ANNUAL INFORMATION FORM

for the fiscal year ended June 30, 2014

September 25, 2014

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GLOSSARY

In this Annual Information Form, the following terms and acronyms have the meanings described below:

Date over cable service interface specification (DOCSIS) - An international telecommunications standard that permits the addition of high speed data transfer to an existing cable TV system.

Digital subscriber line (DSL) - A technology that increases the digital capacity of ordinary telephone lines (the local loops) into the home or office beyond the capacity for voice service only. DSL speeds are dependent on the distance between the customer and the central office of the telecommunications company providing the service.

Edge device - A physical device that can pass packets of information between one type of network and another, using the routing information it finds in the network layer.

Fibre to the home (FTTH) - FTTH (sometimes called fibre to the premises, or FTTP) systems involve the installation of optical fibre cable directly to the home or business environment from a central point. They can bring high-speed service to premises at a greater distance from a central switch than DSL.

Field-programmable gate array (FPGA) - An integrated circuit that can be programmed in the field after manufacture. FPGAs are used by engineers in the design of specialized integrated circuits that can later be produced hard-wired in large quantities for distribution to computer manufacturers and end-users.

Gateway device - A fully-integrated device that uses a modulator/upconverter and other components to process video streams from central servers, to provide security scrambling of those signals and then to transmit the video streams to subscribers over cable.

Internet protocol (IP) - The method or protocol by which data is sent from one computer to another on the Internet.

Multiple system operators (MSOs) - Cable television, broadband wireless systems and telecommunications companies that operate multiple systems in different geographic areas.

Original equipment manufacturers (OEMs) - A manufacturer that sells equipment to a reseller for rebranding or repackaging.

Quadrature amplitude modulation (QAM) - A modulation technique that generates four bits out of one baud. For example, a 600-baud line (600 shifts in the signal per second) can effectively transmit 2,400 bits using this method. Both phase and amplitude are shaped with each baud, resulting in four possible patterns.

Radio frequency (RF) - The range of electromagnetic frequencies above the audio range and below visible light. All broadcast transmission, from AM radio to satellites, falls into this range, which is between 30 KHz and 300 GHz.

Set-top box (STB) - A device that enables a television set to become a user interface to the Internet and to receive and decode digital television broadcasts.

Video on demand (VOD) - The ability to deliver a movie or other video program with high-quality digital picture and sound to an individual web browser or TV set whenever the user requests it. VOD provides subscribers with pause, play, fast-forward and reverse functionality.

Voice over Internet Protocol (VoIP) - A category of hardware and software that enables people to use the Internet as the transmission medium for telephone calls.

WiMAX - A wireless industry coalition whose members organized to advance standards for broadband wireless access networks. WiMAX technology is expected to enable multimedia applications with wireless connection and, with a range of up to 30 miles, enable networks to have a wireless last-mile solution.

ABOUT THIS ANNUAL INFORMATION FORM

The information in this Annual Information Form is presented as of June 30, 2014, unless otherwise indicated.

Unless otherwise indicated, or the context otherwise requires, references in this Annual Information Form to "Vecima", the "Company", "we", "us" or "our" refer to Vecima Networks Inc. and its subsidiaries.

FORWARD LOOKING STATEMENTS

This Annual Information Form contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information is generally identifiable by use of the words ''believes", "may", "plans", "will", "anticipates", "intends", "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions. Forward-looking information in this Annual Information Form includes, but is not limited to: development of a new Terrace QAM platform; that we foresee a continued emphasis on direct sales to end customers in fiscal 2015, but we also expect OEM sales to increase in fiscal 2015 as a result of our new OEM products; and, our expectation that sales from converged wired solutions will continue to account for a significant portion of our sales for the foreseeable future.

In connection with the forward-looking information contained in this Annual Information Form, we have made numerous assumptions, regarding, among other things: we are able to continue our relationships with our few large customers; we are able to deliver products associated with key contracts; we can manage our business and our growth successfully; we can meet our customers' requirements for manufacturing capacity; we are able to develop new products and enhance our existing products; we can expand our current distribution channels and can develop new distribution channels; we are able to recruit and retain management and other qualified personnel crucial to our business; we are not required to change our pricing models to compete successfully; our third-party suppliers and contract manufacturers upon which we rely continue to meet our needs; our intellectual property is not infringed upon; we are not subject to warranty or product liability claims that harm our business; we are able to successfully implement acquisitions; we are able to manage risks associated with our international operations; currency fluctuations do not adversely affect us; growth in our key markets continues; we are able to adapt to technological change, new products and standards; we are not subject to increased competition that has an adverse effect on our business; we are not subject to competition from new or existing technologies that adversely affect our business; we are not subject to any material new government regulation of our products; and, no third parties allege that we infringe on their intellectual property. While we consider these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies.

There are known and unknown risk factors which could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained in this Annual Information Form. Known risk factors include, among others: our operating results are expected to fluctuate; we derive a substantial part of our revenue from a few large customers; we may be unable to deliver products associated with key contracts; failure to manage our business or our growth successfully may adversely affect our operating results; we derive a significant portion of our revenues from our YourLink subsidiary which is not controlled by us; if we cannot meet customers' requirements for manufacturing capacity, sales may suffer; our success depends on our ability to develop new products and enhance our existing products; we are dependent on the expansion of our current distribution channels and the development of new distribution channels; our ability to recruit and retain management and other qualified personnel is crucial to our business; if we are required to change our pricing models to compete successfully, our margins and operating results may be adversely affected; our reliance on third-party suppliers and contract manufacturers reduces our control over our performance; our revenues are substantially concentrated in a single market category; if our intellectual property is not adequately protected, we may lose our competitive advantage; successful warranty or product liability claims could harm our business; acquisitions could divert management's attention and financial resources, may negatively affect our operating results and could cause significant dilution to shareholders; risks associated with our international operations; currency fluctuations may adversely affect us; growth in our key markets may not continue; our inability to adapt to technological change, new products and standards could harm our business; increased competition could have an adverse effect on our business; competition from new or existing technologies may adversely affect our business; government regulation of our products and new government regulation could harm our business; and, third parties may allege that we infringe on their intellectual property. A more complete discussion of the risks and uncertainties facing us is disclosed under the heading "Risk Factors" in this Annual Information Form, as well as in our continuous disclosure filings with Canadian securities regulatory authorities available at www.sedar.com.

All forward-looking information in this Annual Information Form is qualified in its entirety by this cautionary statement and we disclaim any obligation to revise or update such forward-looking information to reflect future results, events or developments, except as required by law.

CORPORATE STRUCTURE

The Company was incorporated under the *Business Corporations Act* (Saskatchewan) on July 7, 1988 under the name "WaveCom Electronics Inc.". The Company amalgamated with 625694 Saskatchewan Ltd. on July 1, 1999, continued under the *Canada Business Corporations Act* and changed its name to "VCom Inc." on June 30, 2003, amalgamated with WaveRider Communications (Canada) Inc. on July 1, 2006, changed its name to "Vecima Networks Inc." on November 13, 2006, amalgamated with Spectrum Signal Processing Inc. on July 1, 2007, and amalgamated with WaveCom Electronics (2003) Inc. on July 1, 2013.

Our head office is located at 771 Vanalman Avenue, Victoria, British Columbia, Canada, V8Z 3B8 and our registered office is located at 25th floor, 700 West Georgia Street, Vancouver, British Columbia, Canada, V7Y 1B3. Our website address is: www.vecima.com. The information on our website is not incorporated by reference in this Annual Information Form.

Our wholly-owned subsidiaries and their respective jurisdictions of incorporation are 6105971 Canada Inc. (Canada), Vecima Networks Pty (Australia), and Spectrum Signal Processing (USA) Inc. (United States). We also own all of the participating shares, but none of the voting shares, of YourLink Inc. (Canada) ("YourLink"), voting control of which is held, directly and indirectly, by two of our directors – Dr. Surinder Kumar and Dr. Hugh Wood. We also own 95% of the voting shares of Vecima Telecom India Private Ltd. (India).

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

We are a leading designer and manufacturer in the broadband cable and wireless network infrastructure market. The following describes how our business has developed over the last three completed fiscal years, as well as, any changes to our business expected to occur during the current fiscal year.

2014 – 2015 Fiscal Year

In August 2014, we entered into an agreement with a major United States' MSO customer for Terrace and Terrace QAM to develop new technology that will result in a new Terrace QAM platform. The new Terrace QAM would enable the hospitality video solution to support MPEG-4 video input. The technology would allow Terrace QAM to ingest MPEG-4 format and output HD video channels that are universally supported by the televisions in hospitality properties. As part of the agreement, the customer committed to an initial purchase of product.

In August 2014, one of our customers terminated an agreement with us to design a next generation broadband cable transmitter. Although the program was terminated due to changes in the market, the intellectual property we developed in the program is highly applicable to products currently in development.

2013 – 2014 Fiscal Year

On July 12, 2013, we reached an agreement to sell our building in downtown Saskatoon to the City of Saskatoon for $13.4 million. The transaction was subject to approval by Saskatoon City Council, which was received in August 2013. The sale closed in December 2013. This sale was part of our strategy to monetize non-core assets.

In July 2013, we sold certain of our 3.5 GHz radio spectrum licenses to Inukshuk Wireless Partnership for $4.0 million. This sale was part of our strategy to monetize non-core assets. We continue to hold radio spectrum licenses in the 24 and 38 GHz range as well as those licenses which are used by our YourLink subsidiary.

On August 1, 2013, Sumit Kumar succeeded Dr. Surinder Kumar as our Chief Executive Officer. Sumit has been with us since 1995 in various roles of increasing responsibility, including as Vice President, Corporate Strategy from 2006 to 2009, Executive Vice President from 2009 to 2011, and President since 2011. This appointment completes a multi-year process of succession planning and preparation for the retirement of our previous Chief Executive Officer, Dr. Surinder Kumar. Surinder has remained as non-executive Chairman of our Board of Directors. Dr. Hugh Wood, our Chief Operating Officer, also retired in July 2013. Mr. Wood's day-to-day responsibilities had been transitioning to Marshall Sali, our Senior Vice President, Operations. Mr. Sali has been with us in the role of Director of Operations from 2008 to 2009 and as Senior Vice President, Operations since 2009. Dr. Wood has continued as a member of our Board of Directors.

On November 7, 2013, our Board of Directors approved a special cash dividend of $0.46 per common share and authorized seeking shareholder approval to permit an additional special cash distribution, in the form of a return of capital, of $0.54 per common share. On December 13, 2013, our shareholders authorized us to reduce the stated capital of our common shares by $0.54 per share and our Board of Directors authorized the previously proposed special cash distribution. The special cash dividend and special cash distribution were both paid on December 31, 2013. The aggregate amount of the special cash dividend and special cash distribution was approximately $22.3 million.

2012 – 2013 Fiscal Year

On July 13, 2012, we announced the closing of $4 million sale of non-serviced land in Saskatoon, Canada.

We began a review of strategic alternatives to maximize shareholder value in August 2012. On August 21, 2012, we retained Stifel Nicolaus & Company as our financial advisor to assist our Board of Directors in exploring and evaluating a range of strategic alternatives. On January 21, 2013, we completed the review of strategic alternatives. The review concluded with our Board of Directors authorizing us to seek shareholder approval to permit a special cash distribution to our shareholders, in the form of a return of capital, of $1.00 per share. After evaluating a range of alternatives, our Board of Directors determined that, at that time, it would be in our best interest to make the proposed special cash distribution to shareholders and to continue focusing on our core business of designing and manufacturing broadband access products. Our shareholders authorized us to reduce the stated capital of our common shares by $1.00 per share on March 11, 2013. The special cash distribution was paid on March 21, 2013. The aggregate amount of the special cash dividend was approximately $22.3 million.

2011 – 2012 Fiscal Year

On December 21, 2011, we concluded phase 1 of an agreement to sell a portion of our 3 radio spectrum licenses in the 3.5 GHz band to Xplornet Broadband Inc. for approximately $8 million. In April 2012, we concluded phase 2 of the agreement by selling an additional portion of our radio spectrum licenses in the 3.5GHz band for $7.3 million to Xplornet Broadband Inc. This sale was part of our strategy to monetize non-core assets.

In March 2012, we executed an OEM agreement for a new network platform with a prominent digital video access equipment vendor. Under the agreement, we will design, manufacture and supply network equipment platforms that interface to the already deployed network devices which are used to provide digital video services. The new equipment builds on our established cable headend technology which includes downstream QAM modulation, MPEG decoding, analog television encoding and return path demodulator products. Under the terms of the agreement, the OEM customer has committed to purchase a minimum number of platforms totaling approximately $19 million within two years of the date the customer first ships its new product.

Significant Acquisitions

We did not complete any significant acquisitions within the meaning of applicable securities laws during our most recently completed fiscal year.

BUSINESS OF THE COMPANY

We design, manufacture and sell products that enable broadband access to cable, wireless and telephony networks. Our hardware products incorporate original embedded software to meet the complex requirements of next-generation, high-speed digital networks. Service providers use our solutions to deliver services to a converging worldwide broadband market, including what are commonly known as “triple play” (voice, video and data) and “quadruple play” (voice, video, data and wireless) services. Our solutions allow service providers to bridge the final network segment that connects their system directly to end users, commonly referred to as “the last mile”, by overcoming the bottleneck resulting from insufficient carry capacity in legacy, last mile infrastructures.

Our products are directed at two principal markets: converged wired solutions and broadband wireless. We have also developed and continue to focus on developing products to address emerging markets such as VoIP, FTTH and IP video.

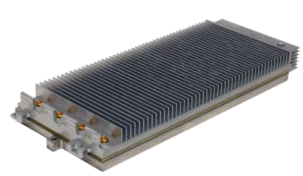
In addition, our YourLink subsidiary provides high speed data, telephone and video services to parts of rural British Columbia as well as fixed wireless data and telephone access through much of Saskatchewan to both residential and business subscribers.

Products

Vecima’s products incorporate sophisticated hardware and software developed within our research and development facilities. The in-house developed technology includes high-speed digital signal processing, control, digital modulation, RF circuitry and compensation functions. In addition to these technologies, our embedded software also facilitates the implementation of other network functions, such as media access control and embedded system management.

Converged wired solutions products include a family of upconverter and modulator modules that process data from routers and convert it to higher frequencies for transmission over cable to subscribers, gigabit network edge devices, EdgeQAM modulators, and transmodulators. These devices accept high bit rate video streams from central servers and transmit them to subscribers, return path demodulators, and the Terrace family of last-mile gateway products. Our broadband wireless products include transmitters, receivers and transceivers that process data from routers, switches and modems for the purpose of communication to subscribers over a wireless environment, as well as high performance, software reconfigurable signal processing platforms for intelligence, surveillance, reconnaissance, military, satellite communications and video processing applications.

Our products are described in more detail below:

Terrace Family (TC600, TC1000 and TC1200)	 	The Terrace family of multiple dwelling unit gateway products are multi-channel digital video to analog video converters for cable multiple system operators. These products are deployed within hotels, apartments and other multi-room buildings.
Terrace QAM		The Terrace QAM gateway is a multi-channel digital video to digital video transcryptor for the hospitality industry. Enables cable video service operators to distribute high definition video without the use of digital set top boxes.
OEM QAM Modules		The OEM QAM Modules facilitate the transport of digital video, data and telephone services. The modules are integrated within our OEM customer’s system solution at the output stage.

OEM Return Path Demodulator		The OEM Return Path Demodulator enables uplink communications for cable video services provider’s deployed digital video set top boxes.
CableVista Edge Decoder		The CableVista Edge Decoder enables cable video service operators to simulcast both analog and digital video signals. CableVista ingests digital video, decodes it, and broadcasts analog video.
Digital Video Access Platform		The Digital Video Access Platform enables cable operators to communicate with their extensive network of digital video services devices.
FleetLynx		Fleet management and maintenance system solution.

Software Defined Radios		Develop high-performance software configurable signal processing platforms for intelligence, surveillance, and reconnaissance, military and satellite communications.

Services

Our YourLink subsidiary operates several small cable and broadband wireless service providers that provide high speed data, telephone and video services to parts of rural British Columbia as well as fixed wireless data and telephone access through much of Saskatchewan to both residential and business subscribers. YourLink also owns certain licenses to commercial spectrum within Canada. Through Yourlink, we are able to derive stable revenue. YourLink also provides an avenue for validation including testing, optimization, and demonstration of how our product solutions can be deployed to augment or extend the delivery of our service offerings to subscribers. In addition, we can use YourLink's substantial broadband wireless spectrum assets to deliver interference-free, high-speed Internet access in partnership with other Internet service providers, as standalone ventures or tied to sales of our broadband wireless products.

Distribution and Sales

We sell our products directly and through distributors to OEMs, system integrators, MSOs and other service providers. YourLink's services are sold to residential and business subscribers in a number of communities in Western Canada.

We have entered into major supply agreements with several of our key customers including Comcast, Cisco, Mega Hertz, and Arris.

Vecima had traditionally derived a substantial percentage of its sales through OEM channels. In the past fiscal year, we have seen a leveling off of OEM sales and a transition to direct sales to end customers. We foresee continued emphasis on direct sales to end customers in fiscal 2015, but we also expect OEM sales to increase in fiscal 2015 as a result of our new OEM products.

The following table sets forth our revenues from our three core markets for our two most recently completed fiscal years.

	Year ended			
Sales by Core Market	**June 30, 2014**		**June 30, 2013**	
(in thousands of dollars except percentages) (unaudited)	Sales	% Sales	Sales	% Sales
Converged Wired Solutions	$69,880	77	$68,932	75
Broadband Wireless	6,528	7	9,792	11
YourLink	14,297	16	12,525	14
Total Revenue	**$90,705**	**100%**	**$91,249**	**100%**

Specialized Skill and Knowledge

Vecima's research and development department includes personnel with the advanced skills necessary for complete product development. Skill sets include RF design, software programming, high-speed digital signal processing, mechanical design, networking, FPGA, wireless design, and media access controller software development. Our capacity for complex software development has increased significantly over the last eight years through the completion of WiMAX, EdgeQAM, and all-digital gateway products. Vecima's research and development team continues to diversify its staff through the addition of experienced professionals, new graduates and training of existing staff.

Industry Overview

The growth in the volume of data traffic and in the use of Internet applications, as well as new bandwidth-intensive applications such as HDTV, VOD, IPTV and VoIP, are continually increasing demand for bandwidth. Service providers are addressing that demand by deploying data over cable and broadband wireless access solutions that are capable of accommodating the greater bandwidth required to deliver those services over the last mile. In addition, MSOs are deploying equipment used to bundle voice, video and data or ‘‘triple play’’ or voice, video, data and wireless ‘‘quadruple play’’ packages to compete with each other and with satellite services.

QAM channels are the digital signals used by operators to deliver digital video and high speed data over cable networks. Cable operators are increasingly struggling to find the space and power to incorporate all of the QAM carriers necessary to offer legacy video, new IP video delivery and general broadband access. As a result, there is an industry initiative to create new "superboxes" which integrate legacy QAM video and DOCSIS broadband access QAM channels into a single high density platform known as CCAP (Converged Cable Access Platform). The deployment of such platforms requires a steep jump in density and power efficiency for QAM signal generation. Vecima's years of leadership and continued investment in next generation QAM technology have placed us in a strong position to offer highly compelling solutions to meet these operator needs.

With all of the North American cable operators either completely turning off their analog television broadcast or simulcasting both analog and digital television stations, there was a clear economic challenge in transitioning all of their subscribers. Many subscribers merely connect their televisions into the wall using a standard coaxial cable but with the introduction of digital television signals, the traditional television could not tune into these channels. Even the newer flat panel televisions encountered a similar situation where they could tune into the digital channel but could not decrypt the signals thus not being able to view the television station. To accommodate all situations, the cable MSOs deployed set-top boxes to help with the transition between digital and analog. The digital signals would enter the set-top box and a corresponding decrypted analog signal would be played out. The same principle is applied for high definition where the signal is encrypted and sent over the cable network for reception by a set top box and played out as a high definition station for your television to display.

The digital television transition economic challenge presented an opportunity for cable broadband access design companies. The challenge was that it was not very cost effective to migrate large, high density buildings to all-digital because of the cost of deploying countless digital set top boxes. The solution was to create an appliance at the entry point to the premises that acted as a set top box that could support numerous subscribers. Our Terrace family of products will ingest the digital television signals and broadcast these channels in analog which can be easily tuned to using all existing televisions.

Similar to the challenges with the digital television transition where there was a requirement to use digital set top boxes, hospitality operators needed to deliver premium high definition video services without the expense of high definition set top boxes. To feasibly solve this problem, an appliance was required to ingest the encrypted high definition digital television signals and redistribute them using a proprietary encryption scheme that is native to the hospitality televisions without the need for digital set top boxes. Our Terrace QAM enables cable operators whom serve hotels to cost effectively deploy their high definition video services.

The market for fleet management and maintenance solutions is large and diverse. Many fleet operators require efficient tools to manage both their vehicles and personnel. Vecima's FleetLynx fleet management and maintenance solution affords our customers the ability to monitor fleet fuel economy, fuel purchase history, idle times and vehicle location in real-time.

Competition

The principal market for the majority of our solutions is North America. The largest competitors to our product offerings or system solutions come from North American based organizations.

The competition within the converged wired space includes other broadband access technology companies that are developing product solutions for MSOs. These competitors include ATX Networks and Cisco Systems.

The competition within the broadband wireless space includes both fixed wireless transceiver manufacturers and mobile operators with the latest generation of high speed service plans. Hardware manufacturers that compete in the same fixed wireless environment include CalAmp, Airspan, and Redline. There are numerous mobile operators providing high speed data and telephone services throughout our traditional deployment areas. With regards to our FleetLynx system solution, the marketplace is large and segmented and there are numerous system solution product offerings. Competition includes Trimble and Omnitracs.

YourLink faces competition from other service providers offering similar services within their geographic deployment. Competitors include SaskTel, Rogers, Telus, Shaw, and Access Communications.

Employees

As of June 30, 2014, we had 507 employees.

Intellectual Property

We establish and protect our intellectual property using a combination of contractual provisions, copyrights, trademarks, trade secrets, licenses and patents. We enter into non-disclosure, confidentiality and intellectual property assignment agreements with all new employees as a condition of employment, and with consultants and third parties who have access to our proprietary technology. In addition, when we consider it to be advantageous, we leverage intellectual property and access third party intellectual property by entering into commercial licenses and cross-licenses. In addition to 22 issued patents which we hold, we have further patents pending.

Operations and Facilities

Our corporate headquarters is located in Victoria, British Columbia . This approximately 8,000 square foot facility, which we own, is used for executive matters, sales, marketing, research and development, and production.

Our manufacturing facilities are located in Saskatoon, Saskatchewan. This approximately 90,000 square feet facility, which we own, is also used for administration. We lease two additional facilities in Saskatoon of approximately 28,900 square feet and 27,000 square feet, which are used for research & development and finance operations.

We lease an approximately 12,125 square foot facility located in Burnaby British Columbia that is used for operational support.

Our YourLink subsidiary has a number of leased and owned locations in Saskatchewan and British Columbia to support its operations.

Manufacturing

Our Saskatoon plant, which is qualified as an ISO 9001:2004 manufacturer, maintains a rigorous quality program throughout the design, manufacture and testing of our products. Using a bar-code system, our proprietary manufacturing productivity software allows us to track all stages of design and manufacturing, including document control, incoming component qualification and final product testing. Product tracking throughout the manufacturing process translates into efficient utilization of resources and rapid response to customer requests for product. We perform most of the critical manufacturing-related functions in-house, including RF alignment, final integration and testing, manufacturing engineering and development of manufacturing test procedures. Many of the subsystem components are sourced from specialized manufacturers and contractors.

We periodically put products out to tender to determine if cost reductions would be available by using contract manufacturers. To date, we have found that outsourcing is more expensive than self-manufacture, particularly for the cost of components. Our staff is adept at searching out the lowest cost material for our devices. Contract manufacturers tend to price based on components placed while passing through component costs to their customers. Additionally, one of our operational strengths is our ability to achieve a short time to market for sophisticated products. We believe having supply lines that stretch across the globe would reduce our ability to rapidly design and deliver new products, or variations of current products, to rapidly address our customers' requirements. We believe keeping our resources centralized allows us to quickly ramp up or down, shift the product mix to meet changing customer demands, improve customer service and reduce our environmental impact.

One of our key operational strengths is the significant number of subsystem designs we have developed over the years. These subsystems perform numerous functions for data processing, digital video transformation and RF signal manipulation. We regularly package various combinations of subsystems from this library of designs to rapidly develop new products to meet the needs defined by our customers. We then employ our sophisticated computer-managed production processes to manufacture products in various form factors and with the various options desired. The internally-developed manufacturing processes provide specific sequences of testing, calibration and parameter establishment.

We are affected by the budgeting cycles of larger cable operators which generally results in variability in the availability of parts and production capacity from quarter to quarter.

RISK FACTORS

The following is a brief discussion of risks and uncertainties relating to Vecima most likely to influence an investor's decision to purchase our common shares. The risks and uncertainties discussed below are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently consider immaterial also may impair our business operations and cause the price of our common shares to decline. If any of the following actually occurs, our business may be harmed and our financial condition and results of operations may suffer significantly. In that event, the trading price of our common shares could decline.

Our operating results are expected to fluctuate.

We have experienced fluctuations in our operating results on a quarterly and annual basis. We expect that operating results will continue to fluctuate in the foreseeable future due to a variety of factors, including:

- changes in general economic conditions and specific market conditions in the communications and Internet industries, including fluctuations in demand for existing products, the rate of development of new products and the degree of market acceptance of new products;
- the timing, size and contractual terms of significant orders for product or the entering into of new major contracts, and the lack of certainty that existing customer contracts will be renewed upon expiry;
- if competition intensifies, we may be required to reduce our prices and gross margins to remain competitive;
- our ability to maintain existing strategic relationships and to create new ones; and
- the timing and magnitude of operating expenses, capital expenditures and expenses relating to the expansion of sales, marketing, operations and acquisitions, if any, of related or complementary businesses and assets.

Any of the foregoing factors, or other factors discussed elsewhere in this Annual Information Form, could have a material adverse effect on our business, results of operations and financial condition.

We derive a substantial part of our revenue from a few large customers.

Our relationships with our three largest customers together accounted for 57% of our sales for the fiscal year ended June 30, 2014. If any one or more of our large customers discontinues its relationship with us for any reason, or reduces or postpones current or expected purchases of our products, our business, results of operations and financial condition could be materially adversely affected.

Future sales of our common shares by our controlling shareholders could cause our share price to fall.

Two of our shareholders, Dr. Surinder Kumar and Dr. Hugh Wood, beneficially own, or exercise control or direction over, directly or indirectly, approximately 76% of our outstanding common shares (the "Principal Shareholders"). If the Principal Shareholders sell substantial amounts of our common shares in the public market, the market price of our common shares could fall. The perception among investors that these sales will occur could also produce this effect.

A small number of our shareholders control the Company.

The Principal Shareholders beneficially own, or exercise control or direction over, directly or indirectly, approximately 76% of our outstanding common shares. As a result, if the Principal Shareholders act together they will generally have the ability to control all matters submitted to our shareholders for approval, including the election and removal of directors, amendments to our articles of incorporation and bylaws and the approval or rejection of any business combination. This may delay or prevent an acquisition or cause the market price of our common shares to decline. The Principle Shareholders may also have interests different from other shareholders or may want us to pursue strategies that are different from the wishes of other shareholders.

Our share price will fluctuate.

The market price of our common shares may be volatile and could be subject to wide fluctuations due to a number of factors, including:

- actual or anticipated fluctuations in our results of operations;
- changes in estimates of our future results of operations by us or securities analysts;
- announcements of technological innovations or new products by us or our competitors; or
- other events or factors.

In addition, the financial markets have experienced significant price and value fluctuations that have particularly affected the market prices of equity securities of many technology companies and that sometimes have been unrelated to the operating performance of these companies. Broad market fluctuations, as well as economic conditions generally and in the technology industry specifically, may adversely affect the market price of our common shares.

Our success depends on our ability to develop new products and enhance our existing products.

To keep pace with technological developments, satisfy increasingly sophisticated customer requirements and achieve market acceptance of our products, we must enhance and improve existing products and we must also continue to introduce new products. If we are unable to successfully develop new products, or enhance and improve our existing products, or if we fail to position and/or price our products to meet market demand, our business and operating results will be adversely affected.

Product introductions and short product life-cycles require levels of expenditures for research and development that could adversely affect our operating results. Further, any new products we develop could require long development, testing and in some cases certification periods and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenue. As we develop new products, many of our older products will reach the end of their lives. As we discontinue the manufacturing and sale of these older products, we must manage the liquidation of inventory, supplier commitments and customer expectations. If we are unable to manage properly the discontinuation of these older products, it could have a material adverse effect on our business, financial condition and results of operations.

Failure to manage our business or our growth successfully may adversely affect our operating results.

Our ability to manage our business will be substantially dependent upon our ability to efficiently and effectively allocate resources to conduct research and development, product introduction, sales and marketing activities, financial management and customer support services. Accordingly, our future results of operations will depend on the continuing ability of our officers and other key employees to conduct business effectively and to maintain or improve operations. Also, our ability to support the growth of our business will be substantially dependent on having in place highly-trained employees and sufficient internal and third-party resources. Any expansion of our business may increase the strain upon our management resources, and there can be no assurance that we will be able to manage any such expansion successfully. Failure to manage successfully our business or any such expansion may have a material adverse effect on our business, results of operations and financial condition.

Our revenues are substantially concentrated in a single market category.

Sales of our products for the converged wired solutions market accounted for 77% of our sales for the year ended June 30, 2014. We expect sales from the converged wired solutions product line will continue to account for a significant portion of our sales in the foreseeable future. A decline in demand for these products as a result of competition, technological change or other factors could have a material adverse effect on our business, results of operations and financial condition.

If our intellectual property is not adequately protected, we may lose our competitive advantage.

We rely on a combination of contractual provisions, copyright, trademarks, trade secrets, licenses and patent protection to establish and protect our proprietary rights. Despite our efforts to protect our intellectual property rights, unauthorized parties may attempt to copy aspects of our products or to obtain information we regard as proprietary. Policing unauthorized use of our proprietary technology, if required, may be difficult, time-consuming and costly. There can be no assurance that our means of protecting our proprietary rights will be adequate. Failure to protect our proprietary rights could have a material adverse effect on our business, results of operations and financial condition.

Increased competition could have an adverse effect on our business.

The markets for our products are highly competitive. As some of these markets continue to develop, additional competitors with more established and larger marketing and technical resources than us may enter the market and competition may intensify. In addition, current competitors may develop products that are comparable or superior to our products or achieve greater market acceptance due to pricing, sales channels or other factors. In addition, OEMs and system integrators could develop greater internal capabilities and manufacture these products exclusively in-house, rather than outsourcing them. Such developments could have a material adverse effect on our business, results of operations and financial condition.

We may be unable to deliver products associated with key contracts.

We have entered into important supply contracts with a few key customers. Our right to receive revenue under these contracts depends upon our ability to manufacture and supply products that must meet defined specifications. In order to realize the benefit of these agreements, we will have to successfully manage the following risks:

- *Lack of Sufficient Resources* - If we are unable to commit the necessary resources or to deliver our products as required by the terms of those contacts, customers may cancel the contracts. In that event, any costs incurred by us may not be recovered and we may incur additional costs as penalties.

- *Delivery Risks* - If we fail to meet a delivery deadline or a customer determines that the products we have delivered do not meet the agreed-upon specifications, we may have to reduce the price we can charge for our products or may be liable to pay damages to the customer. Our delivery may also miss the market window resulting in reduced realization of revenues. Engineering of complex technologies always carries certain uncertainties, and while we make efforts to minimize these risks, there are no guarantees of success or timely delivery.

- *Production Costs* - We price all client orders on the basis of our estimates of future production costs. If we incur higher costs than anticipated, our gross margins on those contracts could decline.

Some major customers are also entitled to terminate their contracts with us by giving us written notice. If we are unable to manage these risks successfully or if any of our major customers terminate their contracts with us, our business, results of operations and financial condition could be materially adversely affected.

We are dependent on the expansion of our current distribution channels and the development of new distribution channels.

We sell our OEM products directly to OEM customers and to parties with whom we have strategic relationships. We expect to continue these relationships and sell to companies that incorporate our products into their products and services. Accordingly, our success will be dependent in large part on our ability to continue existing relationships and to develop new OEM relationships. We use distributors to sell our products in markets where we have no physical presence, or where local conditions or language make it difficult to market directly to customers. As a result, our success will be dependent in part on our ability to continue existing relationships and to develop new relationships with distributors.

A material loss of any OEM customers or strategic partners, either as a result of competitive products offered by other companies or products developed internally by our OEM customers and strategic partners, or their inability to penetrate their respective market segments, could have a material adverse effect on our business, financial condition and results of operations. There can be no assurance that we can continue to attract OEM customers, dealers and strategic partners and any inability to do so could materially adversely affect our business, financial condition and results of operations. While we plan to continue expanding our distribution channels, there can be no assurance that such expansion will be successfully completed, that the cost of such expansion will not exceed the revenues generated, or that our sales and marketing organization will be able to compete successfully against the more extensive and well-funded sales and marketing operations of many of our current or potential competitors.

Growth in our key markets may not continue.

The overall market for voice, video and data communications equipment has experienced significant growth. There can be no assurance that the market for our products will continue to grow, that firms within the industries will adopt our products to deliver their services or that we will be able independently to establish additional markets for our products. If the various markets in which our products compete fail to grow or grow more slowly than we currently anticipate, or if we were unable to establish markets for our products, our business, results of operations and financial condition could be materially adversely affected.

Our inability to adapt to technological change, new products and standards could harm our business.

The converged wired solutions and broadband wireless markets are characterized by rapidly changing technology and evolving industry standards. Our products embody complex technology and these products may not always be compatible with current and evolving technical standards and products developed by others. Our ability to anticipate changes in technology, technical standards and product offerings will be a significant factor in our ability to compete. There can be no assurance that we will be successful in identifying, developing, manufacturing and marketing products that will respond to technological change or evolving service-provider standards or requirements. In addition, there can be no assurance that the products or technologies developed by others will not render our products or technologies non-competitive or obsolete. Failure or delays by us to meet or comply with evolving industry or user standards or to anticipate changes in technology and product offerings, or failure of our products to gain market acceptance, could have a material adverse effect on our business, results of operations and financial condition.

Our ability to recruit and retain management and other qualified personnel is crucial to our business.

Our success is largely dependent on the abilities, dedication and experience of our executive officers and other key employees. Competition for highly-skilled management, technical, research and development and other employees is intense in the converged wired solutions and broadband wireless markets.

There can be no assurance that we can retain our current key employees or attract and retain additional key employees as needed. The loss of certain key employees could have a material effect on our business, results of operations and financial condition.

Our reliance on third-party suppliers and contract manufacturers reduces our control over our performance.

We rely on third-party suppliers, in some cases sole suppliers or limited groups of suppliers, to provide us with materials necessary for the manufacture of our products. As a result of worldwide demand for and shortage of components, some suppliers have from time to time limited the number of components we may purchase. These components include chips and other components necessary for the production of our products. If we are unable to obtain sufficient allocations of these components, our production and shipment of products will be delayed, we may lose customers and our profitability will be affected.

Reliance on suppliers also reduces our control over production costs, delivery schedules, reliability and quality of materials. Any inability to obtain timely deliveries of acceptable-quality materials, or any other circumstances that would require us to seek alternative suppliers, could adversely affect our ability to deliver products to our customers. In addition, we outsource some aspects of the manufacture of some of our products to contract manufacturers and a significant increase in the price of the services provided by these manufacturers, or delays in their deliveries, could have a material adverse effect on our business, results of operations and financial condition.

If we are required to change our pricing models to compete successfully, our margins and operating results may be adversely affected.

We generally price our products based on our estimate of future production costs. If actual production costs are higher than anticipated, our gross margins will be lower than planned. In addition, competitive pressures may force us to lower product prices, which may further decrease our margins if we are unable to offset that effect by cost-reduction measures. If gross margins are reduced with respect to an important product line or if sales of lower-margin products exceed sales of higher-margin products, our profitability may decrease and our business could suffer.

Successful warranty or product liability claims could harm our business.

We provide product warranties that typically run for two years, as is standard in our industry. If our products fail to perform as warranted and we are unable to resolve product quality or performance issues in a timely manner, we may lose sales or be forced to pay damages. In addition, because our products are sold and marketed in different countries, the products must function in and meet the requirements of many different communication environments and be compatible with various communication systems and products. Any failure of our products to meet these requirements could have a negative impact on sales and a material adverse effect on our business, results of operations and financial condition. Further, there is a risk that customers may uncover latent design defects in our products that were not apparent at the time the product was sold. This type of defect may be discovered before or after the warranty period has expired. Performance failure due to a design defect may cause loss of customers, damage to our reputation for delivering high-quality products, delay in or loss of market acceptance and additional warranty expense or costs associated with product recall.

Competition from new or existing technologies may adversely affect our business.

Cable and broadband wireless access solutions compete with other high-speed solutions such as DSL, optical fibre and satellite. These alternative technologies have existing installed infrastructure and have achieved significant market acceptance and penetration. We expect cable and broadband wireless access technologies to face significant competition from both current and future alternative technologies. In light of these factors, the market for converged wired solutions may fail to grow or, in the case of broadband wireless, may fail to develop or may develop more slowly than expected. Any of these outcomes could have a material adverse effect on our business, results of operations and financial condition.

We derive a significant portion of our revenues from our YourLink subsidiary, which is not controlled by us.

Approximately 16% of our revenues for the fiscal year ended June 30, 2014 were derived from our YourLink subsidiary. Two of our directors, Dr. Surinder Kumar and Dr. Hugh Wood, maintain voting control over YourLink. Accordingly, our future results of operations will depend in part on our ability to conduct the business of YourLink effectively, while not having voting control over YourLink. This lack of voting control over YourLink could have a material adverse effect on our business, results of operations and financial condition.

Third parties may allege that we infringe on their intellectual property.

The industries in which we compete have many participants, who own, or claim to own, intellectual property. Although we have conducted prudent reviews of our products to ensure that we do not knowingly use unlicensed intellectual property, third parties may allege that we infringe on their intellectual property. Should such an allegation be made, the outcome of any litigation is impossible to predict and, should the outcome be unfavourable to us, we may not be able to negotiate acceptable, or any, licensing terms. Such an event could materially adversely affect our business, results of operations and financial condition.

Currency fluctuations may adversely affect us.

Our financial results are reported in Canadian dollars. For the year ended June 30, 2014, approximately 84% of our revenues and a portion of our costs were denominated in United States dollars. Any fluctuation in the value of the Canadian dollar relative to the United States dollar may result in variations in our sales and earnings expressed in Canadian dollars as a result of the geographic mix of our customers, and may have a material effect on our business, results of operations and financial condition.

If we cannot meet customers' requirements for manufacturing capacity, sales may suffer.

The markets in which we operate generally require us to produce a relatively high volume of products in a short period of time. As a result of our supply agreements with existing or new customers, we may need to increase our manufacturing capacity. If we cannot successfully manufacture our products in the future at volumes, yields or cost levels necessary to meet our customers' needs, we may lose customers and sales may suffer. In addition, there is no assurance that we will be able to obtain a sufficient amount of high-volume orders to absorb the capital costs incurred in increasing our manufacturing capacity.

There are risks associated with our international operations.

We derive a significant portion of our revenues from international sales. We plan to continue to expand our international sales and marketing efforts. There are a number of risks inherent in our international business activities, including unexpected changes in Canadian, United States or other government policies concerning the import and export of goods, services and technology and other regulatory requirements, tariffs and other trade barriers, costs and risks of localizing products for foreign countries, higher credit risks, potentially adverse tax consequences, limits on repatriation of earnings and the burdens of complying with a wide variety of foreign laws. Fluctuations in currency exchange rates could materially adversely affect sales denominated in currencies other than the Canadian dollar and cause a reduction in revenues derived from sales in a particular country. Financial instability in foreign markets could also affect our international sales. There can be no assurance that such factors will not materially adversely affect the revenues from our future international sales and, consequently, our results of operations. In addition, revenues that we earn abroad may be subject to taxation by more than one jurisdiction, which could materially adversely affect our earnings. Each of these factors could have an adverse effect on our business, financial condition and results of operations.

Acquisitions could divert management's attention and financial resources, may negatively affect our operating results and could cause significant dilution to shareholders.

We may expand operations by acquiring additional complementary businesses, products or technologies. There can be no assurance that we will be able to identify, acquire or profitably manage additional businesses or successfully integrate any acquired businesses, products or technologies without substantial expenses, delays or other operational or financial problems. Furthermore, acquisitions may involve a number of special risks, including diversion of management's attention, expenses of amortizing the acquired company's intangible assets, failure to retain key personnel, unanticipated events or circumstances and legal liabilities. Acquisitions could also result in potentially dilutive issuance of equity securities. Any failure by us to manage an acquisition successfully could have a material adverse effect on our business, results of operations and financial condition.

Government regulation of our products and new government regulation could harm our business.

Our products are subject to certain mandatory regulatory approvals and are incorporated into cable and wireless communication systems that are regulated in Canada by Industry Canada, in the United States by the Federal Communications Commission (FCC) and internationally by other government agencies.

Although we believe we have all necessary Industry Canada and FCC approvals for products we currently sell, there can be no assurance that such approvals can be obtained for future products on a timely basis, or at all.

Regulatory changes could also negatively affect our business by restricting development efforts by our customers, making our current products obsolete or increasing the potential for additional competition.

Our business, results of operations and financial condition could be adversely affected if our products fail to comply with all applicable domestic and international regulations. Further, delays inherent in the governmental approval process have in the past caused, and may in the future cause, cancellation, postponement or rescheduling of the installation of communication systems by our customers. This in turn may have a negative impact on the sale of our products to those customers, and hence have a material adverse effect on our business, results of operations and financial condition.

DIVIDENDS

Dividend Policy

On September 23, 2014, our Board of Directors adopted a dividend policy to pay an annual dividend to our shareholders of $0.18 per common share, payable quarterly. Prior to that time, we did not have a policy to pay regular dividends. The amount and payment of future dividends is subject to the discretion of our Board of Directors, and will be dependent upon the satisfaction of certain solvency requirements of the *Canadian Business Corporations Act*, our results of operations, financial condition, cash requirements and other factors deemed relevant by our Board of Directors.

Historical Dividends

We have not declared any dividends or distributions in the three most recently completed fiscal years, except for the following:

- a special cash distribution of $1.00 per common share in the form of a return of capital paid on March 27, 2013; and
- a special cash dividend of $0.46 and a special cash distribution of $0.54 in the form of a return of capital paid on December 31, 2013.

DESCRIPTION OF CAPITAL STRUCTURE

We are authorized to issue an unlimited number of common shares and an unlimited number of preference shares. The rights, privileges, restrictions and conditions attaching to our common shares and preference shares are as follows:

Common Shares - Each holder of common shares is entitled to receive notice of and to attend any meetings of our shareholders and is entitled to one vote in respect of each common share held at such time. Each holder of common shares is entitled to receive dividends, if any, as and when declared by our Board of Directors. Holders of common shares are entitled to participate equally in any distribution of our net assets upon liquidation, dissolution or winding-up. There are no pre-emptive, retraction, surrender, redemption, repurchase for cancellation or conversion rights attaching to the common shares.

Preference Shares - The preference shares may be issued from time to time in one or more series, the number of shares, designation, rights, privileges, restrictions and conditions of which will be determined by our Board of Directors subject to any limitations in our Articles. The preference shares are entitled to priority over the common shares with respect to payment of dividends and distributions of our assets in the event of our dissolution, liquidation or winding-up. Except as required by law or the provisions of any series, the holders of preference shares are not entitled to receive notice of, attend or vote at any meeting of our shareholders. No preference shares are outstanding, and we have no present intention to issue any preference shares.

MARKET FOR SECURITIES

Trading Price and Volume

Our common shares trade on the Toronto Stock Exchange under the stock symbol 'VCM'. The Toronto Stock Exchange reported the following price ranges and volumes traded in respect of our common shares in each month of the fiscal year ended June 30, 2014:

Month		High ($)	Low ($)	Volume
2013	July	$4.79	$4.25	133,364
	August	$4.85	$4.70	96,657
	September	$5.20	$4.70	129,896
	October	$6.19	$5.01	321,278
	November	$7.01	$5.89	334,812
	December	$6.39	$4.90	326,867
2014	January	$5.85	$5.06	1,120,522
	February	$6.14	$5.30	375,328
	March	$6.50	$5.35	1,809,851
	April	$6.21	$5.50	988,479
	May	$7.25	$5.98	641,474
	June	$7.39	$6.70	1,134,817

Prior Sales

During the fiscal year ended June 30, 2014, we did not issue any of our common shares except for the following:

Date of Issue	Issue Price ($)	Number of Common Shares	Background
October 1, 2013	$3.26	189	Exercise of options
November 19, 2013	$3.26	418	Exercise of options
November 19, 2013	$4.82	1,299	Exercise of options
November 25, 2013	$4.29	721	Exercise of options
November 25, 2013	$5.75	1,656	Exercise of options
December 2, 2013	$4.82	1,370	Exercise of options
December 5, 2013	$2.72	84	Exercise of options
April 11, 2014	$3.26	189	Exercise of options
		5,926	

DIRECTORS AND OFFICERS

The following table sets forth the names of and certain additional information regarding our directors and executive officers (collectively, the "Management Group"):

Directors of Vecima

Name and Province or State, and Country of Residence	Position or Office	Principal Occupation for the Past Five Years	Director Since
Surinder Kumar British Columbia, Canada	Director and Chairman	Retired since August 2013; prior thereto, Chief Executive Officer of Vecima	July 1988
Barry Baptie [(1)(2)] British Columbia, Canada	Director	Retired	November 2004
Vincent Gallant [(1)(2)] Alberta, Canada	Director	President of Blackline Financial Inc. (a financial advisory firm).	May 2013
Dean Rockwell [(1)(2)] British Columbia, Canada	Director	Chief Executive Officer of In Motion Technology Inc. (a mobile network company).	June 2013
Hugh Wood Saskatchewan, Canada	Director	Retired since July 2013; prior thereto, Chief Operating Officer of Vecima.	October 1991

(1) Member of the Corporate Governance and Compensation Committee.

(2) Member of the Audit Committee.

(3) The term of office of each of the directors will expire at our next annual general meeting.

Executive Officers of Vecima

Name and Province or State, and Country of Residence	Position or Office	Principal Occupation for the Past Five Years
Sumit Kumar British Columbia, Canada	President and Chief Executive Officer	Chief Executive Officer of Vecima since August 2013; President of Vecima since 2011; prior thereto, Executive Vice President of Vecima from January 2010 to 2011; prior thereto, Vice President, Corporate Strategy of Vecima
John Hanna British Columbia, Canada	Chief Financial Officer	Chief Financial Officer of Vecima since July 2010; prior thereto, Vice-President Finance and Administration of iFire Technology Inc. (a technology development company)

Name and Province or State, and Country of Residence	Position or Office	Principal Occupation for the Past Five Years
Mark Briggs British Columbia, Canada	Senior Vice President of Cable Sales and General Manager (Spectrum)	Senior Vice President of Cable Sales and General Manager (Spectrum) of Vecima
Marshall Sali Saskatchewan, Canada	Senior Vice President, Operations	Senior Vice President, Operations of Vecima since January 2010; prior thereto, Director of Operations of Vecima

Common Shares Held by Directors and Executive Officers

As at June 30, 2014, based solely upon reports filed on the System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca, the Management Group, collectively beneficially owned, or exercised control or direction over, directly or indirectly, 16,904,958 common shares, representing approximately 76% of the then outstanding common shares. Of these common shares, Surinder Kumar and Hugh Wood, beneficially owned or exercised control or direction over, directly or indirectly, 13,477,908 and 3,427,050 common shares, respectively, representing approximately 60% and 16%, respectively, of the then outstanding common shares. Dr. Surinder Kumar and Dr. Hugh Wood, beneficially owned or exercised control over, directly or indirectly, 720,031 and 188,999 voting common shares of YourLink, representing approximately 79% and 21%, respectively, of the then outstanding voting common shares of YourLink. Vecima owns 8,559,000 non-voting participating common shares of YourLink, representing 100% of the then outstanding non-voting participating common shares of YourLink.

Corporate Cease Trade Orders

To our knowledge, other than as disclosed herein, no member of the Management Group is, at the date hereof, or was within the ten years before the date hereof, a director, chief executive officer or chief financial officer of any company, that: (i) was subject to a cease trade order or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the member of the Management Group was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the member of the Management Group ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Penalties or Sanctions

To our knowledge, no member of the Management Group or a shareholder holding a sufficient number of our common shares to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Bankruptcies

To our knowledge, no member of the Management Group or a shareholder holding a sufficient number of our common shares to affect materially the control of the Company: (i) is, at the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or 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 its assets; or (ii) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold such persons assets.

Conflicts of Interest

Other than as disclosed in this Annual Information Form, to our knowledge, there are no existing or potential material conflicts of interest among us and any member of the Management Group.

AUDIT COMMITTEE INFORMATION

General

We are required by law to have an audit committee and to disclose certain information concerning that committee pursuant to National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110").

Our Board of Directors has established the Audit Committee, which is composed of three members: Barry Baptie, Vincent Gallant (Chair) and Dean Rockwell. Our Board of Directors has determined that each of the members of the Audit Committee is "independent" and "financially literate" within the meaning of NI 52-110.

Mandate

The Audit Committee's terms of reference are attached to this Annual Information Form as Appendix A – Audit Committee Mandate.

Relevant Education and Experience of Members

The following is a brief summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee.

Barry Baptie **-** Mr. Baptie has acquired significant financial experience and exposure to accounting and financial issues in various executive positions. Until his retirement in August 2004, he was Executive Vice President, Technology and Operations for TELUS Corporation. Previously, Mr. Baptie was Chief Financial Officer at Edmonton Telephones. Following the acquisition of Edmonton Telephones by TELUS, he again held senior positions in finance and regulatory areas, including Executive Vice President and Chief Financial Officer at TELUS, before assuming his final role in November, 2001. Mr. Baptie holds a B.A. (History) and an M.B.A. from the University of Alberta. He received his Certified Management Accountant (CMA) certification in 1979, and was elected a fellow of the Society of Management Accountants in 2000. He also holds a diploma from the Banff School of Advanced Management.

Vincent Gallant **-** Mr. Gallant has extensive financial reporting and accounting experience, including over 30 years experience as a Certified Public Accountant (CPA) and a Chartered Business Valuator (CBV). After spending five years in public accounting with KPMG, Mr. Gallant has spent most of his career in industry working in progressively senior roles such as Comptroller for Alberta Energy Company Ltd. (now part of EnCana Corporation), Controller for Edmonton Telephones (now part of TELUS Corporation) and Vice President Finance for North American Energy Partners Inc. where he was also corporate secretary to the board of directors and was the project leader for the company's initial public offering. Mr. Gallant was also Chief Financial Officer for Titanium Corporation Inc., a public company listed on the TSX Venture Exchange. Mr. Gallant is currently President of Blackline Financial, a business valuation firm. Mr. Gallant received a B.A. (Economics) from the University of Alberta and holds a diploma from the University of Calgary Executive Development Program. Mr. Gallant recently completed the Director Education Program and now holds the designation ICD.D.

Dean Rockwell - Mr. Rockwell was until recently, the Chief Executive Officer of In Motion Technology Inc., a mobile network company. Mr. Rockwell is an experienced leader of technology-intensive businesses and has over 25 years of experience in the areas of general management, sales & marketing, product management, research and development, and operations. Before joining In Motion Technology Inc., he was Chief Operating Officer of Pulse Energy Inc., a provider of software for utilities, Chief Executive Officer of the British Columbia Innovation Council and Vice President and General Manager of the worldwide Digital Media Networks business unit within Cisco's Service Provider Video Technology Group based in Atlanta, Georgia. Prior to his time with Cisco, Mr. Rockwell was Vice President and Managing Director for Scientific Atlanta's European Operations. Mr. Rockwell graduated from the Electrical Engineering Technology program at the British Columbia Institute of Technology, the Management Skills for Advanced Technology program at Simon Fraser University and more recently the Harvard Business School, Cable Television Association of Marketing University program.

Reliance on Certain Exemptions

Since the commencement of our fiscal year ended June 30, 2014, we have not relied on any exemptions permitted under applicable securities law from the requirements relating to the composition or financial literacy of the members of the Audit Committee or the exemption from obtaining pre-approval of non-audit services from our external auditor for "de minimus non-audit services".

Pre-Approval Policies and Procedures

The Audit Committee of the Board of Directors is mandated to review and pre-approve all non-audit service engagement fees and terms in accordance with applicable law, including those provided to the subsidiaries of the Company by the external auditors or any other person in its capacity as external auditors of such subsidiary. The Audit Committee may delegate this responsibility to the Chair of the Audit Committee who will present the pre-approvals to the full Audit Committee at its next scheduled meeting. The Audit Committee is authorized to establish specific policies and procedures to engage the external auditors to perform non-audit services, provided that:

- the pre-approval policies and procedures are detailed as to the particular service to be provided;
- the Audit Committee's responsibilities are not delegated to management; and
- the Audit Committee is informed of each non-audit service for which the external auditors are engaged.

External Auditor Service Fees

The following table sets forth all services rendered to us by our auditors (Deloitte LLP) by category, together with the corresponding fees billed by the auditors for each category of service for the financial years ended June 30, 2014 and 2013.

Fee category	Year Ended June 30, 2014	Year Ended June 30, 2013
Audit fees[(1)]	$350,378	$335,836
Audit-Related Fees [(2)]	0	0
Tax fees [(3)]	34,980	41,195
All other fees[(4)]	0	6,123
Total	**$385,358**	**$383,154**

(1) Represents the aggregate fees billed by our auditors for audit services.

(2) Represents the aggregate fees billed for assurance and related services by our auditors that are reasonably related to the performance of the audit or review of our financial statements and are not reported under “Audit fees”.

(3) Represents the aggregate fees billed for professional services rendered by our auditors for tax compliance and tax advice. Tax fees relate to consultation on year-end tax calculations.

(4) Represents the aggregate fees billed for products and services provided by our auditors other than those services reported under "Audit Fees" and "Tax Fees". Other fees related to consultation relating to International Accounting Standards.

LEGAL PROCEEDINGS

We are not aware of any legal proceedings to which we are a party to, or that any of our property is or was the subject of, during our fiscal year ended June 30, 2014, that involve a claim for damages in excess of 10% of our current assets. Nor are we aware of any such legal proceedings being contemplated. In addition, we are not aware of any penalties or sanctions imposed against us by a court relating to securities legislation or by a securities regulatory authority during our fiscal year ended June 30, 2014 or any other penalties or sanctions imposed by a court or regulatory body against us that would likely be considered important to a reasonable investor in making an investment decision, and we have not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority during our fiscal year ended June 30, 2014.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this annual information form, no director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect us.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for our common shares is Computershare Investor Services Inc. at its principal transfer offices in Vancouver, British Columbia and Toronto, Ontario.

MATERIAL CONTRACTS

There are no contracts entered into by us, other than in the ordinary course of business and not required by applicable securities law to be filed with a securities regulatory authority in Canada, that are material to us and that were entered into within the most recently completed financial year, or before the most recently completed financial year but are still in effect.

INTERESTS OF EXPERTS

Our consolidated financial statements for the fiscal year ended June 30, 2014 have been audited by Deloitte LLP, Chartered Accountants, of Saskatoon, Saskatchewan. Deloitte LLP is independent of us in accordance with the auditor's rules of professional conduct in Canada.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration, principal holders of our securities and securities authorized for issuance under equity compensation plans is contained in our management proxy circular in connection with its most recent meeting of shareholders that involves the election of directors. Additional financial information is provided in our financial statements and management's discussion and analysis for the fiscal year ended June 30, 2014, which is available on SEDAR.

Additional information relating to us may be found under our profile on SEDAR at www.sedar.com.

APPENDIX A – AUDIT COMMITTEE MANDATE

Audit Committee Mandate

Vecima Networks Inc.

1. Purpose

The Board of Directors (the "Board") of Vecima Networks Inc. (the "Corporation") has established the Audit Committee (the "Committee") for the purpose of assisting the Board in meeting its oversight responsibilities in relation to: (a) the integrity and reliability of the Corporation's accounting and financial reporting processes; (b) the establishment by management of an adequate system of internal controls and procedures; (c) disclosure controls and procedures; (d) the qualifications, independence and performance of the Corporation's external auditors; (e) identification and monitoring of financial risks; (f) the compliance by the Corporation with legal and regulatory requirements relating to accounting, internal controls and auditing matters; and, monitoring of the Corporation's code of ethical conduct.

While the Committee has the responsibilities and powers set forth in this Mandate, it is not the duty of the Committee to plan or conduct audits, or to determine that the Corporation's financial statements are complete and accurate or are in accordance with generally accepted accounting principles, accounting standards, or applicable laws and regulations. This is the responsibility of management of the Corporation and the Corporation's external auditors, as well as any advisors employed by the Committee. Because the primary function of the Committee is oversight, the Committee shall be entitled to rely on the expertise, skills and knowledge of management and the Corporation's external auditors and the integrity and accuracy of information provided to the Committee by such persons in carrying out its oversight responsibilities. Nothing in this Mandate is intended to change the responsibilities of management and the external auditors.

2. Composition

a) The Board will appoint annually, from among its members, the Committee and its Chair.

b) The Committee shall be composed of at least three directors, each of whom the Board has determined has no material relationship with the Corporation which could, in the view of the Board, be reasonably expected to interfere with the exercise of such director's independent judgment, and who otherwise satisfies the definition of "independent" as that term is defined under the requirements of applicable securities laws (including National Instrument 52-110 – Audit Committees) and any other applicable securities laws, rules or requirements of any stock exchange upon which the Corporation's securities are listed.

c) Each member of the Committee must be "financially literate". "Financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

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

3. Authority

The Committee has the authority to:

a) retain, at the Corporation's expense, its own legal counsel, accountants and other advisors that the Committee believes are needed to carry out its duties and responsibilities;

b) conduct or authorize investigations into any matter within its scope of responsibility;

c) pre-approve permitted non-audit services performed by the Corporation's external auditor;

d) mediate any disagreements between management and the Corporation's external auditors regarding financial reporting;

e) seek any information it requires from employees of the Corporation, all of whom will be directed by management to co-operate with the Committee's requests;

f) meet and communicate directly with the Corporation's officers, external auditors, outside counsel and consultants, all as the Committee may deem necessary;

g) access all documents of the Corporation that the Committee may deem relevant to it in carrying out its responsibilities; and

h) undertake any other activity that may be reasonably necessary in order for the Committee to carry out its responsibilities as set out in this Mandate.

4. Meetings

a) The Committee will meet at least once every fiscal quarter, with authority to convene additional meetings, as circumstances require. The Chair will determine the time, place and procedures for calling and conducting Committee meetings, subject to the requirements of this Mandate, of the bylaws of the Corporation, and of the Canada Business Corporations Act.

b) A majority of the members of the Committee will constitute a quorum. Members of the Committee may participate in a meeting through any means which permits all parties to communicate adequately with each other. Any members not physically present but participating in the meeting through such means is deemed to be present at the meeting.

c) A resolution signed (including signatures communicated by fax or electronic mail) by all members of the Committee entitled to vote on that resolution is as valid as if it had been passed at a meeting of the Committee.

d) In the event of a tie vote on a resolution, the issue will be forwarded to the Board of Directors for a vote.

e) The Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend at meetings and provide information pertinent to any matter being discussed. Any director of the Corporation is entitled to attend Committee meetings, however, only members of the Committee are eligible to vote or establish a quorum. The Committee will periodically meet in camera alone and separately with each of the external auditors and management.

f) The Chair will ensure that meeting agendas are prepared and provided in advance to members of the Committee, along with appropriate briefing materials. The Committee will keep and approve minutes of each meeting which record the decisions reached by the Committee. Once approved, the minutes will be distributed to Committee members with copies provided to the Board, the Chief Executive Officer of the Corporation, the Chief Financial Officer of the Corporation and the external auditors.

5. Duties and Responsibilities

The operation of the Committee will be subject to the provisions of the articles of the Corporation, the Act and 52-110, each as in effect from time to time.

To implement the Committee's purpose, the Committee shall, to the extent the Committee deems necessary or appropriate, be charged with the following functions and processes with the understanding, however, that the Committee may supplement or (except as otherwise required by applicable laws or rules) deviate from these activities as appropriate under the circumstances:

5.1 Financial Reporting

a) Review with management and the external auditors any items of concern, any proposed changes in the selection or application of major accounting policies and the reasons for the change, any complex or unusual transactions, any issues requiring management judgment, proposed changes to or adoption of disclosure practices, and the effects of any recent or proposed regulatory or accounting initiatives or pronouncements, all to the extent that the foregoing may be material to financial reporting.

b) In reviewing with management and the external auditors the results for their year-end audit, and management's responses, review any problems or difficulties experienced by the external auditors in performing the audit, including any restrictions or limitations imposed by management and resolve any disagreements between management and the external auditors regarding these matters.

c) Review with management and the external auditors their qualitative judgments about the appropriateness, not just the acceptability, of accounting principles and accounting disclosure practices used or proposed to be used, and the view of each as to the appropriateness of such judgments;

d) Review with management and the external auditors and legal counsel, if necessary, any litigation, claim or other contingency, including tax assessments, that could have a material effect on the financial position or operating results of the Corporation, and the manner in which these matters have been disclosed or reflected in the financial statements.

e) Review the results of the external auditors' audit work including findings and recommendations, management's response, and any resulting changes in accounting practices or policies and the impact such changes may have on the financial statements.

f) Review and discuss with management and the external auditors the annual audited financial statements and related management's discussion and analysis, and press release; make recommendations to the Board with respect to approval thereof, before being released to the public.

g) Review and recommend the approval of the quarterly unaudited financial statements and the related management discussion and analysis and press release prior to their release to the public.

h) Review with management the Corporation's tax status, significant tax issues and reviews by tax authorities.

5.2 Disclosure Controls

a) Review and consider the adequacy and effectiveness of the Corporation's disclosure controls and procedures, including any material non-compliance with such controls and procedures.

b) Review and approve the disclosure policy of the Corporation and periodically assess the adequacy of such policy for completeness and accuracy.

c) Ensure that adequate procedures are in place for the review of all audited or unaudited financial information extracted or derived from the Corporation's financial statements which is to be contained in public disclosure documents.

d) Monitor the activities of the Corporation's Disclosure Committee quarterly and review the composition of the committee at least annually.

e) Review, and in some instances recommend approval to the Board, material financial disclosures prior to their public release or filing with securities regulators that are contained within the following documents:

   i) any prospectus or offering document;

   ii) annual information forms;

   iii) all material financial information required by securities regulations; and

   iv) news or press releases containing audited or unaudited financial information, including the type and presentation of information and in particular any pro-forma or non-GAAP information.

5.3 Internal Controls

a) Review and consider the adequacy of the internal controls over financial reporting that have been adopted by the Corporation to safeguard assets from loss and unauthorized use and to verify the accuracy of the financial records and any special audit steps adopted in light of material control deficiencies.

b) Understand the scope of any internal audits and the external auditors' review of internal control over financial reporting and obtain reports on significant finding and recommendations, together with management's responses.

c) Obtain from the Chief Executive Officer and Chief Financial Officer confirmation that each is prepared to sign all required annual and quarterly certificates under applicable securities law in relation to internal controls over accounting and financial reporting. Review any disclosures made regarding significant deficiencies or material weaknesses in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the Corporation's internal controls.

5.4 External Audit

a) Recommend to the Board the selection, appointment, retention, compensation and replacement of the external auditors for the Corporation;

b) Oversee the work and evaluate the qualifications and performance of the external auditors, in the course of which evaluation the Committee will:

   i) at least annually, request and review a formal report by the external auditors describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditors' independence) all relationships between the external auditors and the Corporation, including the amount of fees received by the external auditors for the audit services and for various types of non-audit services for the periods prescribed by applicable law;
   ii) annually review and evaluate senior members of the external audit team, including their expertise and qualifications, taking into account the opinions of management and the internal auditor; and
   iii) report all of its findings and conclusions with respect to the external auditors to the Board.

c) Ensure that the external auditors report directly to the Committee and that they are ultimately accountable to the Committee and to the Board, as representatives of shareholders of the Corporation;

d) Confirm that the external auditors have direct and open communication with the Committee and that the external auditors meet regularly with the Committee without management present to discuss any matters that the Committee or the external auditors believe should be discussed privately.

e) Annually review and confirm with management and the external auditors the independence of the external auditors, which review will include but will not be limited to:

   i) reviewing non-audit services and fees and the extent to which the compensation of the audit partners of the external auditors is based upon selling non-audit services;
   ii) reviewing the timing and process for implementing the rotation of the lead audit partner, the reviewing partner and other partners providing audit services for the Corporation;
   iii) consider whether there should be a regular rotation of the audit firm itself;
   iv) reviewing and approving the Corporation's hiring policies regarding the hiring of partners, employees and former partners and employees of the Corporation's existing and former external auditors and ensuring a "cooling off" period of one year before any such persons can become employees of the Corporation in a financial oversight role.

f) Review and approve the annual audit plan of the Corporation's financial statements prior to the annual audit being undertaken by the external auditors, including review of the proposed scope and approach of the annual audit.

g) Review and recommend to the Board the basis and amount of the external auditors' fees with respect to the annual audit;

h) Review and pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the external auditors and the engagement fees in respect of such services, provided that the Chair of the Committee, on behalf of the Committee, is authorized to pre-approve an amount of $20,000 per engagement. At the next Committee meeting, the Chair will report to the Committee any such pre-approval given.

5.5 Financial Risk Management

a) Review the Corporation's major financial risk exposures and approve the Corporation's policies to manage such financial risk;

b) Monitor management of hedging, insurance, debt and credit, and make recommendations to the Board respecting policies for management of such risks, and review the Corporation's compliance with the same.

c) Obtain regular updates from management regarding any investigations of fraudulent activities;

5.6 Legal and Regulatory Compliance

a) Obtain regular updates from management regarding financial, tax and securities law regulations and the process in place to monitor such compliance;

b) Review, with corporate counsel where required, any litigation, claims, tax assessments, that could have a material impact on financial statements;

c) Monitor compliance by the Corporation with all payments and remittances required to be made in accordance with applicable law.

5.7 Other Responsibilities

a) Review on an annual basis the expenses submitted for reimbursement by the Chief Executive Officer.

b) Review the appointment and replacement of the Chief Financial Officer and review with the Chief Financial Officer the appointment and replacement of other members of senior management who will be involved in financial reporting.

c) In conjunction with the Corporate Governance and Compensation Committee, review succession plans for the Chief Financial Officer and the VP Finance.

d) Review and evaluate, at least annually, the adequacy of its mandate and recommend any proposed changes to the Corporate Governance and Compensation Committee.

e) Participate in an annual performance evaluation by the Corporate Governance and Compensation Committee, the results of which will be reviewed by the Board.

f) Review, on an annual basis, any remuneration received by directors from the Corporation for activities in other than their capacity in the board.

6. Code of Business Conduct and Ethics

a) Establish procedures for:
   i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
   ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

b) In conjunction with the Corporate Secretary, investigate possible violations of the Code of Business Conduct and Ethics.

c) Review the Code of Business Conduct and Ethics and Whistleblower Policy and make recommendations of changes to the Board.

7. 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 National 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, be reasonably expected to 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:

a) An individual who is, or has been within the last three years, an employee or executive officer of the Corporation.

b) An individual whose immediate family member is, or has been within the last three years, an executive officer of the Corporation.

c) An individual who: (i) is a partner of a firm that is the Corporation's internal or external auditor, (ii) is an employee of that firm, or (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation's audit within that time.

d) An individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual: (i) is a partner of a firm that is the Corporation's internal or external auditor, (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation's audit within that time.

e) An individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Corporation's current executive officers serves or served at that same time on the entity's compensation committee.

f) An individual who received, or whose immediate family member who is employed as an executive officer of the Corporation received, more than $75,000 in direct compensation from the Corporation during any 12 month period within the last three years.

For the purposes of clause (c) and (d) above, a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

For the purposes of clause (f) above, direct compensation does not include: (a) remuneration for acting as a member of the board of directors or of any board committee of the Corporation; and (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation if the compensation is not contingent in any way on continued service.

Despite clauses (a) to (f) above, an individual will not be considered to have a material relationship with the Corporation solely because the individual or his or her immediate family member: (a) has previously acted as an interim chief executive officer of the Corporation; or (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the Corporation on a part-time basis.

For the purpose of the above, reference to the Corporation includes a subsidiary entity of the Corporation and a parent of the Corporation.

Despite any determination made in accordance with the foregoing, an individual who: (a) accepts, 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 of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or (b) is an affiliated entity of the Corporation or any of its subsidiary entities, is considered to have a material relationship with the Corporation.

For the purposes of the preceding paragraph, the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by: (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Corporation or any subsidiary entity of the Corporation. For the purposes of the preceding paragraph, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation if the compensation is not contingent in any way on continued service.