



SANDVINE CORPORATION

MANAGEMENT INFORMATION CIRCULAR

MARCH 5th, 2010

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR (THE "INFORMATION CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY AND ON BEHALF OF MANAGEMENT OF SANDVINE CORPORATION (THE "CORPORATION") FOR USE AT THE ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF THE CORPORATION (THE "MEETING") TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING (THE "NOTICE OF MEETING") OR ANY ADJOURNMENT THEREOF. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by regular employees of the Corporation at nominal cost. The cost of solicitation by or on behalf of management will be borne by the Corporation.

All dollar amounts set out in this Information Circular are expressed in Canadian dollars, unless otherwise indicated.

APPOINTMENT AND REVOCATION OF PROXIES

THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY ARE DIRECTORS AND OFFICERS OF THE CORPORATION. A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND, ACT AND VOTE FOR SUCH SHAREHOLDER AT THE MEETING OTHER THAN THOSE NAMED IN THE ENCLOSED FORM OF PROXY. A SHAREHOLDER DESIRING TO APPOINT SOME PERSON OTHER THAN THOSE NAMED IN THE ENCLOSED FORM OF PROXY TO REPRESENT SUCH SHAREHOLDER AT THE MEETING MAY DO SO EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE ENCLOSED FORM OF PROXY AND STRIKING OUT THE NAMES OF THE TWO SPECIFIED PERSONS OR BY COMPLETING ANOTHER PROPER FORM OF PROXY AND, IN EITHER CASE, DELIVERING THE COMPLETED PROXY TO THE CORPORATION, C/O COMPUTERSHARE INVESTOR SERVICES INC., THE CORPORATION'S REGISTRAR AND TRANSFER AGENT, AT 100 UNIVERSITY AVENUE, 9TH FLOOR, TORONTO, ONTARIO M5J 2Y1 (FAX: (866) 249-7775 or (416) 263-9524), BY NO LATER THAN 11:00 AM (TORONTO TIME) ON APRIL 1, 2010, OR, IN THE CASE OF ANY ADJOURNMENT OF THE MEETING, BY NO LATER THAN 5:00 PM (TORONTO TIME) ON THE SECOND BUSINESS DAY IMMEDIATELY PRECEDING THE DATE OF SUCH ADJOURNED MEETING.

In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the offices of Computershare Investor Services Inc. as shown above at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of such Meeting on the day of the Meeting, or adjournment thereof, and upon either of such deposits the proxy is revoked.

EXERCISE OF DISCRETION BY PROXIES

THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY WILL VOTE THE SHARES IN RESPECT OF WHICH THEY ARE APPOINTED OR WITHHOLD FROM VOTING, AS THE CASE MAY BE, IN ACCORDANCE WITH THE DIRECTIONS OF THE SHAREHOLDERS APPOINTING THEM. IF NO DIRECTION IS MADE IN A PROXY WITH RESPECT TO ANY MATTER SET OUT THEREIN, THE PROXY WILL BE VOTED FOR EACH SUCH MATTER.

THE ENCLOSED FORM OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSON OR PERSONS NAMED THEREIN WITH RESPECT TO AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF MEETING TO WHICH THE PROXY RELATES AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. As at the date of this Information Circular, management of the Corporation knows of no such amendment, variation or other matters to come before the Meeting. However, if any other matters which are not now known to management of the Corporation should properly come before the Meeting, the shares represented by the proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the shares represented by such proxy.

NON-REGISTERED SHAREHOLDERS

Only registered shareholders of the Corporation or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a person (a "Non-Registered Holder") are registered either: (i) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the shares of the Corporation (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Information Circular and the form of proxy (collectively, the "meeting materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders unless non-registered holders have waived the right to receive them.

Intermediaries are required to forward the meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will either:

- (i) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the form of proxy and submit it to the Corporation, c/o the Corporation's registrar and transfer agent, Computershare Investor Services Inc., at the address set forth in the Notice of Meeting; or
- (ii) more typically, be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service Corporation, will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the Non-Registered Holder will be given a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service Corporation in accordance with the instructions of the Intermediary or its service Corporation.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares of the Corporation they beneficially own. Should a Non-Registered Holder who receives either form of proxy wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the persons named in the proxy and insert the Non-Registered Holder or such other person's name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

A Non-Registered Holder may revoke a proxy authorization form (voting instructions) or a waiver of the right to receive meeting materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a proxy authorization form (voting instructions) or of a waiver of the right to receive meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

VOTING SHARES

As at the date of this Information Circular, the issued and outstanding capital of the Corporation consists of 135,944,089 Common Shares, each carrying the right to one vote per share at all meetings of shareholders.

The record date for the purpose of determining the shareholders entitled to receive notice of the Meeting (the "Record Date") has been fixed as March 1, 2010. In accordance with the provisions of the *Business Corporations Act* (Ontario), the Corporation will prepare a list of shareholders as at the close of business on the Record Date. Each holder of Common Shares named in the list will be entitled to vote, on all resolutions put forth at the Meeting for which such shareholder is entitled to vote, the shares shown opposite his or her name on the said list, except to the extent that: (a) the shareholder has transferred any of his or her shares after the Record Date, and (b) the transferee of those shares produces properly endorsed share certificates or otherwise establishes that he or she owns the shares and demands, not later than five (5) days before the Meeting, that his or her name be included in the list of shareholders before the Meeting, in which case the transferee will be entitled to vote his or her shares at the Meeting. The failure of a shareholder to receive the Notice of Meeting does not deprive him or her of the right to vote at the Meeting.

On April 14, 2009 the Corporation received acceptance from the Toronto Stock Exchange of the Corporation's notice of intention to proceed with a normal course issuer bid pursuant to which the Corporation was authorized to repurchase for cancellation up to 10,173,673 of its Common Shares by way of open market transactions through the facilities of the Toronto Stock Exchange during the one year period commencing from April 14, 2010. During the period from April 14, 2009 until the date of this Information Circular the Corporation had not made any purchases of its Common Shares under this normal course issuer bid. A copy of the Corporation's notice of intention to commence the normal course issuer bid is available upon request from the Corporation's Secretary at the address given below.

PRINCIPAL HOLDERS OF COMMON SHARES

As of the date of this Information Circular, the only persons to the knowledge of the Corporation's directors and executive offices who beneficially owned, controlled or directed, directly or indirectly, Common Shares of the Corporation carrying ten percent (10%) or more of the voting rights attached to all outstanding Common Shares of the Corporation and the number and percentage of outstanding Common Shares so owned, controlled or directed, were as follows:

<u>Name of Shareholder Beneficial Owner</u>	<u>Number of Common Shares</u>	<u>Percentage of Outstanding Common Shares</u>
Fidelity (through various related entities)	15,673,386*	11.53%

* This information not being within the knowledge of the Corporation is based solely on publicly available filings available to the Corporation which may or may not be current as of the date hereof.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Presentation of Annual Report for Fiscal 2009

A copy of the Corporation's annual financial statements for the fiscal year ended November 30, 2009, the report of the auditors thereon and the accompanying management's discussion and analysis has been mailed to all registered shareholders and intermediaries and will be submitted to Shareholders at the meeting. Copies of each are also available on www.sedar.com.

2. Election of Directors

The number of directors to be elected at the Meeting has been set by the board of directors of the Corporation (the "Board") at seven (7) in accordance with the Corporation's articles and by-laws. Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected or appointed.

The table below under the heading "Nominees for Election to Board of Directors" sets forth information regarding each person proposed to be nominated for election as a director, including the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by such person or the person's associates as of the date of this Information Circular. Information as to the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by such persons, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

All of the proposed nominees presently serve as directors of the Corporation and having so served since the dates indicated. There are no contracts, arrangements or understandings between any director or executive officer or any other person pursuant to which any of the nominees has been nominated.

It is not anticipated that any of the nominees will be unable to serve as a director but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy shall be entitled to vote for any other nominee in their discretion.

If you complete and return the enclosed form of proxy, the persons designated in the enclosed form of proxy intend to vote FOR each of the proposed nominees set out herein at the Meeting, or any postponement or adjournment thereof, unless you specifically direct that your vote be withheld.

3. Appointment of Auditors

On the recommendation of the audit committee of the Board, management proposes to re-appoint the current auditors of the Corporation, PricewaterhouseCoopers LLP, Chartered Accountants, as the auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board to fix the auditor's remuneration. PricewaterhouseCoopers LLP were first appointed auditors of the Corporation for the fiscal year ended November 30, 2005.

The breakdown of aggregate fees billed for services provided by the Company's auditors, PriceWaterhouseCoopers LLP, during the two (2) preceding fiscal years is as follows:

	<u>FY 2009</u>	<u>FY 2008</u>
Audit Fees	\$ 161,871	\$ 150,106
Audit Related Fees ⁽¹⁾	\$ 36,000	\$ 36,000
Tax Fees ⁽²⁾	\$ nil	\$ 7,583

(1) - "Audit Related Fees" relate to the interim review of the Company's quarterly financial statements.

(2) - "Tax Fees" relate to fees billed by PriceWaterhouseCoopers LLP related primarily to advisory services for Canadian and international tax compliance as well as general global tax planning services.

If you complete and return the enclosed form of proxy, the persons designated in the enclosed form of proxy intend to vote FOR the re-appointment of PricewaterhouseCoopers LLP as auditors of the Corporation and to authorize the Board to fix the auditor's remuneration, unless you specifically direct that your vote be withheld.

4. Reconfirmation and Approval of Unallocated Options under Stock Option Plan

The policies of the Toronto Stock Exchange (the "TSX") require that every three (3) years after the institution of a security based compensation arrangement which does not have a fixed number of securities issuable, as is the case with the Corporation's Stock Option Plan (the "Option Plan"), all unallocated options must be reconfirmed and approved by the Corporation's shareholders.

The Option Plan, which was approved by the shareholders of the Corporation and adopted by the Board of Directors on March 7, 2006, provides that the total number of shares reserved for issuance under the Option Plan shall not exceed ten percent (10%) of the Corporation's then issued and outstanding common shares from time to time.

The Corporation listed its common shares for trading on the TSX on October 26, 2006 and therefore, based on the three (3) renewal requirements of the TSX, any unallocated options under the Option Plan would have been required to be reconfirmed and approved by the Corporation's shareholders as of October 26, 2009. The Special and Annual Meeting of Shareholders which is the subject of the Notice of Meeting to which this Information Circular is annexed being the next meeting of shareholders following October 26, 2009, the Corporation is now seeking shareholder approval of the unallocated options under the Option Plan and ratification of any options granted by the Corporation since October 26, 2009.

The following table sets out the details of all options that have been granted by the Corporation since October 26, 2009, separated between grants to Insiders of the Corporation and all non-insiders. None of these options are exercisable until such time that the Corporation has obtained shareholder approval for the renewal of the Option Plan and will be cancelled if shareholders do not approve the renewal of the Option Plan.

Name	Securities Under Options Granted (#)	Exercise Price (\$/Security)	Expiration Date
Dave Caputo	99,000	1.41	January 21, 2020
Scott Hamilton	34,000	1.41	January 21, 2020
Tom Donnelly	53,000	1.41	January 21, 2020
Brad Siim	53,000	1.41	January 21, 2020
Don Bowman	53,000	1.41	January 21, 2020
Michael Verhoeve	34,000	1.41	January 21, 2020
Wojciech Nincevic	5,000	1.41	January 21, 2020
Angelo Compagnoni	10,000	1.41	January 21, 2020
Chris Colman	10,000	1.41	January 21, 2020
All Other Grants (Non-Insiders)	746,000	1.41	January 21, 2020
TOTAL	1,097,000		

Based on 135,944,089 common shares being issued and outstanding as of the date hereof and 10,908,645 options outstanding under the Option Plan as of the date hereof (representing 8.02% of currently issued and outstanding common shares), there are 2,685,763 options that have not been allocated under the Option Plan (representing 1.98% of currently issued and outstanding common shares).

The Board of Directors recommends that the unallocated options be approved and that the Option Plan be reconfirmed until the date that is three (3) years from the date of this meeting and that all options granted under the Option Plan since October 26, 2009 be ratified by shareholders. If approval is not obtained at the Meeting, options which have not been allocated as of April 6th, 2010, including the options which have been granted since October 26, 2009 as set out above, as well as all options which are outstanding as of April 6th, 2010 and are subsequently cancelled, terminated or exercised will not be available for a new grant of options. Previously allocated options will continue to be unaffected by the approval or disapproval of the resolution.

If you complete and return the enclosed form of proxy, the persons designated in the enclosed form of proxy intend to vote FOR the following resolution:

Now Therefore, Be it resolved that:

(i) all unallocated options under the Corporation's Stock Option Plan as of the date of this resolution be and are hereby approved;

(ii) the Corporation have the ability to continue granting options under the Stock Option Plan until April 6th, 2013, that is until the date that is three (3) years from the date where shareholder approval is being sought;

(iii) all options granted by the Corporation since October 26, 2009, being 1,097,000 options, be and are hereby approved; and

(iv) any director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determined to be necessary in order to give full effect to the intent and purpose of this resolution.

5. Other Matters

The Corporation knows of no other matters to be brought before the Meeting. If any amendment, variation or other business is properly brought before the Meeting, the enclosed form of proxy and voting instruction confers discretion on the persons named on the form of proxy to vote on such matters in accordance with their best judgment.

NOMINEES FOR ELECTION TO BOARD OF DIRECTORS

ROGER MAGGS Tetbury, UK	Director and Non-Executive Chairman	Director Since: March 2006	Common Shares: Options:	Nil ⁽¹⁾ Nil ⁽²⁾
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Committee Membership: **Audit, Corporate Governance**

Mr. Maggs joined the Board as chairman on March 7, 2006. Mr. Maggs is a founder and partner of Celtic House, a recognized leader in the venture capital industry. Prior to founding Celtic House, Mr. Maggs enjoyed a 27-year career with Alcan Aluminum Limited, a global metals company. He held several senior positions including Vice President, Mergers, Acquisitions and Divestments, President, Alcan Metal Marketing and Vice President, Personnel. Mr. Maggs currently sits on the boards of Cavendish Kinetics, LTX Corporation, RedMere Technology Limited, noHold Inc., Third Brigade Inc. and Movidia. Mr. Maggs has a physics degree from The University of Wales and Masters degree from Warwick Business School.

- (1) Mr. Maggs is a partner in various limited partnerships that form the Celtic House group of funds. To the knowledge of the Corporation, Celtic House Venture Partners Fund IIA LP owned less than ten percent of the outstanding Common Shares of the Corporation as of the date of this Information Circular. Mr. Maggs does not exercise control or direction over these Common Shares.
- (2) Mr. Maggs has declined to receive any option grant which forms part of the director remuneration package of the Corporation as further described below under "Director Compensation" and has, to date, declined receiving any other compensation from the Corporation for acting as non-executive Chairman of the Board other than reimbursement of out of pocket expenses. Mr. Maggs has, instead, requested that the Corporation donate \$20,000 on an annual basis to charitable and philanthropic causes in the Kitchener-Waterloo region on his behalf at the discretion of management of the Corporation.

MARK GUIBERT Waterloo, Ontario	Director	Director Since: March 2006	Common Shares: Options:	29,366 ⁽¹⁾ 140,000
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Committee Membership: **Corporate Governance, Compensation**

Mr. Guibert joined the Board on March 7, 2006. Mr. Guibert is the vice president of corporate marketing at Research In Motion Limited ("RIM"), where he is responsible for the strategy and implementation of corporate communication and marketing activities. Prior to joining RIM in 1997, Mr. Guibert held various senior positions in sales and international marketing with Hewlett-Packard, AT&T (NCR) and ALL Computers Inc. Mr. Guibert holds a Bachelor of Business Administration and received his Masters degree in Business from York University in Toronto.

- (1) Common Shares held by the spouse of Mr. Guibert.

JOHN KEATING Cambridge, Ontario	Director	Director Since: March 2006	Common Shares: Options:	130,000 140,000
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Committee Membership: **Audit, Corporate Governance, Compensation (Chair)**

Mr. Keating joined the Board on March 7, 2006. Mr. Keating is the CEO of COM DEV International Inc and a member of the Board of Directors of COM DEV. Mr. Keating was born and educated in England where he studied mechanical and production engineering at Leicester Polytechnic (now De Montfort University) under the sponsorship of Marconi Radar Systems. During the following 20 years, Mr. Keating filled a wide range of operational and management positions in high technology companies in Britain, Holland and Canada. Mr. Keating joined COM DEV in 1992, progressing from the management of major programs, business units and operations to President of COM DEV Wireless (later called COM DEV Broadband) in 1998, President of COM DEV Space in 1999 and Chief Operating Officer in 2001 and Chief Executive Officer in 2002.

KENNETH TAYLOR Kanata, Ontario	Director	Director Since: December 2006	Common Shares: Options:	Nil 140,000
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Committee Membership: **Audit (Chair)**

Mr. Taylor joined the Board on December 5, 2006. Mr. Taylor is currently the Chief Financial Officer of March Networks Corporation and has more than 20 years of financial, administrative, and operational experience with various technology companies. Prior to his position with March Networks, Mr. Taylor served as chief financial officer and chief operating officer with Proshred Security International Inc., Mr. Taylor also spent nearly 10 years with Newbridge Networks Corp., and held the position of vice president finance when Newbridge was sold to Alcatel SA for US\$7 billion in 2001. Mr. Taylor is a Chartered Accountant and holds a Bachelor of Business Administration degree from St. Francis Xavier University in Nova Scotia, Canada.

STEVEN MCCARTNEY Thornhill, Ontario	Director	Director Since: April 2008	Common Shares: Options:	Nil 100,000
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Committee Membership: **Corporate Governance (Chair), Compensation**

Mr. McCartney joined the Board on April 8, 2008. Mr. McCartney is currently a Principal of Tequity Inc., a mergers and acquisition advisory firm which provides services to North American software, hardware, telecom, internet and information technology companies. Mr. McCartney began his career with Bell Canada, culminating a 15 year career there as General Manager Ontario, Public Communications. Following this, he led two privately owned telecommunications services companies in the Toronto area. From 1998 to 2002, McCartney was President and CEO of the first carrier in North America to provide high-speed data, telephony and cable TV services over a fibre-to-the-home network. From 2003 until 2009, Mr. McCartney was President and CEO of Atria Networks LP, which owns and operates one of the largest fibre-optic networks in Ontario, where he successfully led the company through a rapid expansion including multiple acquisitions. Mr. McCartney has completed the Chartered Director program of The Director's College and has also received a Human Resources and Compensation Committee Certified (HRCCC) designation from The Director's College.

DAVE CAPUTO Waterloo, Ontario	Director, President and Chief Executive Officer	Director Since: February 2006	Common Shares: Options:	3,383,063 ⁽¹⁾ 431,000
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Committee Membership: **N/A**

Mr. Caputo is President and Chief Executive Officer of the Corporation, and is one of the founders of the Corporation. Prior to co-founding Sandvine, Mr. Caputo was the Vice President of Marketing for PixStream. Launched in 1996, Pixstream was acquired by Cisco Systems in 2000 at which time Mr. Caputo joined Cisco Systems as Managing Director for Cisco Systems' video networking business unit. Prior to joining PixStream, Mr. Caputo was the Product Marketing Manager for Hewlett Packard's Storage Systems Division in Colorado. Mr. Caputo holds an MBA from the University of Toronto and a computer science degree from York University.

(1) 3,374,100 of these Common Shares are held by The Dave Caputo Trust and 8,963 are held by Mr. Caputo in his Employee Share Purchase Plan account.

SCOTT HAMILTON Waterloo, Ontario	Director and Chief Financial Officer	Director Since: February 2006	Common Shares: Options:	103,515 ⁽¹⁾ 513,461
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Committee Membership: **N/A**

Mr. Hamilton is Chief Financial Officer of the Corporation and is responsible for managing all of the Corporation's financial functions. Mr. Hamilton has been with the Corporation since its inception and his background includes corporate financial management in various roles, including as a manager within the tax group of Ernst and Young LLP. Mr. Hamilton is a chartered accountant and holds a Bachelor of Business Administration from Wilfrid Laurier University.

(1) 3,515 of these Common Shares are held by Mr. Hamilton in his Employee Share Purchase Plan account.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, none of the proposed directors:

- (a) is, or has been within 10 years of the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that while acting in that capacity:
 - (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the proposed director ceased to be a director, chief executive office or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any securities exemption for a period of more than 30 consecutive days; or
 - (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold assets; or
- (b) has, within 10 years of the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Mr. Maggs was a director of each of the following venture-backed companies at the time such companies ceased operations and went into receivership: M10 Ltd (formerly Pen Op Ltd.), Flexion Systems Ltd. and Global Silicon Ltd.

The foregoing information as to cease trade orders, bankruptcies, and the like, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE FOREGOING SLATE OF NOMINEES, THE FORM OF PROXY INCORPORATING THIS INFORMATION CIRCULAR CONFERS THE RIGHT ON THE PERSONS NAMED IN THE PROXY, IN THEIR DISCRETION, TO VOTE FOR ANOTHER PERSON OR PERSONS AS DIRECTORS.

COMPENSATION DISCUSSION and ANALYSIS

For the purposes of the following Compensation Discussion and Analysis (“CD&A”) for the fiscal year ended November 30, 2009, the Named Executive Officers (the “NEOs”) to whom this CD&A relate are as follows:

David Caputo – President and CEO
Scott Hamilton – Chief Financial Officer
Tom Donnelly – Executive Vice President, Sales and Marketing
Brad Siim – Chief Operating Officer and Vice President, Engineering
Don Bowman – Chief Technology Officer

Compensation Philosophy and Objectives

The Corporation’s executive compensation philosophy is to provide a compensation framework that will retain and attract high-performing executive talent and provide motivation for them to deliver on the Corporation’s long-term strategic results and create exceptional value to business and, ultimately, the shareholders of the business.

With this philosophy in mind, the Corporation believes that the compensation program adopted should meet the following objectives:

- A portion of compensation should be “at risk” and subject to the achievement of set targets which create a “pay for performance” culture;
- The program should be designed to communicate and focus executives on key business metrics and other values that are important to shareholder’s long-term interests;
- The program should support the desired organizational culture of the Corporation;
- The program should provide the opportunity for significant compensation if significant results are achieved; and
- The program must be competitive in the markets in which the Corporation competes for executive talent.

Process for Determining Executive Compensation

Compensation Committee

The compensation committee of the Board (the “Compensation Committee”) consists of John Keating (Chair), Mark Guibert and Steven McCartney, with Roger Maggs as an ‘ex-officio’ member of the committee. All of the members of the Compensation Committee are independent and unrelated directors and none of whom is presently, or has ever been, an employee of the Corporation. The Compensation Committee is responsible for making recommendations for approval by the Board of Directors with respect to remuneration of executives of the Corporation including the President and Chief Executive Officer and those executive officers of the Corporation who report directly to the President and Chief Executive Officer, including each of the NEOs.

During the course of fiscal 2009 the Compensation Committee retained The Hay Group to assist it with an Executive Compensation Review (the “2009 Compensation Review”). The Corporation had not conducted any similar study or review since its initial public offering in March 2006. The mandate of the 2009 Compensation Review was to examine the following compensation elements of each of the NEOs, as well as the Vice-President and General Counsel of the Corporation, and to benchmark those elements against similar data from an agreed upon list of comparable companies: base salary; actual annual bonus, total cash compensation, present value of long term incentives and total direct compensation.

Comparator Group

For the purposes of the 2009 Compensation Review, the Corporation used a combination of similarly sized publicly traded technology companies located in North America that compete in similar markets as well as several technology companies with head offices in Waterloo, Ontario where the Corporation’s head office is

located. In assessing the market data, the Compensation Committee placed particular emphasis on the Canadian based comparable data, which, on average, reflected lower compensation levels and was believed to be more reflective of the competitive market in which the Corporation currently competes for the majority of its executive talent.

The list of comparable companies which was examined consisted of the following:

Riverbed Technologies, Inc.	Starent Networks	Packeteer Inc.
Acme Packet Inc.	Network Equipment Technologies Inc.	Sunrise Telecom Inc.
Numerex Corp.	EndWave Corp.	Dalsa Corp.
March Networks Corp.	The Descartes Systems Group Inc.	MKS Inc.
Q9 Networks Inc.	Redline Communications Group Inc.	Bridgewater Systems Corp.
DragonWave Inc.		

Role of Management in Compensation Process

During the course of designing the overall compensation program and setting annual Executive Compensation, the Compensation Committee draws upon the expertise of its members and the input of its outside advisor, The Hay Group, but also seeks input from the President and Chief Executive Officer and each of the Corporation's Chief Financial Officer and General Counsel from time to time. In the course of setting the executive compensation program for fiscal 2009, as further described below, the Compensation Committee held several meetings with representatives from The Hay Group and reviewed several reports and peer group studies prepared by The Hay Group. The President and Chief Executive Officer participated in these meetings, but held no vote in the ultimate decisions with respect to recommendations to be brought before the Board of Directors. No other members of management participated in the meetings of the Compensation Committee.

Elements of Executive Compensation

The executive compensation program adopted by the Corporation for fiscal 2009 (the "2009 Executive Compensation Program") consists of a combination of three components: base salary; short-term incentives and long-term incentives. In determining target levels of compensation, the Compensation Committee set an objective of attempting to structure the 2009 Executive Compensation Program such that the total on target cash compensation and total overall compensation available to be earned by each NEO would fall within the 45th to 50th percentile of each of the respective comparables for each NEO as presented by the 2009 Compensation Review.

Base Salary

Base salaries are intended to adequately remunerate the NEOs for properly fulfilling the requirements of their position. The results of the 2009 Compensation Review indicated that the current base salary compensation of each of the NEOs was below median compensation levels within the Corporation's peer group and considered uncompetitive in the market. Accordingly, certain adjustments were made to the base salaries of each of the NEOs during the course of fiscal 2009, as set out in the summary data presented below.

Short Term Incentive

The 2009 Executive Compensation Program includes "at risk" short-term incentives in the form of an on-target cash bonus component for each NEO to be awarded at the discretion of the Board of Directors upon achievement of certain financial targets as well as other personal objectives. The quantum of the short-term incentive component for each NEO is set as maximum percentage of base salary, the on target percentage ranging between 12.5% and 58.5% of base salary amongst the NEOs depending upon the nature of the role of each NEO and the overall on target total cash compensation of the NEO in the context of comparable market data from the 2009 Compensation Review.

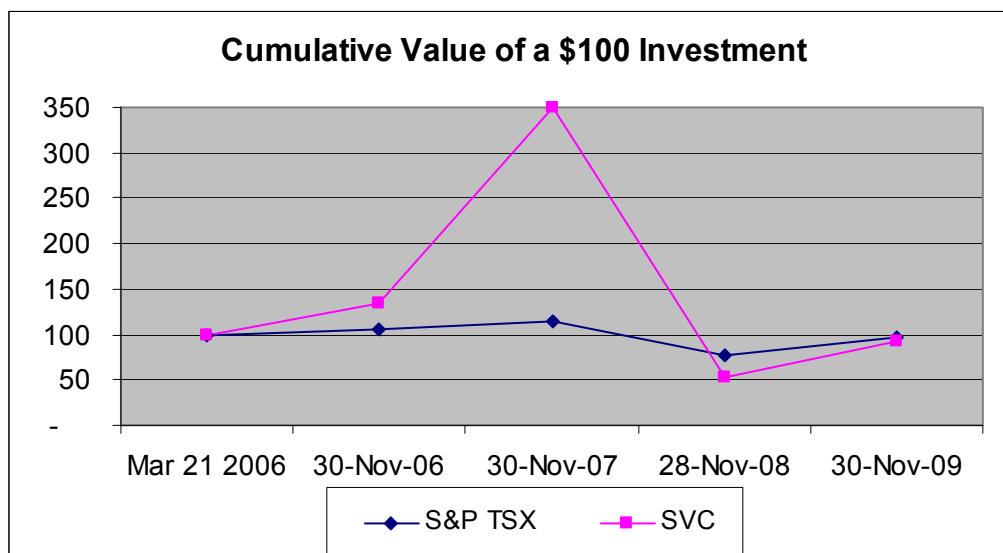
With the completion of the 2009 Compensation Review in the middle of fiscal 2009, the Compensation Committee did not establish individual short-term incentive eligibility criteria for each of the individual NEOs for fiscal 2009. Therefore, in assessing eligibility of each of the NEO's for the short-term incentive component of the 2009 Executive Compensation Program, the Compensation Committee determined to assess the overall performance of the NEOs as a group for the purposes of determining eligibility for the short-term incentive component. The Compensation Committee evaluated the achievements of the Corporation in the areas of revenue diversification and new product introduction while considering the Corporation's performance against budgeted revenue projections and budgeted net earnings. Based on this assessment, the Compensation Committee recommended to the Board of Directors that each of the NEOs receive 55% of his on-target short-term incentive component for performance in fiscal 2009. The Board of Directors accepted this recommendation.

Long-Term Incentive

The long-term incentive component of the 2009 Executive Compensation Program is satisfied through use of the Corporation's stock option program. The Corporation believes that the use of options together with a reasonable vesting schedule provides an effective way to align the long-term compensation of executives with appreciation of shareholder value while also serving a retention objective. Option grants to each of the NEOs are made on the recommendation by the Compensation Committee to the Board of Directors. The quantum of individual option grants to each NEO under the 2009 Executive Compensation Program is based on a targeted value for the long-term incentive component of the overall compensation for each NEO, which is then used to determine an actual number of options to be recommended to the Board of Directors, based on the fair market value of the options as of the date of grant using the Black-Scholes valuation model.

Performance Graph

The following graph compares the cumulative shareholder return of the Common Shares of the Corporation with cumulative returns of the S&P/TSX Composite Index for the period commencing March 21, 2006 (the date of admission to trading on AIM) to November 30, 2009. The graph assumes an investment of \$100 on March 21, 2006 in the Corporation's Common Shares.



Summary Compensation Table

The following table summarizes the compensation paid to the NEOs for the year ended November 30, 2009.

Name and Principal Position	Year	Salary ⁽¹⁾ (\$)	Annual Incentive Plans (Non-Equity) (\$)	All Other Compensation (\$)	Total Cash Compensation (\$)	Option Based Awards ⁽²⁾ (\$)	Total Compensation (\$)
Dave Caputo <i>President, Chief Executive Officer</i>	2009	\$252,500	\$38,885	\$1,683 ⁽⁴⁾	\$293,068	\$264,180	\$557,248
	2008	\$220,000	Nil	Nil	\$220,000	\$193,500 ⁽⁵⁾	\$413,500
	2007	\$220,000	Nil	Nil	\$220,000	\$439,000 ⁽⁶⁾	\$659,000
Scott Hamilton <i>Chief Financial Officer</i>	2009	\$198,000	\$13,613	\$660 ⁽⁴⁾	\$212,273	\$101,850	\$314,123
	2008	\$180,000	Nil	Nil	\$180,000	\$125,000 ⁽⁵⁾	\$305,000
	2007	\$180,000	Nil	Nil	\$180,000	\$263,400 ⁽⁶⁾	\$443,400
Tom Donnelly <i>Executive Vice President, Marketing and Sales</i>	2009	\$195,000	\$165,059 ⁽³⁾	Nil	\$360,059	\$160,230	\$520,289
	2008	\$195,000	\$114,138 ⁽³⁾	Nil	\$309,138	\$193,500 ⁽⁵⁾	\$502,638
	2007	\$195,000	\$156,000 ⁽³⁾	Nil	\$351,000	\$439,000 ⁽⁶⁾	\$790,000
Don Bowman <i>Chief Technology Officer</i>	2009	\$242,000	\$16,638	Nil	\$258,638	\$160,230	\$418,868
	2008	\$220,000	Nil	Nil	\$220,000	\$193,500 ⁽⁵⁾	\$413,500
	2007	\$220,000	Nil	Nil	\$220,000	\$439,000 ⁽⁶⁾	\$659,000
Brad Siim <i>Chief Operating Officer and Vice President Engineering</i>	2009	\$242,000	\$16,638	Nil	\$258,638	\$160,230	\$418,868
	2008	\$220,000	Nil	Nil	\$220,000	\$193,500 ⁽⁵⁾	\$413,500
	2007	\$220,000	Nil	Nil	\$220,000	\$439,000 ⁽⁶⁾	\$659,000

Notes:

- (1) Represents the base salary in effect for such individual as of November 30th of the specified year.
- (2) Option based award values are calculated at their fair market value as of the date of grant, based on the Black-Scholes valuation model, which model is used by the Corporation because it is widely recognized in the investment industry and accepted under Canadian GAAP.
- For the purposes of valuing the option based awards above, the following Black-Scholes values were used per option granted (which amounts may not correspond exactly to the accounting fair value used in the Corporation's financial statements):

Grant Date	Strike Price	Black-Scholes Value Used Above
July 12, 2007	\$6.59	\$4.39
January 23, 2008	\$4.05	\$2.98
July 15, 2008	\$1.03	\$0.89
January 22, 2009	\$0.79	\$0.69
July 16, 2009	\$1.06	\$0.93

- (3) The annual short-term incentive component of Mr. Donnelly's compensation is based on the achievement of specific revenue and gross margin targets under an annual sales incentive plan, in light of Mr. Donnelly's role as the EVP of Sales and Marketing.
- (4) Consists of contributions made by the Corporation to the purchase of shares under the Corporation's Employee Share Purchase Plan, which contributions are consistent with the level available to all employees who choose to participate under the Plan.
- (5) On November 30, 2009, each of the NEO's surrendered the options granted to him on January 23, 2008, which amounted to one-half of the total number of options granted to him during fiscal 2008.
- (6) On November 30, 2009, each of the NEO's surrendered the options granted to him on July 12, 2007, which was all options granted to him during fiscal 2007.

Incentive Plan Awards

The following table summarizes all option-based awards outstanding as of November 30, 2009 for each of the Named Executive Officers:

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾	
				Vested	Unvested
Dave Caputo	50,000	1.03	July 8, 2018	Nil	18,000
	50,000	0.79	January 22, 2019	Nil	30,000
	232,000	1.06	July 16, 2019	Nil	76,560
Scott Hamilton	40,000	0.63	May 1, 2013	30,400	Nil
	84,461	0.63	April 1, 2015	64,190	Nil
	200,000	2.43	July 10, 2016	Nil	Nil
	40,000	1.03	July 8, 2018	Nil	14,400
	40,000	0.79	January 22, 2019	Nil	24,000
	75,000	1.06	July 16, 2019	Nil	24,750
Tom Donnelly	50,000	1.03	July 8, 2018	Nil	18,000
	50,000	0.79	January 22, 2019	Nil	30,000
	127,000	1.06	July 16, 2019	Nil	41,910
Don Bowman	50,000	1.03	July 8, 2018	Nil	18,000
	50,000	0.79	January 22, 2019	Nil	30,000
	127,000	1.06	July 16, 2019	Nil	41,910
Brad Siim	50,000	1.03	July 8, 2018	Nil	18,000
	50,000	0.79	January 22, 2019	Nil	30,000
	127,000	1.06	July 16, 2019	Nil	41,910

Notes:

(1) This value is based on a \$1.39 closing price of the common shares of the Corporation on the TSX on November 30, 2009.

The following table summarizes the value of all incentive plan awards vested or earned for each Named Executive Officer during the fiscal year ended November 30, 2009:

Name	Option Based Awards Value Vested during the Year ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation Value Earned during the Year (\$)
Dave Caputo	Nil	\$38,885
Scott Hamilton	\$25,600	\$13,613
Tom Donnelly	Nil	\$165,059 ⁽²⁾
Don Bowman	Nil	\$16,638
Brad Siim	Nil	\$16,638

Notes:

(1) This value is based on the difference between the market price of the underlying securities and the exercise price for those securities as of the vesting date.

(2) The annual short-term incentive component of Mr. Donnelly's compensation is based on the achievement of specific revenue and gross margin targets under an annual sales incentive plan, in light of Mr. Donnelly's role as the EVP of Sales and Marketing.

Termination and 'Change in Control' Benefits for Executive Officers

Each Named Executive Officer is a party to a written employment agreement with the Corporation which contains provisions generally consistent with those signed by all employees of the Corporation in the areas of confidentiality, intellectual property rights assignments and non-solicitation and non-competition

covenants. In addition, each of the employment agreements with the Named Executive Officers, with the exception of Mr. Hamilton, provides for payment of an amount equal to twelve (12) months of current salary plus an amount representing the deemed value of regular benefits if the employment of the Named Executive Officer is terminated by the Corporation without cause at any time, or if the Named Executive Officer terminates the employment relationship for “good reason” (as defined in the employment agreement).

The following chart provides details of the estimated incremental amounts payable to each of the Named Executive Officers in the event of termination of employment as of November 30, 2009.

Name	Resignation or Termination with Cause (\$)	Termination without Cause (\$)
Dave Caputo	Nil	\$290,375 ⁽¹⁾
Scott Hamilton	Nil	\$68,538 ⁽²⁾
Tom Donnelly	Nil	\$224,250 ⁽¹⁾
Don Bowman	Nil	\$278,300 ⁽¹⁾
Brad Siim	Nil	\$278,300 ⁽¹⁾

Notes:

(1) Includes a resignation for “good reason” as defined in the employment agreement. The amount specified represents salary for 12 months plus an amount for all current benefits, deemed to be fifteen percent of base salary.

(2) Mr. Hamilton’s employment agreement provides for payment of an amount equal to two (2) weeks salary for each year of service with the Corporation. Mr. Hamilton’s agreement also provides for the immediate acceleration of the next scheduled vesting date on any options granted to him following a termination of employment for any reason.

COMPENSATION OF DIRECTORS

As of October 2009, the Corporation adopted a non-executive director compensation model that consists of a combination of cash payments and long-term incentives in the form of stock option grants. This model was arrived at after consideration of a director compensation review study prepared by The Hay Group at the request of the Corporate Governance Committee. There are no additional “per meeting” fees payable under this model.

The cash portion of the director compensation consists of the following:

Annual Board Member Retainer	\$26,000
Board Chair	\$16,000
Audit Committee Chair	\$12,000
Audit Committee Member	\$6,000
Compensation Committee Chair	\$8,000
Compensation Committee Member	\$4,000
Corporate Governance Committee Chair	\$6,000
Corporate Governance Committee Member	\$3,000

In addition, the long-term incentive component consists of an annual award of stock options to each non-executive director having a grant date fair value of \$30,000, calculated in accordance with the Black-Scholes valuation model. The Board of Directors has adopted an administrative practice that, in the event that the actual Black-Scholes valuation determined a grant date fair value of less than \$1.50 per option, the Corporation will use a minimum value of \$1.50 per option in determining the number of options to be granted, such that the annual grant to any one director under this compensation model would not exceed 20,000 options in any year. In addition to the annual option grant, the non-executive director compensation model provides that each new non-executive director to join the Board of Directors would be entitled to an initial option grant equal to two times what the otherwise annual option grant would be at that time for a non-executive director. All options are granted in accordance with the terms of the Corporation’s stock option plan and vest over a five year period subject, however, to an immediate vesting of any unvested options

upon the occurrence of certain events, including a change in control of the Corporation, and expire after ten (10) years.

Directors of the Corporation are also entitled to reimbursement for expenses incurred by them to attend meetings and otherwise incurred in the performance of duties in their capacity as directors.

The following chart sets out the compensation paid to each of the Corporation's non-executive directors during the fiscal year ended November 30, 2009.

Name	Fees Earned ⁽¹⁾ (\$)	Option Based Awards ⁽²⁾ (\$)	Total (\$)
Roger Maggs	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾
John Keating	\$5,375	\$18,600	\$23,975
Mark Guibert	\$4,125	\$18,600	\$22,725
Steven McCartney	\$4,500	\$18,600	\$23,100
Ken Taylor	\$4,750	\$18,600	\$23,350

Notes:

(1) Director compensation fees were introduced in October 2009 and these amounts reflect the portion paid up to November 30, 2009.

(2) Option based award values are calculated at their fair market value as of the date of grant, based on the Black-Scholes valuation model, which model is used by the Corporation because it is widely recognized in the investment industry and accepted under Canadian GAAP. The Black-Scholes valuation used in the above calculation was \$0.93 per option granted.

(3) Mr. Maggs has declined to receive any portion of the annual director remuneration package of the Corporation and has, to date, declined receiving any other compensation from the Corporation for acting as non-executive Chairman of the Board other than reimbursement of out of pocket expenses. Mr. Maggs has, instead, requested that the Corporation donate \$20,000 on an annual basis to charitable and philanthropic causes in the Kitchener-Waterloo region on his behalf at the discretion of management of the Corporation.

The following table summarizes all option-based awards outstanding as of November 30, 2009 for each of the non-executive directors of the Corporation:

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in- the-money Options ⁽¹⁾ (\$)
Roger Maggs	N/A	N/A	N/A	N/A
John Keating	80,000	1.52	March 21, 2016	11,200
	20,000	6.59	July 12, 2017	Nil
	20,000	1.03	July 8, 2018	12,600
	20,000	1.06	April 17, 2019	12,000
Mark Guibert	80,000	0.63	June 21, 2015	82,400
	20,000	6.59	July 12, 2017	Nil
	20,000	1.03	July 8, 2018	12,600
	20,000	1.06	April 17, 2019	12,000
Steven McCartney	80,000	1.62	April 16, 2018	3,200
	20,000	1.06	April 17, 2019	12,000
Ken Taylor	80,000	2.53	January 31, 2017	Nil
	20,000	6.59	July 12, 2017	Nil
	20,000	1.03	July 8, 2018	12,600
	20,000	1.06	April 17, 2019	12,000

Notes:

(1) This value is based on a \$1.39 closing price of the common shares of the Corporation on the TSX on November 30, 2009.

The following table summarizes the value of all incentive plan awards vested for each non-executive director of the Corporation during the fiscal year ended November 30, 2009:

Name	Option Based Awards Value Vested during the Year ⁽¹⁾ (\$)
Roger Maggs	N/A
John Keating	\$896.58
Mark Guibert	\$896.58
Steven McCartney	Nil
Ken Taylor	\$896.58

Notes:

(1) This value is based on the difference between the market price of the underlying securities and the exercise price for those securities as of the vesting date.

Directors and Officers Insurance and Indemnification

The Corporation has purchased insurance for the benefit of the Corporation's and its subsidiaries' directors and officers against any liability incurred by them in their capacity as directors and officers, subject to certain limitations contained in the *Business Corporations Act* (Ontario). In fiscal 2009, the policy provided coverage to directors and officers in the aggregate amount of \$20,000,000 in any policy year. The deductible under the policy ranges depending upon the type of claim up to a maximum of \$100,000 in respect of any loss by the Corporation and the annual premium under this insurance policy for the preceding year was \$73,000, which was paid by the Corporation. The by-laws of the Corporation provide for the indemnification of directors and officers from and against any liability and costs in connection with any action or suit against them in respect of the execution of their duties of office, subject to the limitations contained in the *Business Corporations Act* (Ontario), and the Corporation has entered into indemnification agreements with each of its directors.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table sets out as of November 30, 2009, a summary of compensation plans under which securities of the Corporation are authorized for issuance:

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (#) (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (#) (c)
Equity compensation plans approved by security holders	10,073,100 ¹	\$1.59	3,513,173 ¹
Equity compensation plans not approved by security holders ²	325,000 ¹	\$4.91	Nil
Total	10,398,100	\$1.69	3,513,173

Notes:

(1) As noted above under item 4 on page 5, as of the date of this Information Circular, there are 10,908,645 options outstanding under the Option Plan (representing 8.02% of currently outstanding common shares), and 2,685,763 options that have not been allocated

under the Option Plan (representing 1.98% of currently outstanding common shares). In addition, as of the date of this Information Circular, the number of options outstanding under compensation plans not approved by security holders has reduced from 325,000 to 310,000 (representing 0.23% of currently outstanding common shares).

(2) This relates to a plan assumed on the acquisition of Cablematrix Technologies Inc. by the Corporation in June, 2007. No new grants have been made under this plan since the acquisition, nor are any intended, and the grants made under this plan are subject to vesting and expiry terms consistent with those under the Corporation's shareholder approved stock option plan.

Stock Option Plan

The Corporation adopted a stock option plan on March 7, 2006 in connection with the listing and posting for trading of our Common Shares on AIM, as amended on September 14, 2006 (the "Option Plan"). The Option Plan is open to executive officers, directors, current employees and consultants engaged by the Corporation and its subsidiaries and has been established to provide incentives to attract and retain such executive officers, directors, current employees and consultants.

Under the Option Plan, options to purchase Common Shares are granted by the Board and have an exercise price of not less than the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange for the five trading days immediately preceding the day on which the option is granted. In addition the Option Plan requires that all granted options will have vesting terms, and expiry dates of up to 10 years, as determined by the Board. Unless otherwise specified by the Board, the standard vesting schedule applied to all options granted under the Option Plan is for twenty percent (20%) to vest on the one year anniversary of the date of grant and the remaining eighty percent (80%) to vest in equal monthly amounts over the following 48 month period thereafter so that one hundred percent (100%) will have vested on the five (5) year anniversary of the date of grant. All options granted under the Option Plan are non-assignable and non-transferable, except by will or under applicable laws of succession.

The maximum aggregate number of Common Shares which may be subject to options under the Option Plan is 10% of the Corporation's issued and outstanding Common Shares. The total number of Common Shares reserved for issuance to all Insiders of the Corporation, at any time, under the Plan (and all other security based compensation arrangements of the Corporation), may not exceed 10% of the Corporation's then issued and outstanding Common Shares and the total number of Common Shares reserved for Issuance to all Insiders of the Corporation, within any one year period, under the Plan (and all other security based compensation arrangements of the Corporation), may not exceed 10% of the Corporation's then issued and outstanding Common Shares. Further, the total number of Common Shares reserved for issuance to any one individual (including an Insider), at any time, under the Plan (and all other security based compensation arrangements of the Corporation), may not exceed 5% of the Corporation's then issued and outstanding Common Shares.

The Option Plan is administered by the Board, which may alter, amend, modify or terminate the Option Plan or any option granted under the Option Plan in its sole discretion and subject to compliance with applicable securities laws and the rules of the Toronto Stock Exchange and the AIM. The Board may, subject to any necessary regulatory approval, at its discretion from time to time, amend the Option Plan and the terms and conditions of any stock option granted under the Option Plan and, without limiting the generality of the foregoing, may make such amendment for the purpose of complying with any changes in any relevant law, rule, regulation, regulatory requirement or requirement of any stock exchange or over-the-counter market applicable to the Option Plan, any stock option granted under the Option Plan or the shares reserved for issuance under the Option Plan.

Employee Share Purchase Plan

During fiscal 2009 the Corporation adopted an employee share purchase plan (the "ESPP") in order to give employees the opportunity to participate in the growth of the Corporation and help further align the

interests of employees with the long-term growth objectives of the Corporation. All employees, including the Named Executive Officers, who have completed a minimum period of service of six (6) months are eligible to participate in the ESPP. Under the ESPP, each participant is entitled to contribute up to eight (8) percent of his or her regular base salary to the ESPP through payroll deduction. The Corporation matches the employee's contributions to the ESPP at a rate of fifty percent. These combined contributions are held in trust by the Corporation's trustee under the ESPP and then used to purchase common shares of the Corporation in the open market through the Toronto Stock Exchange on a regular basis. No shares are issued from treasury in respect of the ESPP. The ESPP is administered on behalf of the Corporation by Canadian Western Trust in conjunction with Solium Capital. All common shares purchased with the portion of the contributions contributed by the Corporation are subject to a two year vesting period conditional upon continued employment and continued holding of the corresponding shares. All expenses related to the purchase of common shares under the ESPP are paid by the Corporation, while all expenses related to the sale of shares from the ESPP are paid by the participant. The Corporation may amend, suspend or terminate the ESPP at any time.

Indebtedness of Directors and Executive Officers

No director, executive officer, proposed nominee for election as a director, either current or having held such position during fiscal 2009, or any of their respective associates and no employee, former executive officer, former director or former employee of the Corporation or its subsidiaries is, as at the date of this Information Circular, or has been, at any time since the beginning of fiscal 2009, indebted to (i) the Corporation or its subsidiaries; or (ii) another entity in respect of which the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

Interests in Material Transactions

No person who has been a director or an executive officer of the Corporation, at any time since the beginning of fiscal 2009, or any proposed nominee for election as a director, or any associate or affiliate of any such director or executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as otherwise disclosed in this Information Circular. Except as otherwise disclosed in this Information Circular, no informed person, proposed nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed nominee has or had a material interest, direct or indirect, in any transaction since the beginning of fiscal 2009 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

AUDIT COMMITTEE INFORMATION

Detailed information with respect to the Corporation's audit committee is contained under the heading "Audit Committee" in the Corporation's Annual Information Form for the financial year ended November 30, 2009 filed on SEDAR at www.sedar.com.

AVAILABILITY OF ADDITIONAL INFORMATION

Additional financial and other information with respect to the Corporation is contained in the Corporation's audited consolidated financial statements for the period ended November 30, 2009, the Corporation's Management's Discussion and Analysis for the year ended November 30, 2009 and the Corporation's Annual Information Form dated January 14, 2010, all of which are available on SEDAR at www.sedar.com and which may be obtained on request from the Corporation's Secretary at 408 Albert Street, Waterloo, Ontario, Canada N2L 3V3.

GENERAL

The Board of Directors of the Corporation has approved the contents and the sending of this Information Circular.

Information contained herein, unless otherwise specified, is given as at March 5th, 2010.

DATED at Waterloo, Ontario this 5th day of March, 2010.



MICHAEL VERHOEVE
General Counsel and Corporate Secretary

SCHEDULE A

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors and Management consider good corporate governance to be central to the effective and efficient operation of the Corporation. Management and the Board of Directors have taken significant steps with respect to corporate governance over the past year as part of the Corporation's first year as a public company and will continue to focus on improving corporate governance, increasing corporate accountability and maximizing the transparency of public company disclosure.

The following sets out the Corporation's approach to corporate governance in accordance with the Canadian Securities Administrators National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the "Corporate Governance National Instrument") and National Policy 58-201 – *Corporate Governance Guidelines* (the "National Policy"), both of which came into force on June 30, 2005 and effectively replaced the Corporate Governance Guidelines of the Toronto Stock Exchange ("TSX").

Board of Directors

The National Policy recommends that boards of directors of reporting issuers be composed of a majority of independent directors. With five of seven directors considered independent by the Board, the Board of Directors is composed of a majority of independent directors. The five independent directors are: Roger Maggs, Mark Guibert, John Keating, Ken Taylor and Steven McCartney. Dave Caputo and Scott Hamilton, as executive officers of the Corporation, are not considered to be independent.

Roger Maggs is the non-executive Chairman of the Board and is considered an independent director. The primary responsibilities of the Chair are to facilitate the operations and deliberations of the Board and the satisfaction of the Board's responsibilities under its charter. The Chairman's duties include scheduling and setting the agenda for meetings of the Board and shareholders, chairing meetings of the Board and shareholders, providing input to the various committees of the Board, providing feedback to the Chief Executive Officer of the Corporation and communicating with shareholders and regulators as necessary.

The independent directors of the Board are encouraged to meet regularly without the presence of the non-independent directors. Each regularly scheduled quarterly meeting of the Board includes portions of the meeting during which non-independent directors are requested to withdraw, where appropriate, from meetings of the Board.

Currently, the following directors serve on the boards of other public companies, as listed below:

<u>Director</u>	<u>Public Company Board Membership</u>
Roger Maggs	LTX Corporation (Nasdaq)
John Keating	COM DEV International Inc. (TSX)

During fiscal 2009, the Board of Directors and its committees held the following number of meetings:

Board of Directors	7
Audit Committee	4
Compensation Committee	6*
Corporate Governance Committee	3*

* In addition to the separately scheduled meetings, members of the Compensation Committee and the Corporate Governance Committee meet and discuss matters relevant to their respective mandates during the course of regularly scheduled meetings of the entire Board and/or Audit Committee.

The attendance of the directors at such meetings was as follows:

Director	Board	Audit Committee	Compensation Committee	Corporate Governance Committee
Roger Maggs	7 of 7	4 of 4	N/A	3 of 3
Mark Guibert	7 of 7	N/A	6 of 6	3 of 3
John Keating	7 of 7	4 of 4	6 of 6	3 of 3
Ken Taylor	7 of 7	4 of 4	N/A	N/A
Steven McCartney	7 of 7	N/A	6 of 6	3 of 3
Dave Caputo	7 of 7	N/A*	N/A*	N/A*
Scott Hamilton	7 of 7	N/A*	N/A*	N/A*

** All committees of the Board are composed entirely of independent directors.

Mandate of the Board of Directors

The Board of Directors is responsible for supervising the management of the Corporation's business and affairs. The Board discharges this responsibility directly and through delegation of specific responsibilities to committees of the Board, the Chairman of the Board, and the executive officers of the Corporation, all as more particularly described in the Board Mandate attached to this Information Circular as Appendix I.

Position Descriptions

The Board has not yet developed written position descriptions for the Chairman of the Board or for the chair of each of the committees of the Board. The Board believes that the current charters of the various committees of the Board adequately delineate the roles of the chairs of each of those committees.

The Board had not yet developed a written position description for the Chief Executive Officer or any other executive officer position. The Chairman of the Board and the chair of the Compensation Committee each meet regularly with the Chief Executive Officer to review the role and responsibilities of the office of Chief Executive Officer.

It is the expectation of the Board that as part of its ongoing development and refinement of the corporate governance practices of the Corporation as a public company, written position descriptions for each of the Chairman, the chairs of each of the respective committees of the Board and the Chief Executive Officer will be developed. The Corporate Governance Committee of the Board has responsibility for this initiative.

Orientation and Continuing Education

Responsibility for orientation programs for new directors is assigned to the Corporate Governance Committee. In this regard, the Corporate Governance Committee's duties include ensuring the adequacy of the orientation and education program for new members of the Board. The Chairman of the Board, the Chief Executive Officer and/or the Corporate Secretary reviews with each new member: (i) certain information and materials regarding the Corporation and its business and operations; (ii) the role of the Board and its committees; and (iii) the obligations of a director of the Corporation.

The Corporate Governance Committee is also responsible for arranging continuing education for directors in order to ensure that directors maintain the skill and knowledge necessary to meet their obligations as directors. Director education sessions, including presentations from members of the senior management team of the Corporation, are scheduled to coincide with the Corporation's regular quarterly

Board meetings to help directors increase their knowledge and skills in respect of the Corporation, its governance and its operations.

Ethical Business Conduct

The Board has adopted the Corporation's Code of Business Conduct (the "Code") applicable to the Corporation's directors, officers and employees. A copy of the Code is available on the Corporation's website and has been filed on and is accessible through SEDAR at www.sedar.com. The Code sets out in detail the core values and principles by which the Corporation is governed and addresses topics such as: honest and ethical conduct; conflicts of interest; compliance with applicable laws and the Corporation's policies and procedures; use of corporate assets and opportunities; confidentiality of corporate information; reporting responsibilities and procedures; and reporting of violations relating to the Code.

The Corporation's General Counsel is responsible for communicating the Code to directors, officers, and employees and assisting the Corporate Governance Committee in administering the Code. The Corporate Governance Committee monitors overall compliance with the Code. The General Counsel and Corporate Governance Committee report to the Board at regular quarterly meetings of the Board of Directors on any issues or concerns that have been raised in respect of the Code, provided that any issues or concerns specifically related to accounting, internal financial controls and/or auditing will be reviewed and forwarded to the Audit Committee.

In addition, as part of its internal controls procedures, the Corporation has established an anonymous reporting procedure to encourage employees, officers and directors to raise concerns regarding matters covered by the Code (including accounting, internal controls or auditing matters) on a confidential basis free from discrimination, retaliation or harassment.

In addition, the Corporation has established an internal process to identify any potential non-arm's length or related party transaction involving the Corporation and any director, officer or member of senior management.

Nomination of Directors

The Corporate Governance Committee is responsible for establishing the qualifications for the Directors and for the procedures for identifying possible nominees to the Board. The Corporate Governance Committee is composed entirely of independent directors.

Other Board Committees

In addition to the Audit Committee and the Compensation Committee, the Board of Directors has also established the Corporate Governance Committee, which includes the responsibilities of a nominating committee. In addition to its nominating responsibilities, the Corporate Governance Committee is responsible for assisting the Board of Directors in fulfilling its corporate governance oversight responsibilities.

Assessments

The Corporate Governance Committee is responsible for assessing the effectiveness of the Board as a whole and the committees of the Board. The Committee anticipates adopting an annual assessment process to evaluate the effectiveness and contribution of the Board, its committees and individual directors.