

EXFO INC.
(the “Corporation”)

**POLICY REGARDING HIRING EMPLOYEES
AND
FORMER EMPLOYEES OF INDEPENDENT AUDITOR**

In accordance with the Corporation’s Audit Committee Charter and to regulatory changes imposed by the Securities and Exchange Commission (“SEC”) that strengthen requirements regarding auditor independence, the Corporation has elaborated this policy in order to ensure that it complies with such regulatory requirements as they relate to the hiring by the Corporation of employees and former employees of the Corporation’s independent auditor. This policy applies to employment relationships entered into between members of the audit engagement team and the Corporation.

1. The Corporation shall not employ in an accounting role or in a financial reporting oversight role at the Corporation a person who was a member of the audit engagement team during the one-year period preceding the date the audit procedures commenced, it being considered that audit procedures commence each year on the day after the Corporation’s annual report or Form 20-F or Form 40-F or any other applicable form, which has been filed with the SEC for the prior financial year.
2. The expression “accounting role” means a role in which a person is in a position to or does exercise more than minimal influence over the contents of the accounting records relating to the financial statements that are included in filings with the SEC, or anyone who prepares such records.
3. The expression “financial reporting oversight role” means a role in which a person is in a position to or does exercise influence over the contents of the financial statements that are included in filings with the SEC, or anyone who prepares them, such as when the person is a member of the board, president, CEO, CFO, chief operating officer, chief accounting officer, general counsel, controller, director of internal audit, director of financial reporting, treasurer and those in equivalent positions.
4. The expression “audit engagement team” means all partners, principals, shareholders and professional employees participating in an audit, review or attestation engagement, including audit partners and all persons who consult with others on the audit engagement team during the audit, review or attestation engagement regarding technical or industry-specific issues, transactions or events, and that provide more than ten (10) hours of audit, review or attest services during the one-year period preceding the commencement of the audit of the financial statements for the current year. In addition, the following individuals are not considered to be members of an audit engagement team: (i) individuals employed by the Corporation as a result of a business combination between the Corporation and the employing entity, provided

employment was not in contemplation of the business combination and the Corporation's Audit Committee is aware of the prior employment relationship; and (ii) individuals that are employed by the Corporation due to an emergency or other unusual situation provided that the Audit Committee determines that the relationship is in the interest of investors.

5. Prior to hiring a person that was employed by the Corporation's independent auditor, the Corporation shall obtain written confirmation from the independent auditor that such person was not a part of the audit engagement team (as this expression is defined herein) during the one-year period preceding the date the audit procedures commenced, it being considered that audit procedures commence each year on the day after the Corporation's annual report or Form 20-F or Form 40-F or any other applicable form, which has been filed with the SEC for the prior financial year.
6. In the event the independent auditor is unable to provide such written confirmation because the candidate was a part of the audit engagement team (as this expression is defined herein) during the one-year period preceding the date the audit procedures commenced, it being considered that audit procedures commence each year on the day after the Corporation's annual report on Form 20-F or Form 40-F or any other applicable form which has been filed with the SEC for the prior financial year, the immediate supervisor of the person being hired shall provide to the Corporation's Corporate Secretary and to the Vice President of Human Resources a written confirmation that such person will not be employed in an accounting role or in a financial reporting oversight role (as these expressions are defined herein) at the Corporation.
7. This policy is based on SEC requirements set forth in Final Rule "Strengthening the Commission's Requirements Regarding Auditor Independence" and in the event of uncertainty or lack of clarity, the text of the Final Rule shall have precedence over the text of this policy.