effectively discharge its duties and responsibilities;
- 4.9 make recommendations to the Board with respect to the development and review of position descriptions for the Chief Executive Officer, the Chair of the Board, Board committee chairs and directors;
- 4.10 make recommendations to the Board with respect to directors' and officers' liability insurance and indemnity agreements; and
- 4.11 approve individual directors engaging outside advisors at the expense of the Corporation in appropriate circumstances.



The Corporate Governance Committee shall have the following duties and responsibilities in relation to compensation review:

- 4.12 Review management's recommendations and advise management and the Board of Directors on broad compensation policies such as salary ranges, annual incentive bonuses and long-term incentive plans, including equity-based compensation programs.
- 4.13 Review performance objectives established for the CEO of the Company and evaluate performance relative to these objectives, in connection with its overall review of executive compensation.
- 4.14 Recommend to the Board of Directors the base salary, cash incentive bonus, equity-based incentive awards and other compensation for the Chief Executive Officer of the Company.
- 4.15 Review and approve, on an annual basis, the annual retainer, equity-based incentive awards and other compensation for the directors of the Company.
- 4.16 Administer any Long Term Incentive Plan and High Performance Unit Program.
- 4.17 Approve management's allocations of units in the Company's High Performance Unit Program.
- 4.18 Review and recommend approval of the report on executive compensation for inclusion in the Company's annual proxy statement, in accordance with applicable rules and regulations.



## **5 Nomination of Directors**

In making recommendations to the Board for the nomination of individuals as directors, the Corporate Governance Committee will consider:

- 5.1 the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- 5.2 the competencies and skills that the Board considers each existing director to possess; and
- 5.3 the competencies and skills each new nominee would bring to the Board.

## **6 Reporting**

The Corporate Governance Committee will:

- 6.1 regularly report to the Board on all significant matters it has addressed and with respect to such other matters that are within its responsibilities; and
- 6.2 oversee the preparation of any Statement of Corporate Governance Practices (or similarly captioned) section of the Corporation's management proxy circular and any other disclosure required under applicable law with respect to matters that are within its responsibilities.



## **7 Minutes**

Minutes will be kept of each meeting of the Committee and will be available to each member of the Board. Any action of the Committee (other than actions for which the Committee has sole authority as set forth herein) shall be subject to revision, modification, rescission, or alteration by the Board, provided that no rights of third parties shall be affected by any such revision, modification, rescission, or alteration.

## **8 Review and Evaluation**

The Corporate Governance Committee will annually review and evaluate the adequacy of its mandate and recommend to the Board any proposed changes.

The Corporate Governance Committee will annually evaluate its performance and report the results of such evaluation to the Board.

## **9 Chair**

Each year, the Board will appoint one member to be Chair of the Corporate Governance Committee. If, in any year, the Board does not appoint a Chair of the Corporate Governance Committee, the incumbent Chair of the Corporate Governance Committee will continue in office until a successor is appointed.



## **10 Removal and Vacancies**

Any member of the Corporate Governance Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Corporate Governance Committee upon ceasing to be a director. The Board may fill vacancies on the Corporate Governance Committee by appointment from among its members. If and whenever a vacancy shall exist on the Corporate Governance Committee, the remaining members may exercise all its powers so long as a quorum remains (at least two members) in office. Subject to the foregoing, each member of the Corporate Governance Committee shall remain as such until the next annual meeting of shareholders after that member's election.

## **11 Access to Outside Advisors**

The Corporate Governance Committee may, without seeking approval of the Board or management, select, retain, terminate, set and approve the fees and other retention terms of any outside advisor, as it, acting reasonably, deems appropriate. The Corporation will provide for appropriate funding, for payment of compensation to any such advisors, and for ordinary administrative expenses of the Corporate Governance Committee.

## **12 Amendments**

This Corporate Governance and Compensation Committee Mandate may be amended in whole or in part with the approval of a majority of the Board.



### 13 Definitions

Legal terms used in this Mandate have the meanings attributed to them below. Terms not otherwise defined herein have the meanings attributed to them in Multilateral Instrument 52-110, as amended from time to time.

**“Independent Director”** means a director who has no direct or indirect material relationship with the Corporation. For this purpose, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director’s independent judgment. Despite the foregoing, the following individuals are considered to have a material relationship with the Corporation:

- An individual who is, or has been, an employee or executive officer of the Corporation, unless three years have elapsed since the end of the service or employment.
- An individual whose immediate family member is, or has been, an executive officer of the Corporation unless three years have elapsed since the end of the service or employment.
- An individual who is, or has been, an affiliated entity of, a partner of, or employed by, a current or former internal or external auditor of the Corporation unless three years have elapsed since the person’s relationship with the internal or external auditor, or the auditing relationship, has ended.
- An individual whose immediate family member is, or has been, an affiliated entity of, or employed in a professional capacity by, a current or former internal or external auditor of the Corporation unless three years have elapsed since the person’s relationship with the internal or external auditor, or the auditing relationship, has ended.



- An individual who is, or has been, or whose immediate family member is or has been, an executive officer of an entity if any of the Corporation's current executive officers serve on the entity's compensation committee unless three years have elapsed since the end of the service or employment.
  
- An individual who:
  - has a relationship with the Corporation pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation or any subsidiary entity of the Corporation, other than as remuneration for acting in his or her capacity as a member of the Board or any Board committee, or as a part-time chair or vice-chair of the Board or any Board committee; or
  
  - receives, or whose immediate family member receives, more than \$75,000 per year in direct compensation from the Corporation, other than as remuneration for acting in his or her capacity as a member of the Board or any Board committee, or as a part-time chair or vice-chair of the Board or any Board committee, unless three years have elapsed since he or she ceased to receive more than \$75,000 per year in such compensation.
  
- An individual who is an affiliated entity of the Corporation or any of its subsidiary entities.