



**NOTICE OF MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

ANNUAL MEETING OF SHAREHOLDERS

Wednesday, April 6, 2011

February 28, 2011



February 28, 2011

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to invite you to attend Gennum Corporation's annual meeting of shareholders. Our meeting will be held at 4:30 p.m., Toronto time, on Wednesday, April 6, 2011 in The Grand Banking Hall, One King West Hotel, 1 King Street West, Toronto, Ontario.

At the meeting, I will discuss our performance in 2010 and will provide an overview of our business strategy. Information regarding the business to be addressed at the meeting is provided in our management information circular, a copy of which is attached.

We hope that you are able to attend the meeting. Whether or not you attend, it is important that you be represented at the meeting. We encourage you to complete the accompanying form of proxy or voting instruction form and return it in accordance with the instructions noted thereon to ensure that your vote will be counted at the meeting.

Yours truly,

A handwritten signature in black ink, appearing to read "Franz J. Fink".

Franz J. Fink
President and Chief Executive Officer



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (the "Meeting") of the shareholders of Gennum Corporation (the "Corporation") will be held at 4:30 p.m., Toronto time, on Wednesday, April 6, 2011 in The Grand Banking Hall, One King West Hotel, 1 King Street West, Toronto, Ontario for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the year ended November 30, 2010 and the report of the auditors thereon,
2. to elect directors,
3. to appoint auditors and to authorize the directors to fix their remuneration,
4. to consider and, if deemed advisable, approve a resolution, a copy of which is set out in appendix B to the management information circular (the "Circular") accompanying this notice of meeting, approving the continuation, amendment and restatement of the shareholder rights plan of the Corporation, and
5. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The accompanying Circular provides information relating to the matters referred to above. Only shareholders of record at the close of business on February 25, 2011 are entitled to notice of, and to vote at, the Meeting.

Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the accompanying form of proxy or voting instruction form and return it in the envelope provided for that purpose. Proxies must be received at the Toronto office of CIBC Mellon Trust Company not later than 5:00 p.m., Toronto time, on April 5, 2011 or, in the case of any adjournment or postponement of the Meeting, not later than 5:00 p.m., Toronto time, on the last business day preceding the date of the adjourned or postponed Meeting. Information with respect to voting by non-registered beneficial shareholders is included in the accompanying management information circular, and such shareholders are advised to seek instructions from their broker, investment dealer, bank, trust company or other nominee on how to vote their common shares of the Corporation.

DATED at Burlington, Ontario this 28th day of February, 2011.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "Franz J. Fink", written over a horizontal line.

Franz J. Fink
President and Chief Executive Officer



MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (this “Circular”) and the accompanying form of proxy are furnished in connection with the solicitation by the management of Gennum Corporation (the “Corporation”) of proxies to be used at the annual meeting (the “Meeting”) of the holders of common shares of the Corporation (“Common Shares”) to be held at 4:30 p.m., Toronto time, on Wednesday, April 6, 2011 in The Grand Banking Hall, One King West Hotel, 1 King Street West, Toronto, Ontario. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited by telephone, or personally by officers or employees of the Corporation. In addition, the Corporation will provide proxy materials to brokers, custodians, nominees, trust companies and other intermediaries and request that such materials be properly forwarded to the beneficial owners of shares registered in the names of such entities. All solicitation costs will be borne by the Corporation.

In this Circular, “we”, “our”, “Gennum”, the “Corporation” and similar references refer to Gennum Corporation. Our financial year ends on November 30. In this Circular, financial years are referenced by the applicable year in which the financial year ended.

Except where specifically stated otherwise, all dollar amounts in this Circular are expressed in United States dollars, the reporting currency of the Corporation. The Corporation’s functional currency is the Canadian dollar. Where required, amounts have been translated from Canadian dollars into United States dollars using the noon rate of exchange established by the Bank of Canada for the conversion of Canadian dollars to United States dollars on November 30, 2010, the last day of the 2010 financial year of the Corporation, of Cdn\$1.00 = US\$0.9743.

Except as otherwise noted, information set out in this Circular is given as of February 25, 2011.

WHO CAN VOTE

The board of directors of the Corporation (the “Board” or the “Board of Directors”) has fixed the close of business on Friday, February 25, 2011 as the record date for the purpose of determining shareholders entitled to receive notice of the Meeting. Each shareholder is entitled to one vote for each Common Share held and shown as registered in such holder’s name on the list of shareholders prepared as of the close of business on the record date.

For the purposes of the Circular, reference to “Shareholders” or “Registered Shareholders” means holders of Common Shares who hold their Common Shares directly and are registered shareholders of the Corporation, and “Beneficial Shareholders” means beneficial owners of Common Shares whose shares are registered in the name of an intermediary such as a broker, custodian, nominee, trust company or other intermediary. Information regarding voting by Beneficial Shareholders, who are also referred to as non-registered shareholders, is set forth below under “How to Vote”.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preference shares, issuable in series, of which, as of the date of this Circular, 35,541,659 Common Shares and no preference shares are issued and outstanding. A quorum for the transaction of business at the Meeting is at least two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a Shareholder so entitled, irrespective of the number of Common Shares held by such persons.

To the knowledge of our directors and executive officers, the only persons or companies that beneficially own, or control or direct, directly or indirectly, Common Shares carrying 10 percent or more of the voting rights attached to the Common Shares are: QV Investors Inc., Suite 1008, Livingston Place, South Tower, 222-3rd Avenue SW, Calgary, Alberta T2P 0B4, which filed on November 3, 2008 a report pursuant to National Instrument 62-103, The Early Warning System and Related Take-Over Bid and Insider Reporting Issues (“NI 62-103”) of the Canadian Securities Administrators (the “CSA”) indicating that, as at such date, it held 4,503,550 Common Shares, which represents approximately 12.7 percent of the outstanding Common Shares as of the date hereof; and Fidelity Management & Research Company (“FMR”), 82 Devonshire Street, Boston, Massachusetts 02109, Pyramis Global Advisors, LLC (“PGA”), 900 Salem Street, Smithfield, Rhode Island 02917 and FIL Limited (“FIL”), 42 Crow Lane, Pembroke, Bermuda (FMR, PGA and FIL and certain of its affiliates are referred to herein as “Fidelity”), which filed on September 9, 2009 a report pursuant to NI 62-103 indicating that, as at such date, Fidelity held 4,405,100 Common Shares, which represents approximately 12.4 percent of the outstanding Common Shares as of the date hereof.

HOW TO VOTE

Registered Shareholders

Registered Shareholders as of February 25, 2011, the record date for the purpose of determining Shareholders entitled to receive notice of the Meeting, may attend and vote in person at the Meeting. Registered Shareholders who will not be able to attend the Meeting are encouraged to complete, sign, date and return the enclosed form of proxy. The form of proxy should be completed, signed, dated and returned in the envelope provided, or sent by facsimile to CIBC Mellon Trust Company (“CIBC Mellon”) at (416) 368-2502 or toll-free 1-866-781-3111, so that it is received by CIBC Mellon not later than 5:00 p.m., Toronto time, on April 5, 2011 or, in the case of any adjournment or postponement of the Meeting, not later than 5:00 p.m., Toronto time, on the last business day preceding the date of the adjourned or postponed Meeting.

Non-Registered Shareholders

Only Registered Shareholders, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. In many cases, Common Shares are beneficially owned by a non-registered Beneficial Shareholder and are registered either:

- (a) in the name of an intermediary (an “Intermediary”) that the Beneficial Shareholder deals with in respect of the Common Shares, such as, among others, brokers, custodians, nominees and trust companies, or
- (b) in the name of CDS Clearing and Depository Services Inc. (“CDS”) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101, Communication with Beneficial Owners of Securities of a Reporting Issuer, of the CSA, the Corporation has distributed copies of the notice of this Meeting, this Circular and the accompanying form of proxy (collectively the “Meeting Materials”) to CDS and all

of the Intermediaries for delivery to Beneficial Shareholders, in addition to sending such materials directly to Registered Shareholders.

If you are a Beneficial Shareholder, and the Corporation and its agent have sent the Meeting Materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities law and regulatory requirements from the Intermediary holding the Common Shares on your behalf. By choosing to send the Meeting Materials to you directly, the Corporation (and not the Intermediary holding the Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Intermediaries are required to forward the Meeting Materials to non-registered shareholders unless a Beneficial Shareholder has waived the right to receive them. Often, Intermediaries will use service companies to forward the Meeting Materials to Beneficial Shareholders. Generally, Beneficial Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted to the number of shares beneficially owned by the Beneficial Shareholder but which is otherwise uncompleted. This form of proxy does not need to be signed by the Beneficial Shareholder. In this case, the Beneficial Shareholder who wishes to submit a proxy should properly complete such form of proxy and deposit it with CIBC Mellon as described above; or
- (b) more typically, be given a voting instruction form which must be completed and signed by the Beneficial Shareholder in accordance with the directions on the voting instruction form.

The purpose of these procedures is to permit Beneficial Shareholders to direct the voting of the Common Shares they beneficially own. Should a Beneficial Shareholder who receives either a form of proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Beneficial Shareholder), the Beneficial Shareholder should strike out the names of the persons named in the form of proxy and insert the Beneficial Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. In either case, Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies.

APPOINTING A PROXYHOLDER

The persons named in the enclosed form of proxy are officers of the Corporation. **A Shareholder desiring to appoint some other person (who need not be a Shareholder of the Corporation) to represent him or her at the Meeting may do so either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed proxy to CIBC Mellon, not later than 5:00 p.m., Toronto time, on April 5, 2011 or, in the case of any adjournment or postponement of the Meeting, not later than 5:00 p.m., Toronto time, on the last business day preceding the date of the adjourned or postponed Meeting.** The enclosed envelope may be used for this purpose.

VOTING OF PROXIES

The persons named in the enclosed form of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed by proxy in accordance with the direction of the Shareholders as indicated on the proxy. **In the absence of such direction, such Common Shares will be voted FOR each of (i) the election of directors of the Corporation, (ii) the appointment of the auditors of the Corporation and the authorization of the directors to fix their remuneration, and (iii) the approval of the continuation, amendment and restatement of the shareholder rights plan of the Corporation, each as addressed below in this Circular.**

REVOKING A PROXY

A Registered Shareholder may revoke a proxy:

- (a) by depositing an instrument in writing executed by the Shareholder or by his or her duly authorized attorney in writing, or if the Shareholder is a corporation under its corporate seal by a duly authorized officer or attorney indicating the capacity under which such officer or attorney is signing, either (i) at the registered office of the Corporation, 4281 Harvester Road, Burlington, Ontario L7L 5M4, Attention: Corporate Secretary, not later than 5:00 p.m., Toronto time, on April 5, 2011 or, in the case of any adjournment or postponement of the Meeting, not later than 5:00 p.m., Toronto time, on the last business day preceding the date of the adjourned or postponed Meeting, or (ii) with the chair of the Meeting on the day of such Meeting or any adjournment or postponement thereof,
- (b) by transmitting, by telephonic or electronic means, a revocation that complies with (a) (i) or (ii) immediately above signed by electronic signature that permits a reliable determination as to the document's proper creation or communication, or
- (c) in any other manner permitted by law.

A Beneficial Shareholder who wishes to revoke a form of proxy or a voting instruction form should contact, and follow the instructions of, their Intermediary.

DISCRETIONARY AUTHORITY OF PROXYHOLDER

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the notice of this Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting.

BUSINESS OF THE MEETING - ELECTION OF DIRECTORS

The articles of the Corporation provide that the Board is to consist of a minimum of three and a maximum of ten directors. The directors of the Corporation have been empowered to determine from time to time the number of directors of the Corporation within the minimum and maximum numbers provided for in the articles of the Corporation. The Board has determined that, until subsequently changed, the number of directors of the Corporation will be eight directors.

The enclosed form of proxy provides for separate voting in respect of each of the nominees for director of the Corporation for the ensuing year. In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote FOR the election of the nominees for director whose names are set forth below. It is not contemplated that any of such nominees will be unable to serve as a director of the Corporation, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected at the Meeting will hold office until the next annual meeting of holders of Common Shares or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation.

The following table sets forth, for each person proposed to be nominated for election as a director of the Corporation, the name and jurisdiction of residence of such person, the position or office of such person with the Corporation, the period of time during which such person has served as a director of the Corporation, such person's principal occupation or employment for the past five years and a summary of their experience, and the number of Common Shares and deferred share units ("DSUs") beneficially owned or over which control or discretion is exercised, directly or indirectly, by such person as of February 25, 2011.

<u>Name, Jurisdiction of Residence and Position or Office with the Corporation</u>	<u>Director Since</u>	<u>Principal Occupation or Employment for Past Five Years</u>	<u>Number of Common Shares⁽⁴⁾ and DSUs⁽⁵⁾ Owned, Controlled or Directed</u>
ROBERT S. WEISS, FCA⁽¹⁾⁽²⁾ Ontario, Canada Chairman of the Board	September 2003	<p>From March 2008 to present, Mr. Weiss has served as Chairman of the Board.</p> <p>From June 2006 to present, Mr. Weiss has served as a director and the chair of the Audit Committee of Gluskin Sheff + Associates Inc., a public wealth management company. From April 2006 to February 2009, Mr. Weiss served as a director and the chair of the Audit Committee of Northbridge Financial Corporation (“Northbridge Financial”), a public insurance company. He continues to serve as a director of the operating subsidiaries of Northbridge Financial. From April 2006 to June 2008, Mr. Weiss served as a director and the chair of the Audit Committee of Cunningham Lindsey Group Inc., a public insurance claim services company.</p>	43,859 Common Shares 26,683 DSUs

Summary of Experience: Mr. Weiss retired in 2000 from Arthur Andersen & Co., Canada, a major public accounting firm. While at Arthur Andersen, Mr. Weiss held positions of increasing responsibility, ultimately serving as the Managing Partner for Ontario from 1995 to 2000. He has extensive experience in auditing, taxation and finance. Mr. Weiss has long been involved in community and not-for-profit activities, and is currently a member of the Board and Treasurer of Business for the Arts in Canada. Mr. Weiss is also a former member of the Governing Council of the University of Toronto, past Director and Chair of the Toronto Symphony Orchestra and a past Director of the United Way of Greater Toronto. Mr. Weiss holds a B.A. degree from the University of Toronto and earned his Chartered Accountant designation in Ontario (gold medalist) and his Fellowship with the Ontario Institute of Chartered Accountants.

ALEXANDER (SANDY) ADAM⁽¹⁾⁽²⁾ Ontario, Canada Director	April 2004	<p>Mr. Adam serves as a Director of the Corporation, and has served as Chair of the Corporate Governance Committee since August 2006.</p> <p>Mr. Adam joined the board of directors of Hamilton Utilities Corporation, a municipal utilities company, in 2008 and has served as its Chairman since January 1, 2009. From October 2006 to June 2010, Mr. Adam served as a director of HSE Integrated Ltd., a public company providing industrial health, safety and environmental services, and was the chair of its Corporate Governance Committee and a member of its Audit and Compensation Committees.</p>	13,965 Common Shares 26,683 DSUs
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Summary of Experience: Mr. Adam was the Chief Executive Officer of Algoma Steel Inc.⁽⁶⁾ from 1996 until his retirement in 2002. Prior to this, he was a Senior Vice-President with Toyota Motor Manufacturing Canada Inc. Mr. Adam was also employed with Stelco Inc. where he held various management positions. Mr. Adam is a member of the Institute of Corporate Directors. He is also a member of the Advisory Board of The Thomson Gordon Group, a private company, and has also been involved in a number of community and educational activities. Mr. Adam earned his B.A. degree from the University of Toronto and his M.B.A. degree from the Richard Ivey School of Business at the University of Western Ontario.

<u>Name, Jurisdiction of Residence and Position or Office with the Corporation</u>	<u>Director Since</u>	<u>Principal Occupation or Employment for Past Five Years</u>	<u>Number of Common Shares⁽⁴⁾ and DSUs⁽⁵⁾ Owned, Controlled or Directed</u>
STEVEN J. BILODEAU ⁽²⁾ Maine, USA Director	March 2008	<p>From 2000 to present, Mr. Bilodeau has served as the Chairman of the board of directors of Standard Microsystems Corporation (“SMSC”), a public semiconductor company. From March 1999 until his retirement in October 2008, Mr. Bilodeau also served as the President and Chief Executive Officer of SMSC.</p> <p>From February 2004 to present, Mr. Bilodeau has also served as a director of Conexant Systems, Inc., a public semiconductor company, and is a member of its Audit Committee and Compensation & Management Development Committee. In addition, from November 2009 to present, Mr. Bilodeau has served as a director of Cohu, Inc., a public company which supplies test handling, burn-in and thermal solutions used in the semiconductor industry and in certain communications equipment, and is a member of its Audit, Compensation and Nominating and Governance Committees. From June 2009 to January 2011, when it was acquired by Arrow Electronics, Inc., Mr. Bilodeau served as a director of Nu Horizons Electronics Corp., a public company which distributed semiconductor, display, illumination, power and system solutions, and was a member of its Audit and Compensation Committees and chairman of its Governance Committee.</p>	39,571 DSUs

Summary of Experience: Prior to joining SMSC, Mr. Bilodeau was President of the Semiconductor Equipment Group of Robotic Vision Systems, Inc., a supplier of laser-based inspection systems, device handlers and assembly machines to the semiconductor industry. Mr. Bilodeau holds B.Sc. and M.Sc. Engineering degrees from the Massachusetts Institute of Technology, and an M.B.A degree from the Harvard Business School.

THOMAS W. CRYER, FCA ⁽¹⁾ Ontario, Canada Director	September 2008	<p>Mr. Cryer serves as a Director of the Corporation, and has served as Chair of the Audit Committee since March 2009.</p> <p>Until May 2008, Mr. Cryer was a partner with Deloitte Touche Tohmatsu, an accounting firm, where he served in various executive level and leadership roles for over 20 years, including Executive Chairman and Chief Executive Officer, Nautilus Professional Indemnity, from 1998 to May 2008, Managing Partner, Latin America and the Caribbean, from 1996 to 2004, and Chairman of Deloitte & Touche Canada LLP from 1997 to 1998 after having served as CEO of Deloitte & Touche LLP, Canada for eight years. Mr. Cryer is also a director and the chair of the Audit Committee of Canada Post Corporation, a Crown corporation responsible for mail services in Canada.</p>	5,000 Common Shares 20,005 DSUs
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Summary of Experience: In addition to his experience noted above, Mr. Cryer is currently a member of the board of St. Michael’s Hospital Foundation, and serves as its treasurer. He is also a director of Skyservice Investments, a private company, and is a former member of the restructured board of directors of Royal Group Technologies Limited⁽⁷⁾, a public buildings products company. Mr. Cryer holds a Bachelor of Commerce degree from the University of British Columbia and earned his Chartered Accountant designation in British Columbia and his Fellowship with the Ontario Institute of Chartered Accountants.

<u>Name, Jurisdiction of Residence and Position or Office with the Corporation</u>	<u>Director Since</u>	<u>Principal Occupation or Employment for Past Five Years</u>	<u>Number of Common Shares⁽⁴⁾ and DSUs⁽⁵⁾ Owned, Controlled or Directed</u>
ROGER M. DICKHOUT ⁽³⁾ Ontario, Canada Director	December 2003	From August 2004 to present, Mr. Dickhout has served as President and Chief Executive Officer of Pineridge Group, a company owning and operating a portfolio of private label and specialty branded consumer companies.	21,865 Common Shares 26,683 DSUs

Summary of Experience: In addition to his experience noted above, Mr. Dickhout was President and Chief Executive Officer of Canada Bread Company Ltd. from 1999 through 2002. Prior to that, Mr. Dickhout was a partner with McKinsey & Company, Inc., a strategic management consulting firm, where he spent 15 years helping clients in Canada and around the world embark on new directions, lead organizational change, and improve operations. Since November 2006, Mr. Dickhout has also been a director of World Wildlife Fund Canada, a conservation organization, and is currently the Chairman of the Board. Since 2003, Mr. Dickhout has been a director of Investeco Capital Corp., an environmental investment management company. Mr. Dickhout, a registered Professional Engineer, has a B.Sc. degree in Mechanical Engineering from Queen's University and an M.B.A. degree from the Richard Ivey School of Business at the University of Western Ontario (gold medalist).

FRANZ J. FINK Ontario, Canada President and Chief Executive Officer and a Director	September 2006	Since September 2006, Mr. Fink has served as President and Chief Executive Officer of the Corporation. Mr. Fink served previously as Senior Vice-President and General Manager of the Wireless and Mobile Systems Group of Freescale Semiconductor Inc. From April 2001 to April 2003, he served as Vice-President and General Manager of the 32-bit Embedded Microprocessor Division in Motorola Inc.'s Semiconductor Products Sector.	248,670 Common Shares nil DSUs 210,206 RSUs
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Summary of Experience: In addition to his experience noted above, Mr. Fink has held a number of senior management roles with Freescale Semiconductor Inc. and Motorola Inc. in the United States and Europe. Mr. Fink holds a M.Sc. degree in Computer Science/Electronics and a Ph.D. degree from the Department of Computer-Aided Design, both obtained from the Technical University of Munich.

JEFFREY S. MCCREARY ⁽³⁾ Indiana, USA Director	March 2008	Mr. McCreary was Senior Vice-President and Manager, Worldwide Sales and Marketing with Texas Instruments Incorporated ("TI") from 1998 until his retirement in 2005. He joined TI, a public company, in 1981 and held a variety of senior management positions. He is currently an independent consultant, and conducts keynote speeches around the globe on sales management, team building and essential general management concepts.	25,100 Common Shares 33,164 DSUs
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Summary of Experience: In addition to his experience noted above, since 2006, Mr. McCreary has served on the board of directors of the Isola Group, a technology-driven, global designer, developer and manufacturer of high performance base materials used in the manufacture of advanced multi-layer printed circuit boards worldwide. Mr. McCreary also serves on the board of trustees of the Rose-Hulman Institute of Technology. He is also the Executive Director of the National Hockey League (NHL) Coaches' Association. Mr. McCreary holds a B.Sc. degree in Electrical Engineering from the Rose-Hulman Institute of Technology.

<u>Name, Jurisdiction of Residence and Position or Office with the Corporation</u>	<u>Director Since</u>	<u>Principal Occupation or Employment for Past Five Years</u>	<u>Number of Common Shares⁽⁴⁾ and DSUs⁽⁵⁾ Owned, Controlled or Directed</u>
FRED SHLAPAK ⁽³⁾ Ontario, Canada Director	April 2004	<p>Mr. Shlapak serves as a Director of the Corporation, and has served as Chair of the Human Resource Committee since March 2009.</p> <p>From May 2006 to present, Mr. Shlapak has served as a director of Applied Micro Circuits Corporation (“AMCC”), a public semiconductor company which delivers silicon, hardware and software solutions for global wide area networks, embedded applications, storage area networks and high-growth storage markets. The Corporation competes with AMCC in a limited number of markets. From June 2007 to present, Mr. Shlapak has served as a director of SiGe Semiconductor, a supplier of highly integrated radio frequency, or RF, semiconductor front-end solutions that enable wireless connectivity across a wide range of applications, and currently serves as its Chairman. From September 2004 to June 2009, Mr. Shlapak served as a director of Tundra Semiconductor Corporation, which, prior to its acquisition in June 2009 by Integrated Device Technology, Inc., was a public semiconductor company.</p>	2,662 Common Shares 26,683 DSUs

Summary of Experience: Mr. Shlapak was appointed Executive Vice-President of Motorola Corporation (“Motorola”) and President and Chief Executive Officer of its Semiconductor Products Sector (located in Austin, Texas) in September 2000, and he held that position until his retirement in 2003. Mr. Shlapak joined Motorola in 1970 as an applications engineer and in 1976 was promoted to head its Canadian semiconductor operations. He later moved to Europe where he held roles of increasing responsibility, eventually leading Motorola’s European semiconductor group in Switzerland. Mr. Shlapak earned B.Sc. and M.Sc. degrees in Electrical Engineering from the University of Waterloo.

- (1) Member of the Audit Committee of the Board (the “Audit Committee”). Mr. Cryer serves as Chair of the Audit Committee.
- (2) Member of the Corporate Governance Committee of the Board (the “Corporate Governance Committee”). Mr. Adam serves as Chair of the Corporate Governance Committee.
- (3) Member of the Human Resource Committee of the Board (the “Human Resource Committee”). Mr. Shlapak serves as Chair of the Human Resource Committee.
- (4) The information as to shares beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within our knowledge, has been furnished by the respective nominees individually.
- (5) DSUs are granted pursuant to the deferred share unit plan established by the Corporation for non-executive directors. See “Compensation of Directors – Deferred Share Unit Plan”.
- (6) Mr. Adam retired in 2002 from Algoma Steel Inc. (“Algoma”) where he served as CEO from 1996 until his retirement. Algoma obtained Court protection under the Companies’ Creditors Arrangement Act (“CCAA”) in April 2001. In January 2002, Algoma’s plan of arrangement and reorganization was implemented and Algoma emerged from CCAA protection.
- (7) Mr. Cryer served as a member of the restructured board of directors of Royal Group Technologies Inc. (“Royal Group”) from August 2005 to the acquisition of Royal Group by Georgia Gulf Corporation in October 2006. During this time, Royal Group was the subject of a “management cease trade order” issued by Canadian securities regulatory authorities relating to the delay in filing its financial statements for its 2005 financial year. Royal Group ceased to be a reporting issuer under applicable securities legislation in Canada in December 2006 following its acquisition by Georgia Gulf Corporation.

BUSINESS OF THE MEETING – APPOINTMENT OF AUDITORS

At the Meeting, Shareholders will be asked to appoint Ernst & Young LLP, Chartered Accountants, as the auditors of the Corporation to hold office until the close of the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix the auditors' remuneration. Ernst & Young LLP have been the auditors of the Corporation for more than 20 years. In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the reappointment of Ernst & Young LLP, Chartered Accountants, as our auditors to hold office until the close of the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix the auditors' remuneration.

For its financial years ended November 30, 2010 and November 30, 2009, the Corporation incurred expenses of Cdn\$443,620 and Cdn\$554,373, respectively, relating to services performed by Ernst & Young LLP and its affiliates, as set out below:

	Year Ended November 30, 2010 (Cdn\$)	Year Ended November 30, 2009 (Cdn\$)
Audit fees	378,260 ⁽¹⁾	368,677 ⁽²⁾
Audit-related fees	65,360	2,976
Non-audit fees	---	182,720
Total	443,620	554,373

(1) Includes Cdn\$49,200 of audit fees incurred in 2010 in respect of the financial year ended November 30, 2009.

(2) Includes Cdn\$76,721 of audit fees incurred in 2009 in respect of the financial year ended November 30, 2008.

For the purposes of the above table, for the financial years ended November 30, 2010 and 2009, (i) "Audit fees" include fees in respect of the audits of Gennum Corporation, Gennum Canada Limited, Gennum UK Limited and Gennum US Limited, and (ii) "Audit-related fees" include a Canadian Public Accountability Board levy fee, fees relating to attendance at Audit Committee Meetings and, for the year ended November 30, 2010, fees relating to the review of Gennum's accounting policy choices under International Financial Reporting Standards, which Gennum is required to adopt in the near future. For the financial year ended November 30, 2009, "Non-audit fees" include fees for services in connection with the review of quarterly financial statements of the Corporation and relating to the incorporation by reference of financial statements of the Corporation in the management proxy circular of Tundra Semiconductor Corporation ("Tundra") in connection with the terminated acquisition transaction by the Corporation of Tundra.

The Mandate of the Audit Committee provides that the Audit Committee is to review and pre-approve all non-audit services conducted by the auditors and the fees for same, in the manner required and subject to the provisions of applicable securities legislation. The Audit Committee has adopted policies and procedures pertaining to services, including non-audit services, conducted by the auditors of the Corporation. These policies and procedures provide, among other things, that the Audit Committee may delegate the authority to pre-approve certain specified non-audit services to the Chair of the Audit Committee, provided that the monetary limit of such pre-approved services may not exceed a specified amount.

BUSINESS OF THE MEETING – SHAREHOLDER RIGHTS PLAN

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, a resolution (the “Rights Plan Resolution”) approving the continuation, amendment and restatement of the existing shareholder rights plan of the Corporation (the “Rights Plan”). The text of the Rights Plan Resolution is attached as appendix B to this Circular.

Background

Genum and Computershare Trust Company of Canada entered into an agreement dated as of January 26, 2005 to implement the Rights Plan. Effective March 15, 2008, the rights agent under the Rights Plan was changed to CIBC Mellon Trust Company (the “Rights Agent”). By its terms, the Rights Plan will expire at the termination of the Meeting.

In order to ensure that the Corporation continues to have a shareholder rights plan, the Board of Directors has approved an amended and restated shareholder rights plan to be dated April 6, 2011 (the “Amended Rights Plan”) if approved at the Meeting. The Amended Rights Plan continues (with the changes described below) a right (which may only be exercised if a person acquires control of 20 percent or more of the Common Shares) for each shareholder, other than a person that acquires 20 percent or more of the Common Shares, to acquire additional Common Shares at one-half of the market price at the time of exercise. This significantly dilutes the share position of a person that acquires 20 percent or more of the Common Shares and practically prevents that person from acquiring control of 20 percent or greater of the Common Shares unless the Amended Rights Plan has been withdrawn or the buyer makes a Permitted Bid (as discussed below). The most common approaches that a buyer may take to have a shareholder rights plan withdrawn are to negotiate with the board of directors of the target company to have the shareholder rights plan waived, or to apply to a securities commission to order withdrawal of the shareholder rights plan. Both of these approaches will give the Board of Directors more time and control over any sale process and increase the likelihood of maximizing shareholder value. See “Objectives of the Rights Plan” below.

The Amended Rights Plan contains the following amendments to the Rights Plan:

- The recitals contained in the introduction to the Amended Rights Plan have been revised to confirm that the Board of Directors has determined that it is advisable and in the best interests of Genum to continue the Rights Plan by adopting the Amended Rights Plan to ensure, to the extent possible, that all shareholders of Genum are treated fairly in connection with any Take-over offer or bid for the Common Shares and to ensure that the Board of Directors is provided with sufficient time to evaluate unsolicited Take-over bids for Genum and to explore and develop alternatives to maximize shareholder value that may include, without limitation, the continued implementation of Genum’s long-term strategic plans, as those may be modified by Genum from time to time. See “Objectives of the Amended Rights Plan” below for a description of the alternatives that the Board of Directors could pursue in such circumstances.
- The provisions of the Amended Rights Plan which address the effective date and shareholder review of the Amended Rights Plan have been revised to specify the shareholder approval required to continue the Amended Rights Plan in 2014 by any stock exchange on which the Common Shares may then be listed. The Amended Rights Plan provides that: (i) if required by the rules and regulations of any stock exchange on which the Common Shares are then listed, at or prior to the annual meeting of the shareholders of the Corporation in the year 2014, provided that a Flip-in Event (as defined in the Amended Rights Plan) has not occurred prior to such time, the Board of Directors shall submit a resolution ratifying the continued existence of the Amended Rights Plan to all holders of Common Shares for their consideration and, if thought advisable, approval; and (ii) if such approval is not required by the rules and regulations of any stock exchange on which the Common Shares are then listed, at or prior to the annual meeting of the shareholders of the

Corporation in the year 2014, provided that a Flip-in Event has not occurred prior to such time, the Board of Directors shall submit a resolution ratifying the continued existence of the Amended Rights Plan to the Independent Shareholders (as defined in the Amended Rights Plan) for their consideration and, if thought advisable, approval.

- A provision has been added to the Amended Rights Plan to confirm that nothing in the Amended Rights Plan is to be construed so as to suggest or imply that the Board of Directors shall not be entitled to recommend that the shareholders reject or accept any Take-over bid or take any action in respect of a Take-over bid or otherwise that the Board of Directors believes is necessary or appropriate in the exercise of its fiduciary duties.
- The definition of “Stock Acquisition Date” has been amended to allow the Board of Directors to determine, whenever appropriate, a later time for the deemed occurrences of said event. This amendment is consistent with (i) shareholder rights plans of other issuers; and (ii) other provisions of the Amended Rights Plan, including provisions relating to the determination by the Board of Directors, whenever appropriate, of the “Separation Time”.

Apart from the above-mentioned amendments and certain other non-substantive amendments of a “housekeeping” nature to permit greater clarity and consistency, the Amended Rights Plan is identical to the existing Rights Plan in all material respects. If the Rights Plan Resolution is passed at the Meeting, Gennum and the Rights Agent will execute the Amended and Restated Shareholder Rights Plan Agreement (the “Amended Rights Plan Agreement”) as of the date the resolution is passed (expected to be April 6, 2011) and the Amended Rights Plan will come into effect. If the resolution is not passed, the Rights Plan will become void and of no further force and effect, the Amended Rights Plan Agreement will not be executed and will not become effective and the Company will no longer have any form of shareholder rights plan.

Summary of the Rights Plan and Copy of the Agreement

A summary of the key features of the Amended Rights Plan is attached as appendix C to this Circular. All capitalized terms used in this section of the Circular and appendix C have the meanings set forth in the Amended Rights Plan unless otherwise indicated. The complete text of the Amended Rights Plan is available on Gennum’s website at www.gennum.com. The complete text of the Rights Plan is available on SEDAR at www.sedar.com and is also available to any shareholder on request from the Corporate Secretary of Gennum.

Objectives of the Rights Plan

The Amended Rights Plan is not being confirmed, amended or restated in response to, or in anticipation of, any pending or threatened Take-over bid, nor to deter Take-over bids generally. As of the date of this Circular, the Board of Directors was not aware of any third party preparing a proposal to acquire control of Gennum. The primary objectives of the Amended Rights Plan are to ensure, to the extent possible, that all shareholders of Gennum are treated fairly in connection with any Take-over offer or bid for the Common Shares by, among other things, providing adequate time for competing bids to emerge and attempting to ensure that shareholders have an equal opportunity to participate in such a bid and to give them adequate time to properly assess the bid and lessen the pressure to tender typically encountered by a securityholder of an issuer that is subject to a bid and to ensure that the Board of Directors is provided with sufficient time to evaluate unsolicited Take-over bids for Gennum and to explore and develop alternatives to maximize shareholder value that may include, without limitation, the continued implementation of Gennum’s long-term strategic plans, as those may be modified by Gennum from time to time. The Amended Rights Plan in no way prohibits a change of control of Gennum in a transaction that is fair and in the best interests of all shareholders of Gennum. The rights of shareholders to seek a change in the management of Gennum or to influence or promote action of management in a particular manner will not be affected by the Amended Rights Plan. The approval of the Amended Rights Plan does not affect the duty of a director to act honestly and in good faith with a view to the best interests of Gennum and its shareholders.

In approving the Amended Rights Plan, the Board of Directors considered the following aspects of the existing legislative framework governing Take-over bids in Canada:

- (a) *Time.* Current legislation permits a Take-over bid to expire in 35 days. The Board of Directors is of the view that this generally is not sufficient time to permit shareholders to consider a Take-over bid and to make a reasoned and considered decision concerning available alternatives. The Amended Rights Plan provides a mechanism whereby the minimum expiry period for a Take-over Bid must be 60 days after the date of the bid and the bid must remain open for a further period of 10 Business Days after the Offeror publicly announces that the Common Shares deposited or tendered and not withdrawn constitute more than 50 percent of the Common Shares outstanding held by Independent Shareholders (generally, shareholders other than the Offeror or Acquiring Person (someone who beneficially owns greater than 20 percent of the outstanding Common Shares), their Associates and Affiliates, and Persons acting jointly or in concert with the Offeror or Acquiring Person) as at the initial date of take-up or payment by the Offeror. The Amended Rights Plan is intended to provide shareholders with adequate time to properly evaluate the offer and to provide the Board of Directors with sufficient time to assess alternatives for maximizing shareholder value. Those alternatives could include identifying other potential bidders, conducting an orderly auction, continuing to implement Gennum's long-term strategic plan or developing a restructuring alternative which could enhance shareholder value.
- (b) *Pressure to Tender.* A shareholder may feel pressured to tender to a bid that the shareholder considers to be inadequate out of a concern that failing to tender may result in the shareholder being left with illiquid or minority discounted securities in Gennum. This is particularly so in the case of a partial bid for less than all securities of a class, where the bidder wishes to obtain a control position but does not wish to acquire all of the Common Shares. The Amended Rights Plan provides a mechanism in the Permitted Bid provision that is intended to ensure that a shareholder may remove the uncertainty as to whether a majority of shareholders will support a Take-over bid from the decision to tender to the Take-over bid by requiring that a Take-over bid remain open for acceptance for a further 10 Business Days following a public announcement that more than 50 percent of the Common Shares held by Independent Shareholders have been deposited and not withdrawn as at the initial date of take-up or payment by the buyer. This mechanism therefore will lessen any undue pressure to tender that may be encountered by a securityholder if a Take-over bid is made for the Common Shares.
- (c) *Unequal Treatment.* While existing securities legislation addresses certain aspects of unequal treatment, there remains the possibility that control of an issuer may be acquired pursuant to a private agreement in which a small group of securityholders dispose of their securities at a premium to market price which premium is not shared with other securityholders. In addition, a person may slowly accumulate securities through stock exchange acquisitions which may result, over time, in an acquisition of control without payment of fair value for control or a fair sharing of a control premium among all securityholders. The Amended Rights Plan addresses these concerns by applying to all acquisitions of greater than 20 percent of the Common Shares, to better ensure that shareholders receive equal treatment.

General Impact of the Amended Rights Plan

It is not the intention of the Board of Directors, in approving the Amended Rights Plan, to secure the continuance of existing directors or management in office, nor to avoid a bid for control of Gennum in a transaction that is fair and in the best interests of Gennum and its shareholders. For example, through the Permitted Bid mechanism, described in more detail in the summary contained in appendix C to this Circular, shareholders may tender to a bid which meets the Permitted Bid criteria without triggering the Amended Rights Plan, regardless of the acceptability of the bid to the Board of Directors. Furthermore, even in the context of a bid that does not meet the

Permitted Bid criteria, the Board of Directors will continue to be bound to consider fully and fairly any bid for the Common Shares in any exercise of its discretion to waive application of the Amended Rights Plan or redeem the Rights. In all such circumstances, the Board of Directors must act honestly and in good faith with a view to the best interests of Gennum and its shareholders.

The Amended Rights Plan does not preclude any shareholder from utilizing the proxy mechanism under the *Business Corporations Act* (Ontario) and securities laws to promote a change in the management or direction of Gennum, and has no effect on the rights of holders of outstanding Common Shares to requisition a meeting of shareholders in accordance with the provisions of applicable corporate and securities legislation, or to enter into agreements with respect to voting their Common Shares. The definitions of “Acquiring Person” and “Beneficial Ownership” have been developed to minimize concerns that the plan may be inadvertently triggered or triggered as a result of an overly-broad aggregating of holdings of institutional shareholders and their clients.

The Amended Rights Plan will not interfere with the day-to-day operations of Gennum. The issuance of the Rights does not in any way alter the financial condition of Gennum, impede its business plans or alter its financial statements.

In summary, the Board of Directors believes that the dominant effect of the Amended Rights Plan will be to maximize Gennum’s opportunity to enhance shareholder value, and ensure equal treatment of all shareholders in the context of a bid for control of Gennum.

Vote Required

Shareholder approval of the Amended Rights Plan is not required by law but is required by applicable stock exchange rules. The Amended Rights Plan has been conditionally approved by the Toronto Stock Exchange (the “TSX”), subject to shareholder approval. The TSX and the terms of the Rights Plan require that the continuation, amendment and restatement of the Rights Plan must be approved by: (i) a simple majority of the votes cast in favour of the Rights Plan Resolution by all Shareholders, whether in person or by proxy; and (ii) a simple majority of the votes cast in favour of the Rights Plan Resolution by the Independent Shareholders (as defined in the Rights Plan), whether in person or by proxy. An “Independent Shareholder” is generally any shareholder other than an “Acquiring Person” (as defined in the Rights Plan) and its associates and affiliates. As of the date of this Circular, Gennum is not aware of any shareholder that would not be considered an Independent Shareholder, and therefore it is anticipated that all shareholders will be eligible to vote their Common Shares on the Rights Plan Resolution. If the Rights Plan Resolution is passed at the Meeting, then the Amended Rights Plan will become effective as of the date the Rights Plan Resolution is passed. If the Rights Plan Resolution is not passed at the Meeting, the Amended Rights Plan will not become effective and, as the existing Rights Plan expires at the termination of the Meeting, Gennum would then not have a shareholder rights plan in place.

Recommendation of the Board of Directors

The Board of Directors has reviewed the Amended Rights Plan for conformity with current practices of Canadian issuers with respect to shareholder Amended Rights Plan design. Based on its review, the Board of Directors has determined that it is advisable and in the best interests of Gennum and its shareholders that Gennum have in place a shareholder Amended Rights Plan in the form of the Amended Rights Plan. Accordingly, the Board of Directors unanimously recommends a vote “for” the confirmation and approval of the Amended Rights Plan. Gennum has been advised that the directors and senior officers of Gennum intend to vote all Common Shares held by them in favour of the approval of the Amended Rights Plan. In the absence of a contrary instruction, the persons designated by management of Gennum in the enclosed form of proxy intend to vote FOR the Rights Plan Resolution.

The Board of Directors reserves the right to alter any terms of, or not proceed with, the Amended Rights Plan at any time prior to the Meeting if the Board of Directors determines that it would be in the best interests of Gennum and its shareholders to do so, in light of subsequent developments.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth information concerning compensation earned from the Corporation and its subsidiaries for the financial year of the Corporation ended November 30, 2010 for each of the individuals who were, at November 30, 2010 or during the 2010 financial year of the Corporation, the Chief Executive Officer, the Chief Financial Officer and the three other most highly compensated executive officers of the Corporation (collectively the “Named Executive Officers”). In light of significant changes to the requirements, content and format for executive compensation disclosure made by the CSA, the Corporation has reported compensation in the table below for its 2010 and 2009 financial years only, in accordance with those requirements. Disclosure of compensation for prior years, in accordance with applicable requirements, can be found in the Corporation’s previous management information circular dated February 17, 2009, which is available on SEDAR at www.sedar.com.

Name and Principal Position	Year	Salary (US\$) ⁽⁴⁾	Share-based Awards ⁽¹⁾ (US\$) ⁽⁴⁾	Option-based Awards ⁽²⁾ (US\$) ⁽⁴⁾	Non-equity Incentive Plan Compensation – Annual Incentive Plans (US\$) ⁽⁴⁾	Pension Value ⁽³⁾ (US\$) ⁽⁴⁾	All Other Compensation (US\$) ⁽⁴⁾	Total Compensation (US\$) ⁽⁴⁾
FRANZ J. FINK President and Chief Executive Officer	2010	432,230	452,075	548,841	215,454	10,975	32,193 ⁽⁵⁾	1,691,768
	2009	416,108	255,339	284,507	0	15,344	51,872	1,023,170 ⁽⁶⁾
R. GREGORY MILLER ⁽⁷⁾ Senior Vice-President, Finance and Administration and Chief Financial Officer	2010	193,886	0	298,864	43,624	9,694	124,029 ⁽⁸⁾	670,097
GORDON E. CURRIE ⁽⁹⁾ Senior Vice-President, Finance and Administration and Chief Financial Officer	2010	99,322	0	0	0	4,966	817,336 ⁽¹⁰⁾	921,624
	2009	269,525	85,113	87,595	0	12,206	64,384	518,823 ⁽⁶⁾
GARY M. BEAUCHAMP Senior Vice-President and General Manager, Optical Products	2010	244,432	145,755	124,736	54,997	12,222	23,286 ⁽¹¹⁾	605,428
	2009	231,697	85,113	57,059	0	10,493	20,333	404,695 ⁽⁶⁾
KLAUS D. MUELLER Senior Vice-President, Global Sales	2010	245,865	139,715	160,375	55,320	12,293	23,373 ⁽¹²⁾	636,941
	2009	231,697	85,113	85,392	0	10,493	19,387	432,082 ⁽⁶⁾
MARTIN ROFHEART Senior Vice-President and General Manager, Analog and Mixed-Signal Products	2010	253,175	135,038	196,014	56,964	0	114,253 ⁽¹³⁾	755,444
	2009	245,000	56,742	171,571	0	0	49,413	522,726 ⁽⁶⁾

- (1) Reflects the dollar amount of awards made pursuant to the long-term incentive plan of the Corporation. These dollar amounts are used to purchase Common Shares in the secondary market pursuant to the provisions of the long-term incentive plan. See “Compensation Discussion and Analysis – Long-Term Incentive Program – Long-Term Incentive Plan.”
- (2) For 2010, reflects options granted using a grant date valuation of Cdn\$1.83 per option based upon a Black-Scholes option valuation model (key assumptions used were a dividend yield of 2.55%, 48.6% volatility, a risk free rate of 2.09% and a life of 4 years), with the exception of options granted to Mr. Miller, which were granted using a grant date valuation of Cdn\$2.04 per option based upon a Black-Scholes option valuation model (key assumptions used were a dividend yield of 2.28%, 48.6% volatility, a risk free rate of 1.62% and a life of 4 years). For 2009, reflects options granted using a grant date valuation of Cdn\$1.66 per option based upon a Black-Scholes option valuation model (key assumptions used were a dividend yield of 3.08%, 50.9% volatility, a risk free rate of 1.93% and a life of 5.5 years). The foregoing grant date valuations are the same as the fair values determined in accordance with Section 3870 of the CICA Handbook (accounting fair value).
- (3) Reflects the dollar amount of the Corporation’s contributions for the individual under the defined contribution pension plan of the Corporation. See “Pension Plan Benefits”.
- (4) Amounts are generally paid in Canadian dollars, being the functional currency of the Corporation. Where applicable, amounts have been converted into U.S. dollars, the reporting currency of the Corporation, using the noon rate of exchange established by the Bank of Canada for the conversion of Canadian dollars to U.S. dollars on November 30, 2010 of Cdn\$1.00 = US\$0.9743. In order to be consistent with information disclosed in the management information circular dated February 23, 2010 of the Corporation, amounts for 2009 are reflected in U.S. dollars using the noon rate of exchange established by the Bank of Canada for the conversion of Canadian dollars to U.S. dollars on November 30, 2009 of Cdn\$1.00 = US\$0.9457, being the rate used for these amounts in the management information circular dated February 23, 2010 of the Corporation.
- (5) Includes costs to the Corporation of US\$21,435 for an automobile lease and related expenses paid for Mr. Fink.

- (6) As set out in the management information circular dated February 23, 2010 of the Corporation, consistent with the negative impact on the business of the Corporation experienced in 2009 during the global economic downturn, for the 2009 financial year of the Corporation no bonus awards were paid to the Named Executive Officers, awards to Named Executive Officers under the long-term incentive arrangements of the Corporation were reduced to approximately 60% of normal, benchmarked levels, and salaries of Named Executive Officers were temporarily reduced.
- (7) Mr. Miller was appointed Senior Vice-President, Finance and Administration and Chief Financial Officer of the Corporation effective February 23, 2010.
- (8) Includes US\$90,951 paid to Mr. Miller for relocation and housing expenses associated with the commencement of his employment by the Corporation and US\$13,820 paid to Mr. Miller as an automobile allowance.
- (9) Mr. Currie resigned as Senior Vice-President, Finance and Administration and Chief Financial Officer of the Corporation effective February 22, 2010 and ceased being an employee of the Corporation effective April 7, 2010.
- (10) Includes US\$776,381 paid to Mr. Currie in connection with his departure from the Corporation as previously disclosed in the management information circular dated February 23, 2010 of the Corporation.
- (11) Includes costs to the Corporation of US\$16,563 for an automobile lease and related expenses paid for Mr. Beauchamp.
- (12) Includes costs to the Corporation of US\$16,563 for an automobile lease and related expenses paid for Mr. Mueller.
- (13) Includes costs to the Corporation of approximately US\$51,000 paid to Mr. Rofheart in connection with a tax normalization arrangement and a tax gross up payment on such amount of approximately US\$42,000, as well as US\$16,563 for an automobile lease and related expenses paid for Mr. Rofheart.

SHARES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation's Stock Option Plan provides that a maximum 2,700,000 Common Shares may be issued upon the exercise of options granted thereunder, representing approximately 7.6 percent of the issued and outstanding Common Shares. The Stock Option Plan, which was originally introduced on July 24, 2000 and subsequently amended and restated, has been approved by the Board of Directors and accepted by the TSX.

The Stock Option Plan provides for the grant of options to purchase Common Shares to employees of the Corporation and its subsidiaries. Options granted under the Stock Option Plan have a maximum term of ten years, although if the termination date set for an option occurs during a blackout period or within five days of the end of such period, then the term ends on the later of ten business days after (a) the last day of the blackout period and (b) that date on which the option would otherwise terminate.

Generally, options are granted under the Stock Option Plan for a term of seven years from the grant date with vesting of 25 percent of the options in each grant at the end of each of the first, second, third and fourth years from the date of grant. Options may be exercised earlier in the event of the death of the participant or upon a change of control of the Corporation. All options allow the holder to purchase Common Shares at the closing price of a trade of at least a board lot of the Common Shares on the TSX on the trading day preceding the date of grant, unless otherwise determined by the Corporation, but in no event may the option price be less than the fair market value of a Common Share on the date of grant of the option.

The Stock Option Plan provides that, under the Stock Option Plan and any other security-based compensation arrangement of the Corporation, (a) the number of Common Shares reserved for issuance pursuant to options granted to insiders may not exceed 10 percent of the outstanding Common Shares, (b) the number of Common Shares which may be issued to insiders, in a one year period, may not exceed 10 percent of the outstanding Common Shares, (c) the number of Common Shares which may be issued to any one insider and such insider's associates may not exceed 5 percent of the outstanding Common Shares within a one year period, and (d) the number of Common Shares issued within a one year period may not exceed 10 percent of the outstanding Common Shares. In addition, the Stock Option Plan currently provides that the number of Common Shares which may be reserved for issuance granted pursuant to the Stock Option Plan together with shares which may be reserved for issuance under options granted under any other employee-related plan of the Corporation to any one person may not exceed 5 percent of the outstanding Common Shares.

Options terminate upon the earliest of: (a) one year after termination of employment by reason of death or disability; (b) two years after termination of employment by reason of retirement; (c) upon termination of employment for cause; (d) thirty days following termination for any reason other than retirement, death, disability or termination for cause; and (e) expiry of the term of the option, unless the Corporation otherwise determines, provided the expiry date for the options cannot be extended beyond the maximum term of ten years (subject to the

exception noted above relating to black-out periods). For the purpose of the plan, “termination of employment” means the date on which the active employment of the participant with the Corporation or any subsidiary ceases, irrespective of any notice or payment in lieu thereof. Participants may not transfer or assign options, provided that participants may assign options to family members with the Corporation’s prior approval and subject to TSX rules.

The amendment provisions in the Stock Option Plan provide that approval of the holders of the Common Shares by a majority of votes cast by Shareholders present or represented by proxy at a meeting is required for the following amendments to the Stock Option Plan or options granted under it:

- (a) increasing the number of Common Shares that can be issued under the Stock Option Plan;
- (b) reducing the exercise price of an outstanding option (including cancelling and, in conjunction therewith, regranting an option at a reduced exercise price);
- (c) extending the term of any outstanding option;
- (d) adding to the categories of participants who may be eligible to participate in the Stock Option Plan;
- (e) expanding the authority of the Board to permit assignability of options by participants beyond that currently contemplated by the Stock Option Plan;
- (f) amending the Stock Option Plan to provide for other types of security-based compensation through equity issuance;
- (g) permitting the grant of an option with a term of more than 10 years from the grant date;
- (h) increasing or deleting the percentage limits on Common Shares reserved at any time for issuance to insiders and on Common Shares which may be issued to insiders within a one year period under the Stock Option Plan (in each case being 10 percent of the Corporation’s total issued and outstanding Common Shares); and
- (i) increasing or deleting the percentage limit on Common Shares reserved for issuance to any one person under the Stock Option Plan (being 5 percent of the Corporation’s total issued and outstanding Common Shares),

subject to the application of the anti-dilution or re-organization provisions of the Stock Option Plan.

The Board approved certain amendments to the Stock Option Plan on February 28, 2011 including an amendment to the amendment provision of the Stock Option Plan to provide that the Board may not amend the amendment provision other than as permitted by the rules of the Toronto Stock Exchange. The Stock Option Plan was also amended to enable the Corporation to comply with the applicable requirements of any federal, provincial or other tax law or authority relating to the withholding of tax, or any other required deductions with respect to options, and to satisfy any liability for any such withholding obligations. The latter amendments were desirable in light of changes to the *Income Tax Act* (Canada) which became effective on January 1, 2011, relating to withholdings in respect of option exercises.

The following table sets out information as at November 30, 2010 with respect to compensation plans under which Common Shares are authorized for issuance.

Equity Compensation Plan Information

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by shareholders	2,042,393	Cdn\$6.74	251,822
Equity compensation plans not approved by shareholders	1,080,000 ⁽¹⁾	Cdn\$10.44	---
Total	3,122,393	Cdn\$8.02	251,822

- (1) These options were granted in compliance with the requirements of the TSX as inducements to persons not previously employed by the Corporation to become officers of the Corporation. The options have the same terms as those granted from time to time under the Stock Option Plan and have a term of seven years from the grant date, with vesting of 25 percent of the options in each grant at the end of each of the first, second, third and fourth years from the date of grant. Subsequent to November 30, 2010, 115,000 of such options expired.

INCENTIVE PLAN AWARDS

Outstanding Option-Based and Share-Based Awards

The following table sets out, for each Named Executive Officer, information concerning all option-based and share-based awards outstanding as at November 30, 2010 (including options granted prior to the financial year ended November 30, 2010).

Name ⁽¹⁾	Option-based Awards				Share-based Awards	
	Number of common shares underlying unexercised options (#)	Option exercise price (Cdn\$)	Option expiration date	Value of unexercised in-the-money options (US\$) ⁽²⁾	Number of common shares that have not vested (#)	Market or payout value of share-based awards that have not vested (US\$) ⁽²⁾
Franz J. Fink	525,000	9.75	Sept. 11, 2013	0	193,397	1,309,566
	207,447	9.95	March 31, 2015	0		
	180,750	4.55	April 3, 2016	422,651		
	308,000	5.50	Feb. 12, 2017	435,122		
R. Gregory Miller	150,000	6.13	Feb. 23, 2017	119,839	0	0
Gary M. Beauchamp	11,857	12.25	Sept. 26, 2013	0	39,559	267,869
	80,000	13.05	Jan. 29, 2014	0		
	36,250	4.55	April 3, 2016	84,764		
	70,000	5.50	Feb. 12, 2017	98,891		
Klaus D. Mueller	130,000	12.29	March 12, 2014	0	44,966	304,482
	42,567	9.95	March 31, 2015	0		
	40,688	4.55	April 3, 2016	95,142		
	90,000	5.50	Feb. 12, 2017	127,146		
Martin Rofheart	175,000	13.27	Nov. 22, 2013	0	33,534	227,072
	109,000	4.55	April 3, 2016	254,877		
	110,000	5.50	Feb. 12, 2017	155,401		

- (1) There were no option-based or share-based awards issued to Gordon Currie outstanding as at November 30, 2010.
(2) Using the closing price of the Common Shares on the TSX on November 30, 2010 of Cdn\$6.95, and converted into U.S. dollars using the noon rate of exchange established by the Bank of Canada for the conversion of Canadian dollars to U.S. dollars on November 30, 2010 of Cdn\$1.00 = US\$0.9743.

Value Vested or Earned During the Year

The following table sets out, for each Named Executive Officer, information concerning the value of incentive plan awards – option-based and share-based awards as well as non-equity incentive plan compensation – vested or earned during the financial year of the Corporation ended November 30, 2010.

Name	Option-based awards – Value vested during the year (US\$) ⁽¹⁾	Share-based awards – Value vested during the year (US\$) ⁽¹⁾	Non-equity incentive plan compensation - Value earned during the year (US\$) ⁽¹⁾
Franz J. Fink	83,209	427,540	215,454
R. Gregory Miller	0	0	43,624
Gordon E. Currie	25,619	81,302	0
Gary M. Beauchamp	16,688	105,976	54,997
Klaus D. Mueller	24,974	88,454	55,320
Martin Rofheart	50,179	91,619	56,964

- (1) The Common Shares trade in Canadian dollars on the TSX. Amounts have been converted into U.S. dollars, the reporting currency of the Corporation, using the noon rate of exchange established by the Bank of Canada for the conversion of Canadian dollars to U.S. dollars on November 30, 2010 of Cdn\$1.00 = US\$0.9743.

PENSION PLAN BENEFITS

Defined Contribution Pension Plan

In February 2009, the Corporation introduced a defined contribution registered pension plan (the “DCPP”) for its employees. The DCPP is the only pension plan of the Corporation.

Under the DCPP, the Corporation makes an annual contribution to a member account for each employee who has enrolled in the DCPP equal to five percent of the employee’s annual base salary earnings. Employees may elect to (but are not required to) make voluntary contributions to their member accounts in an amount which, when added to company contributions, does not exceed the maximum amount under applicable legislation. All contributions to member accounts are invested at the direction of members who select from a number of investment options available under the investment terms and provisions established for the DCPP. Voluntary contributions of a member may be withdrawn from the DCPP at any time. Company contributions to the DCPP only vest (i) upon the member ceasing to be an employee of the Corporation, provided that the member has completed two years of continuous employment with the Corporation, (ii) upon the death of a member, (iii) upon the retirement of the member after the age of 65 (or earlier in certain cases in the event of serious illness or disability), or (iv) upon the termination of the DCPP. Vested company contributions are subject to “locking-in” provisions which provide that, other than in the event of the death of the member, the vested company contributions may not generally be withdrawn in cash and must be used to provide a pension at retirement.

The following table sets out information concerning the DCPP as it relates to the Named Executive Officers.

Name	Accumulated value at start of year (US\$) ⁽³⁾	Compensatory ⁽¹⁾ (US\$) ⁽³⁾	Non-compensatory ⁽²⁾ (US\$) ⁽³⁾	Accumulated value at year end (US\$) ⁽³⁾
Franz J. Fink	19,184	10,975	4,166	34,325
R. Gregory Miller	0	9,694	498	10,192
Gordon E. Currie	13,989	4,966	1,466	20,421
Gary M. Beauchamp	11,220	12,222	816	24,258
Klaus D. Mueller	12,009	12,293	1,541	25,843
Martin Rofheart ⁽⁴⁾	0	0	0	0

- (1) Reflects the dollar amount of company contributions made by the Corporation for the employee under the DCPP.
- (2) Reflects the dollar amount of (i) employee contributions and (ii) investment earnings on both company and employee contributions.
- (3) Amounts have been converted from Canadian dollars, the functional currency of the Corporation, into U.S. dollars, the reporting currency of the Corporation, using the noon rate of exchange established by the Bank of Canada for the conversion of Canadian dollars to U.S. dollars on November 30, 2010 of Cdn\$1.00 = US\$0.9743.
- (4) Mr. Rofheart was not enrolled in the DCPP during the 2010 financial year of the Corporation.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Standardized Arrangements

The Named Executive Officers have entered into agreements (individually a “Termination Agreement” and collectively the “Termination Agreements”) with the Corporation relating to (i) amounts to be received by the applicable Named Executive Officer in the event that he is terminated either without cause or is constructively dismissed by the Corporation, (ii) amounts to be received by the applicable Named Executive Officer in the event that he is terminated without cause, or resigns in certain specified circumstances for good reason, upon or within an 18 month period subsequent to the occurrence of a change of control event involving the Corporation (the foregoing provision being commonly referred to as a “double-trigger” provision), (iii) non-competition, non-solicitation, confidentiality and non-disparagement covenants of the applicable Named Executive Officer which apply during and after his employment, and (iv) a “clawback” of option-related gains in the event that the applicable Named Executive Officer does not comply with confidentiality or non-disclosure obligations to the Corporation or non-solicitation provisions set out in the applicable Termination Agreement.

Termination Without Cause

In the event of the termination of a Named Executive Officer either without cause or as a result of a constructive dismissal, the Termination Agreements provide that the Corporation will pay to the Named Executive Officer, in addition to accrued but unpaid base salary and vacation entitlement to the date of termination, (i) previously earned and vested (as applicable) entitlements, if any, of the Named Executive Officer under the former deferred profit sharing plan and former share incentive plan of the Corporation, (ii) any unvested entitlements of the Named Executive Officer to contributions of the Corporation under the employee share purchase plan and the defined contribution pension plan of the Corporation, (iii) a pro rata portion, to the date of termination, of the annual bonus (at the greater of the prior three year average or current target) for the Named Executive Officer, and (iv) the Termination Without Cause Percentage of the Named Executive Officer’s Total Cash Compensation (each as defined below). In the event of the termination of a Named Executive Officer either without cause or as a result of a constructive dismissal, the Termination Agreements also provide that the Named Executive Officer is entitled to continue participation in the Corporation’s medical, dental and other health plans for a specified period, is entitled to reimbursement for outplacement services to a maximum specified amount and, if such individual received moving

expenses to relocate to the greater Burlington, Ontario area upon joining the Corporation, is entitled to be reimbursed for reasonable relocation expenses not to exceed the amount initially paid to the individual to relocate to the greater Burlington, Ontario area.

The Termination Agreements for Named Executive Officers other than Mr. Fink define “Termination Without Cause Percentage” as the percentage equal to the formula (A) multiplied by (B), where (A) is (i) 12 plus the number of completed years of active employment with the Corporation (such sum to be a maximum of 24), (ii) divided by 12, and (B) is 100 percent. For Mr. Fink, the foregoing definition is the same, with the exception that (A) in the foregoing formula is (i) 18 plus the number of completed years of active employment with the Corporation (such sum to be a maximum of 30), (ii) divided by 12. The Termination Agreements define “Total Cash Compensation” as the aggregate of the annual base salary of the Named Executive Officer, the annual bonus (at the greater of the three year average or target) of the Named Executive Officer, and the annual value of benefits other than life insurance and medical, dental and other health plans of the Corporation.

Change of Control

In the event of (i) a change of control event involving the Corporation and (ii) the termination without cause of, or resignation in certain specified circumstances for good reason by, a Named Executive Officer upon or within an 18 month period subsequent to the change of control event involving the Corporation, the Named Executive Officer is entitled to be paid, in addition to accrued but unpaid base salary and vacation entitlement to the date of termination, (i) previously earned and vested (as applicable) entitlements, if any, of the Named Executive Officer under the former deferred profit sharing plan and former share incentive plan of the Corporation, (ii) any unvested entitlements of the Named Executive Officer to contributions of the Corporation under the employee share purchase plan and the defined contribution pension plan of the Corporation, (iii) a pro rata portion, to the date of termination, of the annual bonus (at the greater of the three year average or target) for the Named Executive Officer, and (iv) 200 percent of Total Cash Compensation in the case of the Named Executive Officers other than Mr. Fink, and 300 percent of Total Cash Compensation in the case of Mr. Fink. In these events, the Termination Agreements also provide that the named Executive Officer is entitled to continue to participate in the Corporation’s medical, dental and other health plans for a specified period, is entitled to reimbursement for outplacement services to a maximum specified amount and, if such individual received moving expenses to relocate to the greater Burlington, Ontario area upon joining the Corporation, is entitled to be reimbursed for reasonable relocation expenses not to exceed the amount initially paid to the individual to relocate to the greater Burlington, Ontario area.

The terms of the stock option plan and the long-term incentive plan of the Corporation provide that, in the event of a change of control event involving the Corporation, all outstanding options and awards granted thereunder vest automatically for all participants.

Other Entitlements

There are no incremental payments associated with voluntary resignations, retirements or deaths of Named Executive Officers, other than the long-term incentive plan of the Corporation which provides that, for all participants, unvested awards thereunder vest upon the retirement or death of a participant. In the event that Mr. Fink were to become disabled, the employment agreement entered into between Mr. Fink and the Corporation provides that Mr. Fink would be entitled to (i) a pro rated bonus for the last financial year in which he was actively employed, calculated on a pro rata basis using the actual bonus that would have been paid to Mr. Fink had he remained employed for the financial year, and (ii) 50 percent of Mr. Fink’s Termination Without Cause Percentage of Total Cash Compensation, assuming for this purpose that termination occurs on the date Mr. Fink becomes disabled as defined in his employment agreement.

Non-Competition, Non-Solicitation, Non-Disparagement and Confidentiality Provisions

Pursuant to the Termination Agreements, each of the Named Executive Officers has agreed that he will not, among other things, during the term of his employment and for a period of time thereafter, engage in certain businesses which are competitive with the business carried on by the Corporation, canvass or solicit the business of customers or prospective customers of the Corporation for a purpose which is competitive with a business of the Corporation or solicit the employment of employees of the Corporation. Each Named Executive Officer has also agreed not to disparage the Corporation in any way and to maintain the confidentiality of confidential information relating to the Corporation and its business.

“Claw Back” Provisions

The Termination Agreements provide that options held by a Named Executive Officer are subject to the condition that, in the event that they are exercised at any time commencing 12 months prior to the date of termination of employment (whether wrongful or for any reason) and ending at the expiry of a period of time thereafter and, while employed or during such period, the Named Executive Officer breaches the terms of confidentiality or non-solicitation obligations to the Corporation, (i) any outstanding and unexercised options will be forfeited and cancelled, and (ii) the Named Executive Officer will be liable to pay to the Corporation the amount of the excess of the fair market value (subject to taxes paid or required to be paid) on the date of exercise of the options of the Common Shares acquired upon such exercise over the aggregate option prices for the Common Shares so acquired. In the event of forfeiture and cancellation of options in the foregoing circumstances, any unvested awards (to the extent outstanding and not otherwise terminated) to the Named Executive Officer under the long-term incentive plan, the former share incentive plan and the former deferred profit sharing plan of the Corporation will likewise be forfeited and cancelled.

Summary Table

Assuming that the triggering event requiring the foregoing payments occurred on November 30, 2010, the Named Executive Officers would be entitled to receive the following incremental amounts:

Named Executive Officer	Type of Termination⁽¹⁾	Salary Entitlement (US\$)⁽⁴⁾	Bonus Entitlement (US\$)⁽⁴⁾	Options⁽²⁾ (US\$)⁽⁴⁾	Share-based Awards⁽³⁾ (US\$)⁽⁴⁾	Benefits (US\$)⁽⁴⁾	Total Payout (US\$)⁽⁴⁾
Franz J. Fink	Termination without cause	811,085	1,253,495 ⁽⁵⁾	nil	nil	50,014	2,114,594
	Change of control	1,327,230	1,769,641 ⁽⁵⁾	857,774	1,309,565	81,841	5,346,051
	Disability	405,543	626,748	nil	nil	25,007	1,057,298
R. Gregory Miller	Termination without cause	253,318	113,993 ⁽⁵⁾	nil	nil	20,947	388,258
	Change of control	506,636	341,979 ⁽⁵⁾	119,839	nil	41,895	1,010,349
Gary M. Beauchamp	Termination without cause	451,627	314,086 ⁽⁵⁾	nil	nil	38,404	804,117
	Change of control	492,684	332,562 ⁽⁵⁾	183,656	267,869	41,895	1,318,666
Klaus D. Mueller	Termination without cause	310,315	251,355 ⁽⁵⁾	nil	nil	26,184	587,854
	Change of control	496,503	335,140 ⁽⁵⁾	222,288	304,482	41,895	1,400,308

- (1) “Termination without cause” refers to either termination without cause or termination as a result of constructive dismissal. “Change of control” refers to an event satisfying the “double trigger” test described above.
- (2) Using the closing price of the Common Shares on the TSX on November 30, 2010 of Cdn\$6.95, and converted into U.S. dollars using the noon rate of exchange established by the Bank of Canada for the conversion of Canadian dollars to U.S. dollars on November 30, 2010 of Cdn\$1.00 = US\$0.9743.
- (3) Reflects the value, based upon the closing price of the Common Shares on the TSX on November 30, 2010 of Cdn\$6.95, of unvested RSUs awarded under the long-term incentive plan of the Corporation (and, in the case of Mr. Beauchamp, an unvested award under the former incentive compensation plan of the Corporation) which would vest upon the occurrence of the triggering event.
- (4) Amounts are generally payable in Canadian dollars, being the functional currency of the Corporation. Amounts have been converted into U.S. dollars, the reporting currency of the Corporation, using the noon rate of exchange established by the Bank of Canada for the conversion of Canadian dollars to U.S. dollars on November 30, 2010 of Cdn\$1.00 = US\$0.9743.
- (5) Reflects the maximum possible bonus entitlement, due to the assumed triggering event occurring on the last day of the financial year and the resultant inclusion of a full bonus amount (based upon pro rata calculation of 100 percent of target) for such completed year for calculation purposes in addition to the bonus included as part of “Total Cash Compensation” as described above.

The Termination Agreements also provide that, in the event that any “change of control” payment required to be made to an Named Executive Officer is subject to U.S. excise tax imposed by Section 4999 of the U.S. Internal Revenue Code (the “U.S. Excise Tax”), the Named Executive is entitled to receive a gross-up payment in an amount such that the Named Executive Officer retains an after tax amount equal to the U.S. Excise Tax. It is estimated by the Corporation that, assuming that the triggering event requiring the foregoing payment occurred on November 30, 2010, Messrs. Fink and Miller would be entitled to receive gross-up payments in respect of the U.S. Excise Tax of approximately US\$1.82 million and US\$450,000, respectively, which payments are in addition to the amounts referred to above.

Effective January 10, 2011, Mr. Rofheart ceased to be employed by the Corporation. Mr. Rofheart had entered into a Termination Agreement with the Corporation having the same terms as those summarized above. In accordance with his Termination Agreement, upon his departure from the Corporation, Mr. Rofheart was paid an aggregate amount of approximately \$635,000. In addition, Mr. Rofheart is entitled to continue participation in the Corporation’s medical, dental and other health plans for a period of time, and is entitled to reimbursement for outplacement services and reasonable relocation expenses, as described above.

COMPENSATION DISCUSSION AND ANALYSIS

Gennum’s Compensation System

The Corporation has implemented a compensation and talent management program applicable to all of its employees. This program, which is referred to as the Corporation’s Total Rewards Program, is based on concepts of market competitiveness and internal equity, taking into account the roles and responsibilities of each employee of the Corporation. The program is designed to attract, retain and motivate outstanding talent in a competitive business environment, to reward participants when corporate and personal objectives are achieved, and to promote a high-performance culture among the Corporation’s employees. Alignment of employee and long-term shareholder interests is promoted through a performance-based compensation system linked directly to a corporate scorecard, as addressed below.

The compensation component of our Total Rewards Program consists of:

- base salary,
- short-term incentives, consisting of cash bonus awards under our short-term incentive plan,
- a long-term incentive program, consisting of grants of RSUs under our long-term incentive plan and grants of options under our stock option plan, and
- a retirement plan, a health plan and other benefits.

The talent management component of our Total Rewards Program consists of performance management, succession planning, recognition, and training and development.

Annual Compensation Decision-Making Process

The Corporation has developed a comprehensive annual process for making decisions about compensation for the executive officers of the Corporation. This process involves the following steps:

- Management analyzes data (including peer group information, compensation trend information and internal equity considerations) and performance against objectives, and the Chief Executive Officer makes recommendations regarding executive compensation for the senior officers including the Named Executive Officers to the Human Resource Committee, other than for the Chief Executive Officer.

then

- The Human Resource Committee, consisting of three independent directors, reviews and considers these recommendations, as well as the compensation for the Chief Executive Officer of the Corporation, using benchmark information, with the assistance of external compensation consultants and information as required, and makes recommendations to the Board.

then

- The Board considers and grants final approval for executive compensation decisions, with decisions regarding the Chief Executive Officer being made by the non-executive directors of the Board (being all Board members other than the Chief Executive Officer).

The foregoing process is generally completed within the first quarter of each new financial year of the Corporation. As part of the process, the Board also sets performance objectives for the Chief Executive Officer for the coming year. Performance objectives for the other senior officers of the Corporation are set with the approval of the Chief Executive Officer.

For the purpose of determining bonus awards under the Corporation's short-term incentive plan, the Board also approves the Corporation's corporate scorecard, which consists of a series of corporate objectives against which corporate performance is measured, with the results being used to calculate bonuses for executive officers and other employees of the Corporation. The corporate scorecard is established annually for each financial year of the Corporation. See "- Short-Term Incentive Plan" below.

In reviewing and formulating recommendations regarding the elements of compensation paid to the senior executives of the Corporation, the Human Resource Committee consults independent external compensation consultants and information as required and compares proposed compensation for the senior executives of the Corporation with that for senior executives of a peer group of companies, as described below. The Human Resource Committee uses this information to monitor the effectiveness of the Corporation's compensation policies, plans and programs to ensure that the Corporation is competitive and able to attract, retain and motivate executives (as well as all other employees) in accordance with corporate strategy and to achieve the Corporation's goals. The Human Resource Committee also monitors compensation policies, plans and programs to ensure that they are appropriate to each executive's expertise, responsibility and performance, and the performance of the Corporation.

Use of Compensation Consultants and Benchmarking Information

In 2009, the Human Resource Committee retained Watson Wyatt Worldwide ("Watson Wyatt") to review the compensation paid to the senior officers of the Corporation including the Named Executive Officers. Specifically, Watson Wyatt was retained to provide general information on market trends, to analyze market comparators and provide benchmark data, to analyze specific issues relating to compensation and compensation programs, to review our compensation plans to ensure market competitiveness and consistency with industry standards and to attend meetings with members of the Human Resource Committee and management of the Corporation. As part of its review, Watson Wyatt established a compensation peer group for the Corporation which

was considered to be an appropriate comparator group based on its participants being in the semiconductor industry, or another technology industry considered to be comparable, as well as having annual revenues comparable to those of the Corporation. The compensation group consisted of similar technology companies ranging in size, from a revenue perspective, from US\$80 to US\$260 million at that time. For the 2010 financial year of the Corporation, the Human Resource Committee obtained updated compensation information for these companies comprising the Corporation's compensation peer group, where available, from Radford, an Aon Hewitt company, a provider of compensation information for companies engaged in the technology and life sciences industries, and considered such information in its determinations relating to compensation for the executive officers and other employees of the Corporation.

For the 2010 financial year of the Corporation, the compensation peer group consisted of the following 20 companies:

Trident Microsystems, Inc.	Rambus Inc.	MIPS Technologies, Inc.
Lattice Semiconductor Corporation	Pericom Semiconductor Corporation	Microtune, Inc.
Sigma Designs, Inc.	Monolithic Power Systems, Inc.	Exar Corporation
Actel Corporation	Mindspeed Technologies, Inc.	PLX Technology, Inc.
Power Integrations, Inc.	Advanced Analogic Technologies Incorporated	Volterra Semiconductor Corporation
Cirrus Logic, Inc.	NetLogic Microsystems, Inc.	Entropic Communications, Inc.
Zarlink Semiconductor Inc.	Ikanos Communications, Inc.	

“At Risk” Compensation

The short- and long-term incentive programs of the Corporation represent *at-risk* compensation for Named Executive Officers and other participants. For all of the Corporation's executive officers, a significant component of their total compensation is *at-risk*, reflecting their ability to influence business outcomes and financial performance. While we target overall executive compensation to fall between the median and 75th percentile of our compensation peer group, we benchmark base salaries at the median of our compensation peer group, giving more relative weight to the *at-risk* component.

The table below compares the targets for the 2010 short-term and long-term incentives with the actual awards for such year, expressed as a percentage of the executive's base salary. The targets are comparable to those of our compensation peer group.

Position	Target <i>at-risk</i> compensation for 2010		Actual payment of <i>at-risk</i> compensation for 2010	
	Short-term incentive target (% of base salary)	Long-term incentive program target (% of base salary)	Actual short-term incentive for 2010 (% of base salary)	Actual long-term incentive for 2010 (% of base salary)
Chief Executive Officer	100%	100% (minimum, if award to be made)	50%	237%
Other Named Executive Officers	45%	Individually determined on an annual basis with reference to benchmark data	22.5%	118% to 131%

Base Salaries

Base salaries of senior executives of the Corporation are established to ensure competitiveness and are reviewed annually based on individual responsibilities, expertise, contribution and performance. In assessing salary competitiveness, the Human Resource Committee reviews compensation profiles for each executive, which profiles are based on the compensation paid by companies within the Corporation's compensation peer group, and considers recommendations of the Chief Executive Officer relating to the senior officers including the Named Executive Officers (other than the Chief Executive Officer). Actual salaries for individual executives are then recommended by the Human Resource Committee for approval by the Board within the range for such executive established with reference to benchmarking data, based on the responsibilities, expertise, and overall contribution and performance of the executive, as well as the recommendations of the Chief Executive Officer.

The assessment of the contribution and performance of executives and other employees of the Corporation is completed using a performance management tool, with an annual and mid-year review being conducted for each individual. The Human Resource Committee annually establishes goals and priorities for the Chief Executive Officer and performs an annual and mid-year review of the performance of the Chief Executive Officer against these goals and priorities. The Human Resource Committee also reviews the performance evaluations of each of the other senior executives of the Corporation.

Consistent with the Corporation's desire to promote a high-performance culture among all employees of the Corporation, for the 2010 financial year of the Corporation base salaries of the senior executives of the Corporation were generally benchmarked at the 50th percentile of its compensation peer group, leaving a significant portion of total executive compensation *at-risk*.

Short-Term and Long-Term Incentives

Short-term and long-term incentives have two purposes. From the employees' perspective, they have an opportunity to receive above-average rewards for above-average corporate and individual performance and to build personal capital in an investment which they can influence. From the shareholders' perspective, short- and long-term incentives are an opportunity to recruit, retain and motivate a high-calibre of talent and serve as a significant *at-risk* component of total compensation, thus focusing attention on the success factors of the business which contribute to the value of the Corporation.

As noted above, for all of the Corporation's executive officers, a significant component of their total compensation is *at-risk*, reflecting their ability to influence business outcomes and financial performance. More relative weight is given to the *at-risk* component through targeting base salaries generally at the median of our compensation peer group, but targeting overall executive compensation to fall between the median and 75th percentile of our compensation peer group.

Short-Term Incentive Plan

The short-term incentive plan of the Corporation (the "Short-Term Incentive Plan" or "STIP") is a cash bonus plan the purpose of which is to align compensation with corporate targets and results, and thereby promote behaviours which benefit the interests of the Corporation and its shareholders, and to reward personal achievements in a graduated fashion with awards at the highest employee grades of the Corporation being linked more directly to overall corporate performance. All employees of the Corporation, other than certain sales employees who have a separate target-based bonus system, are entitled to participate in the STIP. Awards under the STIP to the Chief Executive Officer, and employees reporting directly to the Chief Executive Officer (including all of the Named Executive Officers), are based only on corporate performance, calculated in the manner set out below. Awards for other employees of the Corporation are based on both corporate performance and personal performance measured using a performance management tool.

Annual Corporate Scorecard and Calculation of STIP Awards

For each financial year, the Corporation establishes a corporate scorecard (the “Annual Scorecard”) forming part of its business plan for that financial year as approved by the Board. The Annual Scorecard consists of a series of objectives relating to financial and other goals of the Corporation for the applicable financial year, with financial goals being the most heavily weighted objectives, and payout target goals for such objectives. For each individual objective, a weighting factor and “threshold”, “target” and “double target” target payout goals are assigned. At the end of the financial year, the percentage achievement by the Corporation of its objectives and payout target goals for that year (the “Corporate Scorecard Attainment”) is measured using a formula set out in the STIP. In the event that the threshold target payout goal for a particular objective for the year has not been met, the percentage achievement by the Corporation of such objective is zero. The attainment of individual objectives is then added, with the sum being the Corporate Scorecard Attainment for the applicable financial year.

At the time of establishing its Annual Scorecard, the Corporation also establishes an amount (the “Initial Pool”) which is the total amount which would be payable for a financial year under the STIP to all participants at “target” payout goal for the Corporation in the Annual Scorecard. At the end of the year, assuming any STIP award is payable for that year, the aggregate amount to be paid to participants under the STIP is based upon the Initial Pool multiplied by the Corporate Scorecard Attainment for that year. In addition to the Annual Scorecard being weighted towards corporate financial objectives, the STIP provides that no awards will be payable under the STIP for any financial year in the event that the Corporation’s adjusted return on equity, calculated in the manner provided in the STIP, is less than 5 percent for that year.

Assuming that awards are payable for a financial year to STIP participants, the awards to be paid to participants are based upon the following formulae:

Grade Level of Employee	Formula
10 (Chief Executive Officer)	base salary, times individual STIP target ⁽¹⁾ , times Corporate Scorecard Attainment
7 through 9 (includes all Named Executive Officers)	same as the Chief Executive Officer
1 through 6	base salary, times individual STIP target ⁽¹⁾ , times individual performance rating factor ⁽²⁾ , times Corporate Scorecard Attainment

- (1) The STIP target for an employee is the target payout, based on employee grade level, set out in the STIP or, if applicable, as otherwise established as part of the employment arrangements between the employee and the Corporation. During the past financial year of the Corporation, the STIP target was 100% for Mr. Fink and 45% for each of the other Named Executive Officers. These STIP targets have been established to be consistent with those in our compensation peer group.
- (2) Please refer to description of performance rating factors below.

Pursuant to the foregoing formulae, STIP awards for employees at the highest grade levels within the Corporation are directly tied to the attainment by the Corporation of its Annual Scorecard. The Corporation considers this direct linkage between scorecard attainment and STIP awards for these individuals appropriate given the seniority of their roles and responsibilities and the resultant degree of contribution and influence they can have to the business outcomes and financial performance of the Corporation. Unlike less senior employees, where personal performance can increase awards under the STIP, we consider it appropriate that STIP awards for our most senior employees be linked directly to the performance of the Corporation as a whole.

For non-executive employees at lower employee grade levels, personal performance for the purpose of the STIP is based upon the performance rating factor assigned to an individual employee under the performance management tool used by the Corporation to annually review the performance of, and assign performance ratings to, employees. Under this tool, individual objectives for each employee are established annually, with performance against such objectives being measured at mid-year and at the end of each financial year with ratings being assigned based upon such performance. Performance ratings for employees in grade levels 1 through 6 consist of “did not meet”, “partially met”, “fully met”, “exceeds” and “significantly exceeds”, with the corresponding performance

rating factors being 0, 0.5, 1.0, 1.5 and 2.0, respectively. Performance rating factors are not established under the STIP for the Named Executive Officers, as any award under the STIP to a Named Executive Officer depends only on Corporate Scorecard Attainment, using the formula set out above.

Scorecard Objectives and Corporate Scorecard Attainment

The corporate objectives established for the Corporation’s 2010 financial year in the Corporation’s 2010 Annual Scorecard were heavily weighted to financial measures, which comprised 70 percent of the weighting of the 2010 Annual Scorecard. Information with respect to the financial objectives under the Corporation’s 2010 Annual Scorecard is set out below.

Financial Objective	Weighting	Threshold	Target	Double Target
Operating Earnings	50%	US\$21.6 million	US\$24.8 million	US\$39.0 million
Total Revenue	10%	US\$105.0 million	US\$118.0 million	US\$148.0 million
New Product Revenue	10%	US\$26.2 million	US\$35.4 million	US\$55.2 million
Total	70%			

The other objectives in the Corporation’s 2010 Annual Scorecard were measures relating to the achievement of initial product readiness (IPR) for the Corporation’s products during the year, including measures relating to the timely achievement of IPRs, which measures were given an aggregate 10 percent weighting, measures relating to continuous quality improvements, which were given a 10 percent weighting, and the results of an assessment of employee engagement and the establishment of a high performance culture, which were given a 10 percent weighting.

During the Corporation’s 2010 financial year, the manner of determining Gennum’s Corporate Scorecard Attainment was modified in accordance with an affordability model designed to ensure that revenue achieved by the Corporation sufficiently “fell through” to operating earnings before awards under the STIP became payable. An effect of this change was to reduce the level of Corporate Scorecard Attainment that would otherwise have been calculated under the Corporation’s 2010 Annual Scorecard, thus reducing the amount of the awards payable for 2010 under the STIP. Given this change, as well as the Corporation’s level of achievement of the financial and other objectives comprising the Corporation’s 2010 Annual Scorecard, the overall achievement of the Corporation’s 2010 Corporate Scorecard Attainment under the STIP was 50 percent. This 50 percent level of Corporate Scorecard Attainment was used to calculate individual awards, including for the Named Executive Officers, under the STIP using the formulae set out above.

Long-Term Incentive Program

Process

The Corporation’s long-term incentive program consists of awards under its long-term incentive plan (the “Long-Term Incentive Plan” or “LTIP”) and awards of options to purchase Common Shares under the Stock Option Plan (“Options”).

For the financial year of the Corporation ended November 30, 2010, the process used by the Human Resource Committee in making recommendations to the Board involved the consideration, based upon compensation peer group benchmarking, of an aggregate cash award for each Named Executive Officer (the “Long-Term Program Award”) allocated into two parts – an award to be made to the individual under the LTIP, and an award to be made to the individual in Options. To determine the number of Options to be awarded as part of the latter portion of the Long-Term Program Award, the applicable amount was divided by an option value which was determined using a *Black-Scholes* option valuation model.

In considering the quantum of the Long-Term Program Award for each Named Executive Officer and formulating a recommendation thereon to the Board, the Human Resource Committee considered (i) in the case of Named Executive Officers other than the Chief Executive Officer, the recommendations relating thereto of the Chief Executive Officer, based upon peer group data, internal equity considerations and the expected contributions of that individual to the Corporation, and (ii) long-term incentive compensation profiles for each executive based upon long-term incentives paid by companies within the Corporation's compensation peer group, as well as total compensation information (including salary, short- and long-term incentives and benefits) for the Named Executive Officers and executives within the Corporation's compensation peer group. Actual Long-Term Program Awards for each Named Executive Officer were then recommended by the Human Resource Committee for approval by the Board within the range for such executive established with reference to benchmarking data, and overall contribution and expected contribution of the individual to the Corporation's success.

As noted above, consistent with the Corporation's desire to promote a high-performance culture among all employees of the Corporation, while the Corporation generally benchmarked the base salaries of its senior executives at the 50th percentile of its compensation peer group, the Corporation generally uses its long-term incentive program and the other elements of its variable compensation to target overall executive compensation to fall between the median and 75th percentile of its compensation peer group, giving more relative weight to the *at-risk* component of executive compensation.

In making recommendations to the Board regarding the allocation of the elements of Long-Term Program Awards to the Named Executive Officers, the Human Resource Committee considered management's recommendations (in the case of Named Executive Officers other than the Chief Executive Officer), as well as compensation peer group information. For 2010, it was generally determined that approximately 60 percent of the Long-Term Program Awards would be allocated to LTIP awards and 40 percent would be allocated to Option awards, with adjustments being made for awards in certain cases. The employment agreement entered into between the Corporation and Mr. Fink provides that a portion equal to 70 percent of any Long-Term Program Award made to Mr. Fink is to be made in the form of Options. Consistent with the approach being taken by the Corporation, Mr. Fink agreed that, despite his employment contract, for 2010 a lesser portion of his Long-Term Program Award would be made in the form of Options. For 2010, approximately 54 percent of Mr. Fink's Long-Term Program Award was made in the form of Options.

Long-Term Incentive Plan

The LTIP is a discretionary long-term incentive plan, the purpose of which is to attract, retain and motivate key contributors to the Corporation and to encourage participants, through ownership of Common Shares, to build personal capital in the Corporation and its long-term success and to thereby align the interests of participants with shareholder interests. All senior executives and employees above a threshold employee grade level are eligible to participate in the Long-Term Incentive Plan. The principal factor considered in determining whether an award for an employee under the Long-Term Incentive Plan is warranted is the expected contribution of that employee to the Corporation's future success. The Board approves all awards under the LTIP.

Under the terms of the Long-Term Incentive Plan, cash awards, once determined for a participant, are deposited by the Corporation with the trustee under the Long-Term Incentive Plan, who invests such awards in Common Shares purchased in the secondary market and maintains a trust account for each participant's restricted share units or RSUs, consisting of holdings of Common Shares, dividends earned thereon and, until invested in Common Shares, cash awards. A participant's RSUs vest as to one-third upon each of the first, second and third anniversary of the date of the award, with vested holdings being disbursed to the participant (net of required withholdings) in kind in the form of Common Shares following the applicable vesting date.

Stock Option Plan

Information regarding the Stock Option Plan is set forth above under “Shares Authorized for Issuance under Equity Compensation Plans”.

To determine the number of Options to be awarded as part of the Long-Term Program Award for the 2010 financial year of the Corporation, the applicable amount of the Long-Term Program Award was divided by an option value which was determined using a *Black-Scholes* option valuation model. In considering the amount of the Long-Term Program Award to Named Executive Officers which would be made in the form of Options, the Human Resource Committee and the Board took into account previous grants of Options to such individuals.

Retirement Plan and Other Benefits

Until the end of the financial year of the Corporation ended November 30, 2008, the Corporation had a deferred profit sharing plan under which 6 percent of our pre-tax profit (subject to certain adjustments) was contributed to a pool which was distributed to executives and employees according to a formula based in part on each individual’s base salary (60 percent) and in part on the period the employee was employed during the year (40 percent). The funds were paid into tax-deferred trust accounts and fully vest with the recipients after two years of employment.

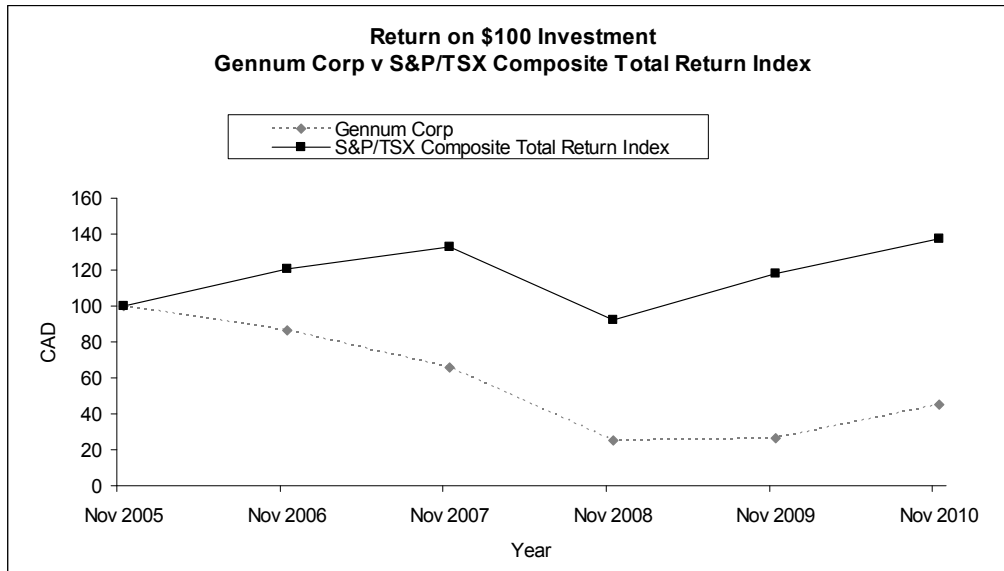
In February 2009, the Corporation introduced its defined contribution registered pension plan (the “DCPP”) and terminated the deferred profit sharing plan. The DCPP is the only pension plan of the Corporation. Under the DCPP, the Corporation makes an annual contribution to a member account for each employee who has enrolled in the DCPP equal to 5 percent of the employee’s annual base salary earnings. Employees may elect to (but are not required to) make voluntary contributions to their member accounts in an amount which, when added to company contributions, does not exceed the maximum amount under applicable legislation. See “Pension Plan Benefits” above for more information regarding the DCPP.

The Corporation also has a stock purchase plan under which eligible executives and employees may contribute a maximum of 5 percent of their base salary towards the purchase of Common Shares. Until January 2009, the Corporation contributed to the stock purchase plan 50 percent of the amount contributed by eligible executives and employees. In January 2009, the Corporation’s contribution was reduced to 25 percent of the amount contributed by eligible executives and employees. The total proceeds are invested in Common Shares, which are acquired in the secondary market. The stock purchase plan is structured to encourage employees to become and remain shareholders of the Corporation.

In addition to these arrangements, Named Executive Officers are entitled to certain benefits established by the Corporation, including a car allowance and related expenses, participation in life insurance, medical, dental, vision, health and wellness, accident and disability arrangements. In establishing these arrangements, the Corporation has considered competitive factors and similar arrangements within the Corporation’s compensation peer group.

SHAREHOLDER RETURN PERFORMANCE GRAPH

The following graph compares the yearly percentage change in cumulative total shareholder return over the last five years on our Common Shares (on the assumption that a shareholder had purchased Common Shares having a value of \$100 on November 30, 2005) with the cumulative total return of the S&P/TSX Composite Index, assuming reinvestment of dividends in Common Shares at the market price on each of the dividend payment dates.



	2005	2006	2007	2008	2009	2010
Gennum	100	86.27	65.66	25.41	26.23	45.31
S&P/TSX	100	120.63	132.70	92.53	118.21	137.47

During a period commencing in 2006 and continuing into the 2008 financial year of the Corporation, the business and operations of the Corporation were realigned to concentrate on core content creation and transmission markets and to divest assets not considered core to this strategy. During this period, Mr. Fink and certain of the other Named Executive Officers were recruited to implement this strategy. In order to recruit, retain and incent individuals during this period of change, the Corporation's compensation to executive officers has generally increased over the period reflected in the above table. However, consistent with the negative impact on the business of the Corporation experienced in 2009 during the global economic downturn, for the Corporation's 2009 financial year the compensation paid to executive officers was lower than levels in the preceding financial year as no bonus awards were paid to executive officers, awards to executive officers under the long-term incentive arrangements of the Corporation were reduced to approximately 60 percent of normal, benchmarked levels, and salaries of executive officers were temporarily reduced. For the Corporation's 2010 financial year, the compensation paid to executive officers was returned to normal, benchmarked levels, and accordingly increased from that paid in the preceding year.

COMPENSATION OF DIRECTORS

In respect of the financial year of the Corporation ended November 30, 2010, the directors of the Corporation who are not officers or employees of the Corporation (being all directors other than Mr. Fink) were entitled to fees as set out in the table below:

Nature of Fee	Amount (Cdn\$)
Annual retainer	25,000
Incremental annual retainer – Chairman of the Board	54,000
Incremental annual retainer – Chairman of the Audit Committee	15,000
Incremental annual retainer – Chairman of the Corporate Governance Committee	10,000
Incremental annual retainer – Chairman of the Human Resource Committee	15,000
Fee for attending each meeting of the Board or a Committee thereof	1,500
Fee for attending each brief or informal Board or Committee meeting	750
Per diem fee for special assignments undertaken at the request of the Board or the Chairman	2,000

Directors can elect to receive all or part of the cash compensation described above in purchased Common Shares or deferred share units (see “Deferred Share Unit Plan” below) or a combination thereof, after applicable deductions. For the financial year of the Corporation ended November 30, 2010, two directors elected to receive a portion of the cash compensation described above in purchased Common Shares (see “Director Compensation Table” below). The Board has agreed that, for directors who are resident outside of Canada, director fees will be the same numerical amounts indicated above, paid in U.S. dollars. All directors are also reimbursed for reasonable out-of-pocket travel and other expenses incurred by them in attending meetings of the Board or any Committee thereof.

Deferred Share Unit Plan

We have established a deferred share unit plan (the “DSU Plan”) for non-executive directors. Pursuant to the DSU Plan, on or before each annual meeting of shareholders of the Corporation (an “Annual Meeting”), the Board determines a value (the “DSU Value”) to be provided in the form of DSUs to each director elected at the Annual Meeting (the “Annual Grant”). The DSU Value for the Annual Grant is provided in the form of DSUs on the date of the Annual Meeting. The number of DSUs granted is determined by dividing the DSU Value by the weighted average price for all sales of Common Shares on the TSX (the “average share price”) on the five consecutive trading days preceding the date of the Annual Meeting. At a meeting held in February 2008, the Board determined that, until changed, the DSU Value for Annual Grants would be \$50,000. In addition, a newly elected or appointed member of the Board receives a one-time grant of DSUs upon their election or appointment (the “Initial Grant”), based on dividing the DSU Value determined for the purpose of the Initial Grant by the average share price on the five consecutive trading days preceding the date of such election or appointment. For this purpose, the Board has determined a DSU Value of \$100,000. The Initial Grant is subject to a vesting condition that such newly appointed or elected director must serve at least one year on the Board in order for the Initial Grant to vest. In addition, a newly elected or appointed director who receives the Initial Grant upon or within six months prior to an Annual Meeting in respect of which the director would otherwise receive an Annual Grant is not entitled to receive an Annual Grant for such year.

A director who receives DSUs also receives additional DSUs in respect of dividends payable on Common Shares based on the average share price on the five consecutive trading days preceding the payment date for such dividends. Directors may also elect to receive all or a portion of their annual board retainer, attendance fees, committee attendance fees, committee chairman retainer fees, and other fees for services as directors in the form of DSUs under the DSU Plan. For the financial year of the Corporation ended November 30, 2010, no such elections were made.

DSUs are redeemable at the time a director's membership on the Board terminates or in the event of the death of a director for a lump sum cash payment based on the average share price on the five consecutive trading days preceding the director's date of termination from the Board or death.

Director Compensation Table

The following table sets forth for each director of the Corporation other than Mr. Fink, the President and Chief Executive Officer of the Corporation, information concerning compensation earned from the Corporation for the financial year ended November 30, 2010.

Name ⁽¹⁾	Fees earned (US\$) ⁽²⁾	DSUs (US\$) ⁽²⁾	All other compensation (US\$) ⁽²⁾	Total (US\$) ⁽²⁾
Robert S. Weiss	106,929 ⁽³⁾	48,715	0	155,644
Alexander (Sandy) Adam	57,484	48,715	0	106,199
Steven J. Bilodeau	41,500 ⁽⁴⁾	48,715	0	90,215
Thomas W. Cryer	58,702	48,715	0	107,417
Roger M. Dickhout	39,703 ⁽³⁾	48,715	0	88,418
Jeffrey S. McCreary	41,500	48,715	0	90,215
Fred Shlapak	56,509	48,715	0	105,224

- (1) Mr. Fink does not receive any fees, DSUs or any other incremental compensation for serving as a director of the Corporation. Disclosure concerning compensation earned by Mr. Fink as President and Chief Executive Officer of the Corporation has been included under the table above under "Executive Compensation - Summary Compensation Table".
- (2) Fees and other compensation paid is payable in Canadian dollars, other than for Messrs. Bilodeau and McCreary who are paid such amounts in U.S. dollars. Amounts for DSUs reflect the amount of the "DSU Value" awarded for 2010, which is determined in Canadian dollars. Amounts in Canadian dollars have been converted to United States dollars using the noon rate of exchange established by the Bank of Canada for the conversion of Canadian dollars to U.S. dollars on November 30, 2010 of Cdn\$1.00 = US\$0.9743.
- (3) For the financial year ended November 30, 2010, each of Messrs. Weiss and Dickhout elected to receive 50% of the fees earned by them in purchased Common Shares. In accordance with such elections, Mr. Weiss received 4,947 Common Shares and Mr. Dickhout received 2,822 Common Shares in satisfaction of 50% of the applicable fee amount reflected above.
- (4) Mr. Bilodeau elected to receive all of the fees earned in the form of DSUs. Accordingly, in addition to the DSUs reflected in the table above, Mr. Bilodeau received DSUs in the amount of US\$41,500 in lieu of receiving these cash fees.

Outstanding Share-Based Awards

The following table sets out for each director of the Corporation, other than Mr. Fink, the President and Chief Executive Officer, information concerning all share-based awards outstanding as of November 30, 2010, including awards granted before the commencement of the most recently completed financial year.

Name ⁽¹⁾	Share-based Awards			
	Number of DSUs (#)	Market or payout value of DSUs (US\$) ⁽²⁾	Other Share-Based Awards (#)	Market or Payout Value of Other Share-Based Awards (US\$)
Robert S. Weiss	26,683	180,681	0	0
Alexander (Sandy) Adam	26,683	180,681	0	0
Steven J. Bilodeau	38,243	258,958	0	0
Thomas W. Cryer	20,005	135,462	0	0
Roger M. Dickhout	26,683	180,681	0	0
Jeffrey S. McCreary	33,164	224,566	0	0
Fred Shlapak	26,683	180,681	0	0

- (1) Mr. Fink does not receive any fees, DSUs or any other incremental compensation for serving as a director of the Corporation. Disclosure concerning compensation earned by Mr. Fink as President and Chief Executive Officer of the Corporation has been included under the table above under "Executive Compensation - Summary Compensation Table".
- (2) Using the closing price of the Common Shares on the TSX on November 30, 2010 of Cdn\$6.95, and converted into U.S. dollars using the noon rate of exchange established by the Bank of Canada for the conversion of Canadian dollars to U.S. dollars on November 30, 2010 of Cdn\$1.00 = US\$0.9743.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than as disclosed below, no current or former director, executive officer or employee of the Corporation or any of its subsidiaries (or any associate of such individuals) is indebted to the Corporation or any of its subsidiaries, or to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Corporation or any of its subsidiaries. As of the date hereof, one employee of the Corporation has indebtedness in the amount of approximately US\$83,973 owing to the Corporation relating to a housing loan.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation maintains directors' and officers' liability insurance in the amount of \$30 million in the aggregate for the term January 1, 2011 to January 1, 2012. The aggregate annualized premium for the policy is Cdn\$83,354. No director or officer of the Corporation pays any portion of this premium.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Overview

This statement of corporate governance practices is made pursuant to National Instrument 58-101, Disclosure of Corporate Governance Practices, of the CSA.

Our Board and management believe that good corporate governance is essential to effective, efficient and prudent operations. As the corporate governance process is a dynamic one and is unique to each corporation, it requires review, assessment and modification on an ongoing basis.

Board Mandate

The Board is responsible to ensure that we are appropriately meeting the needs of all of our stakeholders so that long-term value to Shareholders is achieved. Our Board has approved its mandate, and the mandate is reviewed on a periodic basis. A copy of the Board mandate is attached to this Circular as appendix A.

Board Responsibilities

The Board supervises the management of our business and affairs with the objective of carrying out its mandate in accordance with its obligations under law. It oversees our overall strategic and operational plans as well as their implementation. In addition, the Board considers the Corporation's organizational structure to ensure that it reflects the corporate objectives and takes into account the interests of all stakeholders.

Board responsibilities include the assessment of our principal risk management policies and related monitoring systems. The Board also monitors and assesses the scope, implementation and integrity of our internal control and management information systems. Risks arising from, or incidental to, our business activities include, among others, financial, contractual, regulatory, technological and competitive risks.

The Board is also responsible for overseeing management's succession planning and its implementation, as well as the recruitment, education and orientation of new directors. Assessments of directors and officers are conducted annually by the Board, as described below.

It is believed that appropriate structures, systems and procedures are in place to allow the directors to exercise their duties and responsibilities in the Corporation's best interests and those of its stakeholders.

Ethics and Integrity

The Corporation's core values are a small set of guiding principles by which we navigate ourselves; they have intrinsic value and importance to people inside the organization. We hold to our values even if they become a competitive disadvantage. The Corporation's core values are: Integrity; Fierce Resolve to Win; Customer First; People Excellence; Genuine Respect. We first introduced a code of business conduct (the "Code") governing the conduct of our directors, officers and employees in 1991, and all employees are required to execute an acknowledgment of their commitment to abide by the Code on an annual basis. A copy of our Code is posted at the Investor Relations/Corporate Governance section of our website (www.gennum.com).

We have a whistleblower policy to encourage employees to raise any concerns they may have regarding accounting, internal accounting controls and auditing matters, as well as concerns regarding instances of misconduct including illegal or unethical behaviour, fraudulent activities, and violation of the Corporation's policies. We use the services of an external service provider to host a website and 1-800 number through which employees may submit concerns on a confidential and anonymous basis. Financial and accounting submissions are directed to the Chairman of the Audit Committee and the General Counsel, who coordinate investigations as required. Ethical and other issues are directed to the Disclosure and Compliance Committee for investigation and

reporting. The members of the Disclosure and Compliance Committee are the Chief Financial Officer, the General Counsel, the Senior Vice-President of Human Resources, the Director of Accounting and Analysis, and the Director, Compliance and Controls of the Corporation.

Board Composition

The articles of the Corporation provide that the Board is to consist of a minimum of three and a maximum of ten directors. The directors of the Corporation have been empowered to determine from time to time the number of directors of the Corporation within the minimum and maximum numbers provided for in our articles. The Board has determined that, until subsequently changed, the number of directors of the Corporation will be eight directors. The Board currently considers this an appropriate number for diversity of opinion and effective decision-making. We believe that the Board collectively has an appropriate diversity of background and experience.

We view director recruitment and board renewal as an ongoing process. Under the guidance of the Corporate Governance Committee, a list of the competencies, skills and personal qualities considered necessary was developed in respect of prior director searches. This list of competencies has been revisited periodically to reflect the skills and experience on the Board. When appropriate, prospective candidates are interviewed by a number of directors and are subsequently asked to join the Board, either as a nominee for election at an annual meeting of shareholders, or by appointment by the Board during the year.

Independence

The Board reviews on an annual basis the independence of each of its directors. The Board has determined that seven of the eight nominee directors are independent (the non-independent director being Mr. Fink, by virtue of the fact that he is the President and Chief Executive Officer). In making its determination regarding the status of Board members, the Board examines current business and personal relationships to ensure independence from management, based on the definition of the term “independent” under applicable securities legislation. Other than Mr. Fink, none of our directors works in our day-to-day operations, is a party to any material contract with us, or receives any fees from us other than by virtue of his services in his capacity as a director of the Corporation.

The roles of the Chairman of the Board and Chief Executive Officer have remained separate since June 1, 1991. The Chairman, Mr. Weiss, is not a member of management of the Corporation and is independent. The Board, the Chairman and the Chief Executive Officer have clearly defined responsibilities. The performance of the Chief Executive Officer is monitored by both the Human Resource Committee and the Board. Position descriptions for the Chairman and for the Chief Executive Officer, as well as for the Chairs of the standing committees of the Board, have been established, and may be viewed at the Investor Relations/Corporate Governance section of our website (www.gennum.com).

Conflicts of Interest

Our Code provides that all directors are expected to avoid situations where personal interests conflict or could reasonably appear to conflict with duties and responsibilities or the interests of the Corporation as a whole. The Code further provides that, when faced with an actual or potential conflict of interest, directors must inform the Chairman of the Board and comply with the applicable requirements of the *Business Corporations Act* (Ontario) and the Corporation’s by-laws. Pursuant to these requirements, among other things, any director who is party to an actual or proposed material contract or transaction with the Corporation, or who is a director or officer of or has a material interest in any person who is a party to an actual or proposed material contract or transaction with the Corporation, is required to disclose in writing to the Corporation or ask to have entered into the minutes of meetings of its directors the nature and extent of his interest, and generally is not permitted to attend any part of a meeting of directors during which the contract or transaction is discussed or vote on any resolution to approve the contract or transaction.

Orientation and Education

We recognize the need to educate directors regarding the role of the Board and the nature of our businesses. All directors are provided a Corporate Governance Manual containing details of the organizational structure of the Corporation, the structure of the Board and its committees and significant policies and procedures of the Corporation. In addition, orientation sessions are held as appropriate. During each session, the General Managers of our businesses review the markets in which we operate, our products, and the challenges we face in each business. A general financial review and a review of our compensation structures and integrated planning process are also conducted. Each of the directors also has the opportunity to meet individually with members of management in order to facilitate their understanding of our businesses.

Committee Structure

The Board has established three committees to assist with its overall duties and objectives. All Board committees are composed entirely of outside and independent directors. Although certain tasks and duties are assigned to the committees, it is the Board that has ultimate and overall responsibility for these matters.

Audit Committee

The purpose of the Audit Committee is to make recommendations to the Board concerning matters relating to finance, the external auditor and financial risk. The Audit Committee, which has a minimum of four meetings each year (seven meetings in 2010), also has the general responsibility of overseeing the financial reporting process of the Corporation, including overseeing management's responsibilities for reporting on internal controls and disclosure controls. The Audit Committee's mandate is reviewed on a periodic basis. Members of the Audit Committee meet with the auditor without management at least semi-annually. The Audit Committee currently consists of three directors, all of whom are independent and financially literate, within the meaning of applicable securities legislation.

Further information regarding the Audit Committee is provided in our latest annual information form under the section entitled "Audit Committee".

Corporate Governance Committee

The purpose of the Corporate Governance Committee is to make recommendations to the Board concerning Board membership, structure, organization and compensation, and to develop appropriate systems and procedures to enable the Board to exercise and discharge its responsibilities. In making recommendations to the Board concerning Board membership, the Corporate Governance Committee identifies and reviews suitable candidates to act as directors of the Corporation. The Corporate Governance Committee currently consists of three independent directors and meets at least twice a year (three meetings in 2010).

The Corporate Governance Committee, through direct dialogue with the Chairs of each Board committee and director questionnaires, also conducts periodic assessments of the effectiveness of the Board and reviews the performance of individual directors. Self assessments were last completed in December 2010.

The Corporate Governance Committee is also mandated to ensure directors' compensation levels reflect the risks and responsibilities involved. The Committee reviews directors' compensation annually. Individual directors are entitled to engage outside consultants at the Corporation's expense, subject to the approval of the Corporate Governance Committee.

Human Resource Committee

The purpose of the Human Resource Committee is to make recommendations to the Board concerning compensation policies, organization and succession planning, and the appointment and compensation of executive officers. The Committee currently consists of three independent directors. This Committee, which has at least three meetings a year (four meetings in 2010), has prime responsibility for ensuring that succession plans are in place to adequately provide for the eventual replacement of the President and Chief Executive Officer.

Compensation

As described above, the Corporate Governance Committee and the Human Resource Committee make recommendations to the Board concerning director compensation and executive officer compensation, respectively. The Corporation has previously engaged Watson Wyatt to review and provide comparative information with respect to the compensation of both the directors and the executive officers of the Corporation. For the 2010 financial year of the Corporation, the Human Resource Committee obtained updated compensation information for companies comprising the Corporation's compensation peer group from Radford Consulting and considered such information in its determinations relating to compensation for the executive officers and other employees of the Corporation. Please refer to "Compensation Discussion and Analysis" above.

Meetings Held and Attendance of Directors

The information set out below reflects the meetings held by the Board and its committees during the financial year of the Corporation ended November 30, 2010. Attendance of each of the directors at the Board and Committee meetings during the financial year was as follows:

Director	Board Meetings Attended	Audit Committee Meetings Attended	Human Resource Committee Meetings Attended	Corporate Governance Committee Meetings Attended	Total Meetings Attended
Robert S. Weiss	9 of 9	7 of 7	4 of 4	3 of 3	23 of 23
Alexander (Sandy) Adam	9 of 9	7 of 7	--	3 of 3	19 of 19
Steven J. Bilodeau	9 of 9	--	--	3 of 3	12 of 12
Thomas W. Cryer	8 of 9	7 of 7	--	--	15 of 16
Roger M. Dickhout	7 of 9	--	4 of 4	--	11 of 13
Franz J. Fink	9 of 9	--	--	--	9 of 9
Jeffrey S. McCreary	8 of 9	--	4 of 4	--	12 of 13
Fred Shlapak	9 of 9	--	4 of 4	--	13 of 13

In addition to the Committee meetings referred to above, during the year a special projects committee of the Board was formed. Each member of the special projects committee attended all meetings of such committee.

During each meeting of the Board and each of its committees, directors meet *in camera* without management and any non-independent director(s). In addition, Board members communicate and meet informally throughout the year, both with and without management and any non-independent director(s).

Decision-Making Process and Management Expectations

The Board has developed a format and a process to facilitate the carrying out of its responsibilities. Its prime and specific responsibilities have been outlined in the mandates of the Board and its committees, along with a schedule of authorization limits, which together set out decisions requiring prior approval of the Board. Expectations of management have been established primarily through the position description of the President and Chief Executive Officer. Our management is expected to take on responsibility for planning, directing and managing the Corporation to achieve targeted profitability and return on invested capital while ensuring the perpetuation and growth of the business.

On an annual basis, the Board reviews and approves the Corporation's future strategic and operating plans and an annual budget.

Shareholder Communication

The Corporation maintains an information communication policy and a corporate disclosure procedure intended to ensure that we provide timely, factual and balanced disclosure of material information concerning the Corporation. The Board reviews the policy and the detailed procedures thereunder on a periodic basis. For shareholders, information is released through the news wire services, the general media, conference calls, mailings to shareholders, filings on SEDAR and through the Corporation's website. The Board recognizes the importance of effective and timely information, the benefits of open lines of shareholder communication and the need for an ongoing review of the shareholder information and communication process. An investor may contact the Corporation's Investor Relations department to obtain pertinent information and to provide the Corporation with shareholder feedback or concerns.

Other Available Information

Copies of the following documents may be viewed at the Investor Relations/Corporate Governance section of our website at www.gennum.com:

- (a) Mandates for the Board and each committee of the Board.
- (b) Position descriptions for the Chairman of the Board, the President and Chief Executive Officer and the Chairs of the standing committees of the Board.
- (c) Code of business conduct.

ADDITIONAL INFORMATION

Additional information regarding the Corporation may be found on SEDAR at www.sedar.com and on our website at www.gennum.com. Financial information regarding the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year.

Information regarding the Corporation (including copies of the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year) may be obtained by shareholders without charge upon written request to our Corporate Secretary at 4281 Harvester Road, Burlington, Ontario L7L 5M4.

APPROVAL OF DIRECTORS

The contents and the sending of this management information circular have been approved by our Board of Directors.

DATED at Burlington, Ontario this 28th day of February, 2011.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'Franz J. Fink', with a stylized flourish at the end.

Franz J. Fink
President and Chief Executive Officer

APPENDIX A

GENNUM CORPORATION BOARD OF DIRECTORS

MANDATE

The Board of Directors (the “Board”) of Gennum Corporation (the “Company”) is responsible for the supervision of the management of the Company, with a view to appropriately meeting the needs of all of its stakeholders in accordance with its duties so that long-term value to its shareholders is achieved.

BOARD COMPOSITION

The Board shall consist of seven or more directors, the specific number to be set from time to time by the Board within the minimum and maximum numbers approved by the shareholders. The directors shall be elected by the shareholders, except as permitted by the *Business Corporations Act* (Ontario).

At least a majority of the members of the Board shall be independent, free from any direct or indirect relationship that, in the opinion of the Board, interferes with the exercise of a director’s independent judgement. The Board shall annually, in consultation with the Corporate Governance Committee and in connection with the Company’s annual disclosure regarding corporate governance, determine which directors are “independent”. In making such determination of independence, the Board shall take into account any rules or guidance provided by the applicable securities regulators and stock exchanges.

Where a vacancy arises on the Board, the Board shall determine the appropriate person to fill such vacancy, taking into account the recommendations of the Corporate Governance Committee. Alternatively, where such vacancy results from the resignation or departure of a Board member, the Board may decide to reduce the size of the Board.

MEETINGS AND BOARD PROCESS

The Board shall meet at least five times per year, once after each quarter and once to consider the annual business plan. In addition, the Board will meet more frequently as circumstances dictate.

Board meetings will provide, or allow for, independent discussions and input from all Board members.

The Board will hold unscheduled or regularly scheduled meetings, or portions of each regularly scheduled meeting, at which management (including any management directors) are not present.

Board and Board Committee liaison with the Company will be principally through the Chief Executive Officer and the General Counsel of the Company. Assistance will be available from the Manager of Corporate Services of the Company.

The Board may, from time to time, delegate or assign specific duties, tasks or authority, including the specific functions, responsibilities and duties outlined below, to individuals or Committees (including those listed below as well as *ad hoc* Committees formed from time to time at the discretion of the Board) for decisions, review, advice or recommendations. In this regard,

- To assist the Board with respect to board membership, structure, organization and compensation, and to assist the Board in developing appropriate systems and procedures to enable the Board to exercise and discharge its responsibilities, a Corporate Governance Committee has been established.
- To assist the Board with respect to matters relating to financial reporting and financial controls, the external auditor, financial and other risk, and compliance with corporate and securities statutes, an Audit Committee has been established.
- The Board appoints all the corporate officers including the Chairman and the Corporate Secretary. The Chairman shall be designated from among the members of the Board, and shall be independent.
- To assist the Board with respect to matters relating to organizational structure, management development, succession planning, compensation design, and performance evaluation, a Human Resource Committee has been established.

Each of the Committees shall operate under a written Mandate approved by the Board. The three standing Committees of the Board shall be comprised solely of independent directors.

The Board has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and has direct access to the books, records, facilities and personnel of the organization. The Board, or an individual director with the approval of the Corporate Governance Committee (which will not unreasonably be withheld), has the ability to retain, at the Company's expense, independent legal counsel, or accounting or other consultants, advisors or experts it deems necessary in the performance of its duties.

SPECIFIC FUNCTIONS, RESPONSIBILITIES AND DUTIES

Board Constitution

- (1) Consider and determine the most appropriate and effective board for the Company, having regard to considerations including appropriate board size and composition, member background, expertise and independence.
- (2) Consider and implement a process for nominating, orienting, assessing and remunerating board members.

Board Operation

- (3) Maintain an awareness of the overall responsibilities and functions of a board of directors, including awareness of developments in applicable law and practices relating to corporate governance.
- (4) Review and reassess the adequacy of this Mandate from time to time and submit any recommended changes in the Mandate to the Corporate Governance Committee of the Board.
- (5) Periodically assess the effectiveness of the Board against its Mandate.
- (6) Evaluate the effectiveness of the Board as a whole and develop appropriate succession plans.
- (7) With a view to board duties, responsibilities and composition, consider the Committees of the Board required.
- (8) Review the reports and/or minutes of the Committees.
- (9) Evaluate the areas of exposure to corporate, director and officer liability and consider ways of minimizing the risks and exposure.
- (10) Consider and determine the position, responsibilities, appointment, assessment and remuneration of the Chairman.
- (11) Consider and determine the working formats and processes under which the Board and Committees will operate.

Shareholder and Other Interests

- (12) Refer to the shareholders all matters requiring their approval.
- (13) Take into account the interests of other stakeholders in accordance with and subject to directors' duties.

Operational Matters

- (14) Appoint officers and approve their compensation. The responsibility to review and recommend annual compensation for officers for Board approval is delegated to the Human Resource Committee.
- (15) Oversee the employment of a proper strategic planning process by the Company.
- (16) Review and approve corporate goals, objectives, strategies, business plans and performance on an annual basis.
- (17) Periodically review performance relative to the business plan.

- (18) Oversee the investment in and allocation of human and capital resources.
- (19) Review and approve significant business acquisitions, joint ventures, and divestitures, and dividend payments.
- (20) Review and approve the capital expenditure procedure and those requests that exceed management's approval limit thereunder.
- (21) Review and approve Company banking resolutions.
- (22) Review and approve any changes in the issued shares.
- (23) Oversee the development of policies and processes so that the Company communicates in a timely and effective manner in accordance with applicable law with its shareholders, other stakeholders and the public generally.
- (24) Oversee the adoption of a strategic planning process with respect to long term goals and strategies and monitoring management's performance in implementing such strategies.

Financial and Public Reporting

- (25) Review accounting policies, internal control and audit procedures.
- (26) Through the Audit Committee, oversee the management of risk and exposure through an understanding of the business of the Company and overseeing the development and maintenance of systems to appropriately monitor and manage risks as they may impact the long-term viability of the Company.
- (27) Oversee the integrity and effectiveness of corporate internal control and management information systems.
- (28) Review and approve the management information circular for the annual meeting of shareholders.
- (29) Review and approve the annual information form of the Company.
- (30) Upon recommendation of the Audit Committee, review and approve the annual report to shareholders, including the audited consolidated financial statements and the notes thereto and the management's discussion and analysis, as well as the related news release of the Company.
- (31) Upon recommendation of the Audit Committee, review and approve quarterly financial statements and the related management's discussion and analysis and news release of the Company.
- (32) Consider the payment of any proposed dividends by the Company and approve the payment of dividends, if any, in accordance with applicable corporate requirements.
- (33) Upon recommendation of the Audit Committee, recommend the appointment of auditors to the shareholders and fix their remuneration as directed by the shareholders. The approval of audit fees is delegated to the Audit Committee.
- (34) Adopt a corporate conduct code, and monitor, or oversee monitoring of, compliance with such code, with a view to conducting the Company's business in accordance with ethical standards and in compliance with applicable laws and regulations.

General

- (35) Provide advice to management as considered appropriate.
- (36) As considered appropriate, periodically review and approve the election or appointment of directors of the wholly-owned subsidiaries of the Company.

The Board shall also be responsible for any other function, responsibility or duty required by applicable law.

APPENDIX B

**RESOLUTION OF THE SHAREHOLDERS
OF GENNUM CORPORATION**

APPROVAL OF SHAREHOLDER RIGHTS PLAN

BE IT RESOLVED THAT:

1. the shareholder rights plan of the Corporation be continued, and the amended and restated shareholders rights plan agreement to be made effective as of April 6, 2011 between the Corporation and CIBC Mellon Trust Company (the "Rights Agent"), which amends and restates the shareholder rights plan agreement dated January 26, 2005 between the Corporation and the Rights Agent (the "Rights Plan") and continues the rights issued under the Rights Plan, is hereby approved; and
2. any one director or officer of the Corporation is hereby authorized to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this resolution.

APPENDIX C

SUMMARY OF SHAREHOLDER RIGHTS PLAN

The following is a summary of the features of the Amended Rights Plan. The summary is qualified in its entirety by the full text of the Amended Rights Plan, a copy of which is available on Gennum's website at www.gennum.com and is also available to any shareholder on request from the Corporate Secretary of Gennum as described in the Circular. All capitalized terms used in this summary without definition have the meanings attributed to them in the Amended Rights Plan unless otherwise indicated.

(a) Issuance of Rights

One Right was issued by Gennum for each Common Share outstanding at the close of business on January 26, 2005, and the date of implementation of the Amended Rights Plan, and one Right was issued by Gennum for each Common Share issued after such date and prior to the earlier of the Separation Time and the Expiration Time. The Amended Rights Plan reconfirms the Rights and Gennum's authority to continue issuing one new Right for each Common Share issued. Each Right entitles the registered holder thereof to purchase from Gennum one Common Share at the exercise price equal to three times the Market Price of the Common Share, subject to adjustment and certain anti-dilution provisions (the "Exercise Price"). The Rights are not exercisable until the Separation Time. If a Flip-in Event occurs, each Right will entitle the registered holder to receive, upon payment of the Exercise Price, Common Shares having an aggregate market price equal to twice the Exercise Price.

Gennum is not required to issue or deliver Rights, or securities upon the exercise of Rights, outside Canada where such issuance or delivery would be unlawful without registration of the relevant Persons or securities. If the Amended Rights Plan would require compliance with securities laws or comparable legislation of a jurisdiction outside Canada, the Board of Directors may establish procedures for the issuance to a Canadian resident fiduciary of such securities, to hold such Rights or other securities in trust for the Persons beneficially entitled to them, to sell such securities, and to remit the proceeds to such Persons.

(b) Trading of Rights

Until the Separation Time (or the earlier termination or expiration of the Rights), the Rights will be evidenced by the certificates representing the Common Shares and will be transferable only together with the associated Common Shares. From and after the Separation Time, separate certificates evidencing the Rights ("Rights Certificates") will be mailed to holders of record of Common Shares (other than an Acquiring Person) as of the Separation Time. Rights Certificates will also be issued in respect of Common Shares issued prior to the Expiration Time, to each holder (other than an Acquiring Person) converting, after the Separation Time, securities ("Convertible Securities") convertible into or exchangeable for Common Shares. The Rights will trade separately from the Common Shares after the Separation Time.

(c) Separation Time

The Separation Time is the Close of Business on the tenth Business Day after the earlier of (i) the "Stock Acquisition Date", which is generally the first date of public announcement of facts indicating that a Person has become an Acquiring Person or such later date as may from time to time be determined by the Board of Directors; (ii) the date of the commencement of, or first public announcement of the intent of any Person (other than Gennum or any Subsidiary of Gennum) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, and the Amended Rights Plan requires such bid to continue to satisfy the requirements of a Permitted Bid or Competing Permitted Bid); and (iii) the date on which a Permitted Bid ceases to qualify as such. In any case, the Separation Time can be such later date as may from time to time be determined by the Board of Directors. If a Take-over Bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, it shall be deemed never to have been made.

(d) Acquiring Person

In general, an Acquiring Person is a Person who is the Beneficial Owner of 20 percent or more of the outstanding Common Shares. Excluded from the definition of "Acquiring Person" are Gennum and its Subsidiaries, and any Person who becomes the Beneficial Owner of 20 percent or more of the outstanding Common Shares as a result of one or more or any combination of an acquisition or redemption by Gennum of Common Shares, a Permitted Bid Acquisition, an Exempt Acquisition, a Convertible Security Acquisition and a Pro Rata Acquisition. The definitions of "Permitted Bid Acquisition",

“Exempt Acquisition”, “Convertible Security Acquisition” and “Pro Rata Acquisition” are set out in the Amended Rights Plan. However, in general:

- (i) a “Permitted Bid Acquisition” means an acquisition of Common Shares made pursuant to a Permitted Bid or a Competing Permitted Bid;
- (ii) an “Exempt Acquisition” means an acquisition of Common Shares in respect of which the Board of Directors has waived the application of the Amended Rights Plan, which was made pursuant to a dividend reinvestment plan of Gennum, which was made pursuant to the receipt or exercise of rights issued by Gennum to all the holders of Common Shares (other than holders resident in a jurisdiction where such distribution is restricted or impracticable as a result of applicable law) to subscribe for or purchase Common Shares or Convertible Securities (provided that such rights are acquired directly from Gennum and not from any other Person and provided that the Person does not hereby acquire a greater percentage of Common Shares or Convertible Securities so offered than the Person’s percentage of Common Shares or Convertible Securities beneficially owned immediately prior to such acquisition), which was made pursuant to a distribution by Gennum of Common Shares or Convertible Securities made pursuant to a prospectus (provided that the Person does not thereby acquire a greater percentage of the Common Shares or Convertible Securities so offered than the percentage owned immediately prior to such acquisition), which was made pursuant to a distribution by Gennum of Common Shares or Convertible Securities by way of a private placement or a securities exchange Take-over bid circular of Gennum or upon the exercise by an individual employee of stock options granted under a stock option plan of Gennum or rights to purchase securities granted under a share purchase plan of Gennum, or which is made pursuant to an amalgamation, merger or other statutory procedure requiring shareholder approval;
- (iii) a “Convertible Security Acquisition” means an acquisition of Common Shares upon the exercise of Convertible Securities received by such Person pursuant to a Permitted Bid Acquisition, Exempt Acquisition or a Pro Rata Acquisition; and
- (iv) a “Pro Rata Acquisition” means an acquisition as a result of a stock dividend, a stock split or other event pursuant to which such Person receives or acquires Common Shares or Convertible Securities on the same pro rata basis as all other holders of Common Shares of the same class.

Also excluded from the definition of “Acquiring Person” are underwriters or members of a banking or selling group acting in connection with a distribution of securities by way of prospectus or private placement, a Person in its capacity as an Investment Manager, Trust Corporation, Plan Trustee, Statutory Body, Crown agent or agency or Manager (provided that such Person is not making or proposing to make a Take-over Bid), and a Person (a “Grandfathered Person”) who is the Beneficial Owner of 20 percent or more of the outstanding Common Shares as at the Record Time, provided, however, that this exception ceases to be applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after the Record Time: (1) cease to own 20 percent or more of the outstanding Common Shares or (2) become the Beneficial Owner of additional Common Shares constituting more than 1 percent of the number of Common Shares outstanding as at the Record Time.

(e) Beneficial Ownership

General

A Person shall be deemed the Beneficial Owner, and to have Beneficial Ownership of, and to Beneficially Own: (i) any securities of which such Person or any Affiliate or Associate of such Person is the owner at law or in equity or over which such Person or any Affiliate or Associate of such Person exercises control or direction; (ii) any securities as to which such Person or any of such Person’s Affiliates or Associates has the right to acquire (1) upon the exercise of any Convertible Securities, or (2) pursuant to any agreement, arrangement or understanding, in each case if such right is exercisable immediately or within a period of 60 days and whether or not on condition or the happening of any contingency (other than customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of to the public or pursuant to a private placement of securities or pursuant to a pledge of securities in the ordinary course of business); and (ii) any securities that are Beneficially Owned within the meaning of (i) or (ii) hereof by any other Person with whom such Person is acting jointly or in concert.

Institutional Shareholder Exemptions from Beneficial Ownership

The definition of “Beneficial Ownership” contains several exclusions whereby a Person is not considered to “Beneficially Own” a security. There are exemptions from the deemed “Beneficial Ownership” provisions for institutional shareholders acting in the ordinary course of business. These exemptions apply to (i) an investment manager (“Investment Manager”) which holds securities in the ordinary course of business in the performance of its duties for the account of any other Person (a “Client”) including, the acquisition or holding of securities for non-discretionary accounts held on behalf of a Client by a broker or dealer registered under applicable securities laws; (ii) a licensed trust company (“Trust Corporation”) acting as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent persons (each an “Estate Account”) or in relation to other accounts (each an “Other Account”) and which holds such security in the ordinary course of its duties for such accounts; (iii) the administrator or the trustee (a “Plan Trustee”) of one or more pension funds or plans (a “Plan”) registered under applicable law; (iv) a Person who is a Plan or is a Person established by statute (the “Statutory Body”), and its ordinary business or activity includes the management of investment funds for employee benefit plans, pension plans, insurance plans, or various public bodies; (v) a Crown agent or agency; or (vi) a manager or trustee (“Manager”) of a mutual fund (“Mutual Fund”) that is registered or qualified to issue its securities to investors under the securities laws of any province of Canada or the laws of the United States of America or is a Mutual Fund. The foregoing exemptions only apply so long as the Investment Manager, Trust Corporation, Plan Trustee, Plan, Statutory Body, Crown agent or agency, Manager or Mutual Fund is not then making or has not then announced an intention to make a Take-over Bid, other than an Offer to Acquire Common Shares or other securities pursuant to a distribution by Gennum or by means of ordinary market transactions.

A Person will not be deemed to “Beneficially Own” a security because (i) the Person is a Client of the same Investment Manager, an Estate Account or an Other Account of the same Trust Corporation, or Plan with the same Plan Trustee as another Person or Plan on whose account the Investment Manager, Trust Corporation or Plan Trustee, as the case may be, holds such security; or (ii) the Person is a Client of an Investment Manager, Estate Account, Other Account or Plan, and the security is owned at law or in equity by the Investment Manager, Trust Corporation or Plan Trustee, as the case may be.

Exemption for Permitted Lock-up Agreement

Under the Amended Rights Plan, a Person will not be deemed to “Beneficially Own” any security where the holder of such security has agreed to deposit or tender such security, pursuant to a Permitted Lock-up Agreement, to a Take-over Bid made by such Person or such Person’s Affiliates or Associates or a Joint Actor, or such security has been deposited or tendered pursuant to a Take-over Bid made by such Person or such Person’s Affiliates, Associates or Joint Actors until the earliest time at which any such tendered security is accepted unconditionally for payment or is taken up or paid for.

A Permitted Lock-up Agreement is essentially an agreement between a Person and one or more holders of Common Shares and/or Convertible Securities (the terms of which are publicly disclosed and available to the public within the time frames set forth in the definition of Permitted Lock-up Agreement) pursuant to which each Locked-up Person agrees to deposit or tender Common Shares and/or Convertible Securities (“Locked-Up Securities”) to the Lock-up Bid and which further (i) permits the Locked-up Person to withdraw its Locked-Up Securities in order to deposit or tender the Locked-Up Securities to another Take-over Bid or support another transaction at a price or value that exceeds the price under the Lock-Up Bid; or (ii) permits the Locked-up Person to withdraw its Locked-Up Securities in order to deposit or tender the Locked-Up Securities to another Take-over Bid or support another transaction at an offering price that exceeds the offering price in the Lock-up Bid by as much as or more than a Specified Amount and that does not provide for a Specified Amount greater than 7 percent of the offering price in the Lock-up Bid. The Amended Rights Plan therefore requires that a Person making a Take-Over Bid structure any lock-up agreement so as to provide reasonable flexibility to the shareholder in order to avoid being deemed the Beneficial Owner of the Locked-Up Securities subject to the lock-up agreement and potentially triggering the provisions of the Amended Rights Plan.

A Permitted Lock-up Agreement may contain a right of first refusal or require a period of delay to give the Person who made the Lock-up Bid an opportunity to match a higher price in another Take-Over Bid or other similar limitation on a Locked-up Person’s right to withdraw Locked-Up Securities so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Locked-Up Securities during the period of the other Take-Over Bid or transaction. Finally, under a Permitted Lock-up Agreement, no “break up” fees, “top up” fees, penalties, expenses or other amounts that exceed in aggregate the greater of (i) 2½ percent of the price or value of the consideration payable under the Lock-up Bid; and (ii) 50 percent of the amount by which the price or value of the consideration received by a Locked-up Person under another Take-Over Bid or transaction exceeds what such Locked-up Person would have received under the Lock-up Bid; can be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender Locked-Up Securities to the Lock-up Bid or withdraws Locked-Up Securities previously tendered thereto in order to deposit such Locked-Up Securities to another Take-Over Bid or support another transaction.

(f) Flip-in Event

A Flip-in Event occurs when any Person becomes an Acquiring Person. In the event that, prior to the Expiration Time, a Flip-in Event which has not been waived by the Board of Directors occurs (see “Redemption, Waiver and Termination”), each Right (except for Rights Beneficially Owned or which may thereafter be Beneficially Owned by an Acquiring Person, an Affiliate or Associate of an Acquiring Person or a Joint Actor (or a transferee of any such Person), which Rights will become null and void) shall constitute the right to purchase from Gennum, upon exercise thereof in accordance with the terms of the Amended Rights Plan, that number of Common Shares having an aggregate Market Price on the date of the Flip-in Event equal to twice the Exercise Price, for the Exercise Price (such Right being subject to anti-dilution adjustments). For example, if at the time of the Flip-in Event the Exercise Price is \$45 and the Market Price of the Common Shares is \$15, the holder of each Right would be entitled to purchase Common Shares having an aggregate Market Price of \$90 (that is, six Common Shares) for \$45 (that is, a 50 percent discount from the Market Price).

(g) Permitted Bid and Competing Permitted Bid

A Permitted Bid is a Take-over Bid made by way of a Take-over Bid circular and which complies with the following additional provisions:

- (i) the Take-over Bid is made to all holders of record of Common Shares, other than the Offeror;
- (ii) the Take-over Bid contains irrevocable and unqualified conditions that:
 - A. no Common Shares shall be taken up or paid for pursuant to the Take-over Bid prior to the close of business on a date which is not less than 60 days following the date of the Take-over Bid and the provisions for the take-up and payment for Common Shares tendered or deposited thereunder shall be subject to such irrevocable and unqualified condition;
 - B. unless the Take-over Bid is withdrawn, Common Shares may be deposited pursuant to the Take-over Bid at any time prior to the close of business on the date of first take-up or payment for Common Shares and all Common Shares deposited pursuant to the Take-over Bid may be withdrawn at any time prior to the close of business on such date;
 - C. more than 50 percent of the outstanding Common Shares held by Independent Shareholders must be deposited to the Take-over Bid and not withdrawn at the close of business on the date of first take-up or payment for Common Shares; and
 - D. in the event that more than 50 percent of the then outstanding Common Shares held by Independent Shareholders have been deposited to the Take-over Bid and not withdrawn as at the date of first take-up or payment for Common Shares under the Take-over Bid, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Common Shares for not less than 10 Business Days from the date of such public announcement.

A Competing Permitted Bid is a Take-over Bid that is made after a Permitted Bid has been made but prior to its expiry and that satisfies all the requirements of a Permitted Bid as described above, except that a Competing Permitted Bid is not required to remain open for 60 days so long as it is open until the later of (i) the earliest date on which Common Shares may be taken-up or paid for under any earlier Permitted Bid or Competing Permitted Bid that is in existence and (ii) 35 days (or such other minimum period of days as may be prescribed by applicable law in the Province of Ontario) after the date of the Take-over Bid constituting the Competing Permitted Bid.

(h) Redemption, Waiver and Termination

- (i) *Redemption of Rights on Approval of Holders of Common Shares and Rights.* The Board of Directors acting in good faith may, after having obtained the prior approval of the holders of Common Shares or Rights, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.000001 per Right, appropriately adjusted for anti-dilution as provided in the Rights Agreement (the “Redemption Price”).

- (ii) *Waiver of Inadvertent Acquisition.* The Board of Directors acting in good faith may waive the application of the Amended Rights Plan in respect of the occurrence of any Flip-in Event if (i) the Board of Directors has determined that a Person became an Acquiring Person under the Amended Rights Plan by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and (ii) the Acquiring Person has reduced its Beneficial Ownership of Common Shares such that at the time of waiver the Person is no longer an Acquiring Person.
- (iii) *Deemed Redemption.* In the event that a Person who has made a Permitted Bid or a Take-over Bid in respect of which the Board of Directors has waived or has deemed to have waived the application of the Amended Rights Plan consummates the acquisition of the Common Shares, the Board of Directors shall be deemed to have elected to redeem the Rights for the Redemption Price.
- (iv) *Discretionary Waiver with Mandatory Waiver of Concurrent Bids.* The Board of Directors acting in good faith may, prior to the occurrence of a Flip-in Event as to which the Amended Rights Plan has not been waived under this clause, upon prior written notice to the Rights Agent, waive the application of the Amended Rights Plan to a Flip-in Event that may occur by reason of a Take-over Bid made by means of a Take-over Bid circular to all holders of record of Common Shares. However, if the Board of Directors waives the application of the Amended Rights Plan, the Board of Directors shall be deemed to have waived the application of the Amended Rights Plan in respect of any other Flip-in Event occurring by reason of such a Take-over Bid made prior to the expiry of a bid for which a waiver is, or is deemed to have been, granted.
- (v) *Discretionary Waiver respecting Acquisition not by Take-over Bid Circular.* The Board of Directors acting in good faith may, with the prior consent of the holders of Common Shares, determine, at any time prior to the occurrence of a Flip-in Event as to which the application of the Amended Rights Plan has not been waived, if such Flip-in Event would occur by reason of an acquisition of Common Shares otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular to holders of Common Shares and otherwise than by inadvertence when such inadvertent Acquiring Person has then reduced its holdings to below 20 percent, to waive the application of the Amended Rights Plan to such Flip-in Event. However, if the Board of Directors waives the application of the Amended Rights Plan, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than 10 Business Days following the meeting of shareholders called to approve such a waiver.
- (vi) *Redemption of Rights on Withdrawal or Termination of Bid.* Where a Take-over Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price.

If the Board of Directors is deemed to have elected or elects to redeem the Rights as described above, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights is to receive the Redemption Price. Within 10 Business Days of any such election or deemed election to redeem the Rights, Gennum will notify the holders of the Common Shares or, after the Separation Time, the holders of the Rights.

(i) Anti-Dilution Adjustments

The Exercise Price of a Right, the number and kind of securities subject to purchase upon exercise of a Right, and the number of Rights outstanding, will be adjusted in certain events, including:

- (i) if there is a dividend declared or payable in Common Shares or Convertible Securities (other than pursuant to any optional stock dividend program, dividend reinvestment plan or a dividend payable in Common Shares in lieu of a regular periodic cash dividend) on the Common Shares;
- (ii) a subdivision or consolidation of the Common Shares;
- (iii) an issuance of Common Shares or Convertible Securities in respect of, in lieu of or in exchange for Common Shares in a reclassification, amalgamation, merger, statutory arrangement or consolidation; or
- (iv) if Gennum fixes a record date for the distribution to all holders of Common Shares of certain rights or warrants to acquire Common Shares or Convertible Securities, or for the making of a distribution to all

holders of Common Shares of evidences of indebtedness or assets (other than regular periodic cash dividend or a dividend payable in Common Shares) or rights or warrants.

(j) Supplements and Amendments

Gennum may make amendments to correct any clerical or typographical error or which are necessary to maintain the validity of the Rights Agreement as a result of any change in any applicable legislation, rules or regulation. Any changes made to maintain the validity of the Amended Rights Plan shall be subject to subsequent confirmation by the holders of the Common Shares or, after the Separation Time, the holders of the Rights.

Subject to the above exceptions, after the meeting, any amendment, variation or deletion of or from the Rights Agreement and the Rights is subject to the prior approval of the holders of Common Shares, or, after the Separation Time, the holders of the Rights.

The Board of Directors reserves the right to alter any terms of or not proceed with the Amended Rights Plan at any time prior to the Meeting if the Board of Directors determines that it would be in the best interests of Gennum and its shareholders to do so, in light of subsequent developments.

(k) Expiration

If the Amended Rights Plan is ratified, confirmed and approved at the Meeting, it will become effective immediately following such approval and remain in force until the earlier of the Termination Time (the time at which the right to exercise Rights shall terminate pursuant to the Amended Rights Plan) and the termination of the annual meeting of the shareholders of Gennum in the year 2014 unless at or prior to such meeting Gennum's shareholders ratify the continued existence of the Amended Rights Plan, in which case the Amended Rights Plan would expire at the earlier of the Termination Time and the termination of the annual meeting of the shareholders of Gennum in the year 2017.

