

**SANDVINE CORPORATION**  
**(the "Company")**

**AS AMENDED - SEPTEMBER 14, 2006**

**CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**

**Section 1      Role and Purpose**

The Compensation Committee is a committee of the Board of Directors. The function of the Compensation Committee is to assist the Board of Directors in fulfilling their responsibilities to the shareholders, securities regulatory authorities and stock exchanges, the investment community and others by:

- (a) reviewing, approving and if appropriate, recommending to the Board of Directors the compensation of the Chief Executive Officer and other members of the senior management team;
- (b) administering the Corporation's compensation plans for senior management and the Board, including the stock option plan and other compensation plans or structures that may be adopted by the Corporation from time-to-time; and
- (c) reviewing the executive compensation disclosure of the Company.

**Section 2      Composition of Compensation Committee**

- (a) The Compensation Committee shall have a minimum of three members;
- (b) Every Compensation Committee member must be a director of the Company. The Compensation Committee shall be comprised of such directors as are determined by the Board of Directors, each of whom shall be independent (as defined under National Instrument 58-101) and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Compensation Committee;
- (c) The members of the Compensation Committee shall be elected by the Board of Directors on an annual basis or until their successors shall be duly appointed. Unless a Chair is elected by the full Board, the members of the Compensation Committee may designate a Chair by majority vote of the full Compensation Committee membership; and
- (d) Any member of the Compensation Committee may be removed or replaced at any time by the Board of Directors and shall cease to be a member of the Compensation Committee on ceasing to be a Director. The Board of Directors may fill vacancies on the Compensation Committee by election from among the Board of Directors. If and whenever a vacancy shall exist on the Compensation Committee, the remaining members may exercise all its powers so long as a quorum remains.

### **Section 3 Meeting Procedures**

#### **(a) Time**

- The Compensation Committee shall meet at least four (4) times annually, or more frequently as circumstances require.
- The Compensation Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Compensation Committee shall have full access to all corporate information and any other information deemed appropriate by them.

#### **(b) Quorum**

- Quorum for the transaction of business at any meeting of the Compensation Committee shall be a majority of the number of members of the Compensation Committee or such greater number as the Compensation Committee shall by resolution determine.

#### **(c) Notice**

- Meetings of the Compensation Committee shall be held from time to time and at such place as any member of the Compensation Committee shall determine upon reasonable notice to each of its members which shall be not less than twenty-four (24) hours. The notice period may be waived by all members of the Compensation Committee.

### **Section 4 Responsibilities**

In fulfilling its role and purpose, the Compensation Committee shall:

#### **(d) General**

- Review and recommend to the Board of Directors changes to this Charter, as considered appropriate from time to time.
- Summarize in the Company's annual report or annual information form the Compensation Committee's composition and activities.
- Submit the minutes of all meetings of the Compensation Committee to the Board of Directors.
- Perform any other activities that the Compensation Committee deems necessary or appropriate.

#### **(e) Review of Compensation**

- Review the senior management and Board compensation policies and/or practices followed by the Corporation and seek to ensure such policies are designed to recognize and reward performance and establish a compensation framework, which is industry competitive and which results in the creation of shareholder value over the long-term (i.e. management and Board incentives are aligned with owners' gains).

- Seek to ensure that base salaries are competitive relative to the industry and that bonuses, if any, reflect individual performance in the context of the overall performance of the Corporation. Overall performance should be measured by issues such as profitability, price and initiatives being undertaken in the year, which should provide future shareholder benefit. Participation in the stock option plan should reflect the level of responsibility and level of contribution of senior managers/Directors within the Corporation.
- The Committee should where appropriate review and approve for recommendation to the Board applicable goals and objectives relevant to CEO compensation, evaluate his or her performance relative thereto, and recommend compensation based on such evaluation and other appropriate factors.

**(f) Report on Executive Compensation**

- The Committee shall prepare a report on Executive Compensation on an annual basis in connection with the preparation of the annual proxy circular or as otherwise required pursuant to applicable securities laws.
- The Report on Executive Compensation should describe the process undertaken by the Committee and should speak to the weighting factors and target levels set out in the determination of the Executive's compensation. Where there are no clearly pre-established targets or payout ranges, the Report on Executive Compensation should clearly indicate this fact.
- The Committee shall review in advance all proposed public disclosures of executive compensation.

**(g) Compensation of the Board of Directors**

- The Committee shall review and recommend to the Board the compensation of the Board of Directors, including annual retainer, meeting fees, stock option plan participation and other benefits conferred upon the Directors.

**(h) Reporting Process**

- The Committee's role is to review and submit to the Board of Directors as a whole, recommendations concerning corporate governance, executive compensation and compensation plan matters. Such reports may be oral or in writing.

**(i) Authority of the Compensation Committee**

- If considered appropriate, conduct or authorize investigations into any matters within the Compensation Committee's scope of responsibilities. The Compensation Committee is empowered to retain independent counsel, accountants and other professionals to assist in the conduct of any such investigation and to set and pay the compensation of these advisors without consulting or obtaining the approval of a Company officer.

**(j) Limitations on Committee's Duties**

- Notwithstanding the foregoing and subject to applicable law, nothing contained in this Charter is intended to require the Committee to ensure the Company's compliance with applicable laws or regulations.
- In contributing to the Committee's discharge of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject.
- The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Company's security-holders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to security-holders of the Company or other liability whatsoever.

**Section 5 Establishment of Compensation Committee**

The Compensation Committee, and the adoption of this amended Charter, is established by resolution of the Board of Directors dated September 14, 2006.