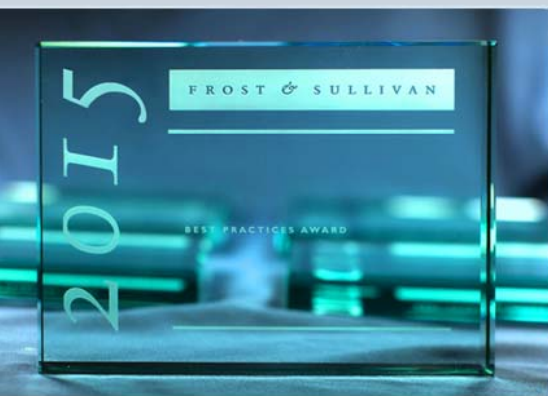




The Verification Experts

2015 Global Network Deployment and Field Service
Emerging Company of the Year Award



FROST & SULLIVAN



50 Years of Growth, Innovation & Leadership

Contents

Background and Company Performance	3
<i>Industry Challenges</i>	3
<i>Visionary Innovation & Performance and Customer Impact</i>	3
<i>Conclusion</i>	6
Significance of Emerging Company of the Year	6
Understanding Emerging Company of the Year	7
<i>Key Benchmarking Criteria</i>	7
Best Practice Award Analysis	7
<i>Decision Support Scorecard</i>	7
<i>Visionary Innovation & Performance</i>	8
<i>Customer Impact</i>	9
<i>Decision Support Matrix</i>	9
The Intersection between 360-Degree Research and Best Practices Awards.....	10
<i>Research Methodology</i>	10
Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices.....	11
About Frost & Sullivan	12

Background and Company Performance

Industry Challenges

From market saturation to economic uncertainty, network deployment and field service vendors report to Frost & Sullivan how they face many challenges while trying to expand their customer base. There are various offerings in the industry, which leads to manufacturers employing different marketing techniques and technology drivers to gain customer acceptance. Frost & Sullivan notes that both established and emerging participants are clearly challenged to understand customer budgets while managing to increase their own business.

Considering the economic uncertainty, end users also report to Frost & Sullivan that they are putting more emphasis on finding the proper return on investment. Frost & Sullivan notes that the key challenge faced by vendors is to provide customers with high-performance solutions at a competitive price - yet still make a profit.

In this competitive and price-sensitive environment, providing test equipment of quality at competitive prices is a major factor to increase one's footprint in the market. Frost & Sullivan agrees that research and development investment remains a key factor to address this challenge.

Visionary Innovation & Performance and Customer Impact of VeEX

Addressing Unmet Needs

In line with the company's technology expertise and product innovation and development strategies employed to achieve market success, VeEX opened an additional R&D center in Canada in October 2014. Frost & Sullivan feels that VeEX's unwavering focus on R&D and its legacy of innovation in network deployment and field test markets has ensured that the company offers state-of-the-art features that suit customer demand.

Building upon its technical expertise since 2006, VeEX has developed products that lead the industry in terms of price and performance. The company continues to innovate and enhance its offering with features such as OTDR functions to complement transmission and Ethernet test capability.

The company's rich tradition of excellence and reputation for innovation has enabled it to develop a keen understanding of customer needs and expectations. This helped it announce the VePAL TX300S test set with VeExpress support, providing more flexible multi-tasking, with Sync E, GPS, first field telecom application with chip-scale Atomic Clock technology, asset management, and workflow optimization. In March 2014, the

company announced the SunLite OTDR, which is one of the smallest, lightest OTDRs for PON/FTTx testing.

In September 2014, the company announced 3 products, including VeSion, CX380X, and 24X8 DOCSIS cable modem. Frost & Sullivan expects VeSion to enjoy high market acceptance, as this solution reduces network troubleshooting and problem resolution time by integrating RF monitoring systems, DOCSIS monitoring and demodulation, sweep, Ethernet, workflow, and asset management under one roof.

Implementation of Best Practices

Driven by a strong commitment to optimize customers' operational costs and enhance their levels of productivity, VeEX has focused on acquiring an in-depth understanding of its customers' evolving needs. This sound understanding of customer requirements enables it to design and introduce support solutions that truly render significant benefits to customers, thereby offering them the best value for their money.

Three notable acquisitions of VeEX since 2013 include Sunrise Telecom in June 2013 and Agizer & Optixsoft in July 2014. VeEX acquired the assets of Sunrise Telecom for \$2.7 million, where Sunrise Telecom was generating approximately \$20M. The acquisition of Agizer and Optixsoft remains a strategic move by VeEX, considering the growth potential in the optical physical layer testing; it is expected to further increase VeEX's growth in the coming years.

Financial Performance

The network deployment and field test market is highly dynamic. To be successful, Frost & Sullivan firmly believes that vendors need to further adapt to the newest trends, requirements, and specifications that emerge across industries regularly.

VeEX has clearly been able to keep up with the different and evolving market conditions. With the presence of highly large companies, medium-sized participants also have the challenge to identify market opportunities in which they can differentiate themselves. VeEX has accomplished this goal by focusing on providing price performance solutions. The firm has achieved its objective via both organic and inorganic means, partnerships, and alliances and had a growth of approximately 65% in 2013 (from 2012). With significant product introductions in 2014 and because of the strategic acquisitions, the company is expected to exceed 20% growth by the end of 2014. VeEX has operating margins of more than 75% year-over-year.

Price Performance Value

3Ps, which are key to product success in a competitive market, include price, performance, and product functionalities. Extensive usage of new technologies, including nanotechnology, to minimize calibration and silicon along with FPGA technology proves to be highly flexible. Along with various production cost-saving initiatives, VeEX has been able to offer products at a highly competitive price, ensuring price performance value to its customers. VeEX strives to enhance product performance by incorporating best-in-class latest technology in regard to CPU's chipsets and batteries, which are already low in cost.

Customer Service Experience

VeEX has invested heavily in building the right kind of work environment, with the strategic aim to bring even greater value to its customers. Driven by the passion to design innovative and superior-quality products for its customers, the company takes pride in its state-of-the-art workplace that it has built for its employees.

Having its manufacturing facility in Taiwan, VeEX's focus on delivering high-quality yet cost-competitive products and solutions remains a key success factor for the company's market penetration. VeEX's technical support team benefits the customers by providing them with full warranties on all new products, round-the-clock emergency service, and access to a technical expert specializing in its product line.

Also driven by a passion for technological innovation and designing products ahead of the industry, VeEX makes it a point to identify and cater to customer needs. In addition to having a rich pool of technical experts who constantly strive to bring the best out of the field test equipment technology, the company knows that the best ideas come from its customers. Taking feedback from customers, reviewing their needs, and then deciding on feasible options have all contributed to the company's success over the years.

Customer Ownership Experience

VeEX defines its value proposition to be customer-centric, which signifies that the company works extremely closely with clients to apply the technology and know-how to serve their needs and applications. The company has developed its organization to be highly proficient in application engineering and to be able to provide excellent technical service and support to its customers. The company is organized to be able to respond quickly to both market and customer requirements. This enables it to assist its clients in getting their products to the market more quickly in the highly competitive marketplace. VeEX utilizes customer input and feedback to design its instruments while striving to deliver the best value for specific markets and applications. This approach allows VeEX to deliver the necessary performance and functionality at the lowest price for a specific need in the marketplace.

Conclusion

As demonstrated by its competitive position, the growth it has experienced in the last 2 years, and strategic acquisitions, Frost & Sullivan independent analysis confirms that VeEX truly understands and has addressed the key requirements of customers, delivering products in line with client needs for affordable yet innovative products and support. With its strong overall performance, VeEX has earned the 2015 Frost & Sullivan Emerging Company of the Year Award.

Significance of Emerging Company of the Year

To receive the Frost & Sullivan Emerging Company of the Year Award requires a market participant to demonstrate excellence in growth, innovation, and leadership. This kind of excellence typically translates into superior performance in three key areas: demand generation, brand development, and competitive positioning. These areas serve as the foundation of a company's future success and prepare it to deliver on the two criteria that define the Emerging Company of the Year Award (Visionary Innovation & Performance and Customer Impact).



Understanding Emerging Company of the Year

Demand, brand strength, and competitive differentiation all play a critical role in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on visionary innovation to enhance customer value and impact.

Key Benchmarking Criteria

For the Emerging Company of the Year Award, Frost & Sullivan analysts independently evaluated two key factors — Visionary Innovation & Performance and Customer Impact — according to the criteria identified below.

Visionary Innovation & Performance

- Criterion 1: Addressing Unmet Needs
- Criterion 2: Competitive Differentiation
- Criterion 3: Implementation Best Practices
- Criterion 4: Passionate Persistence
- Criterion 5: Financial Performance

Customer Impact

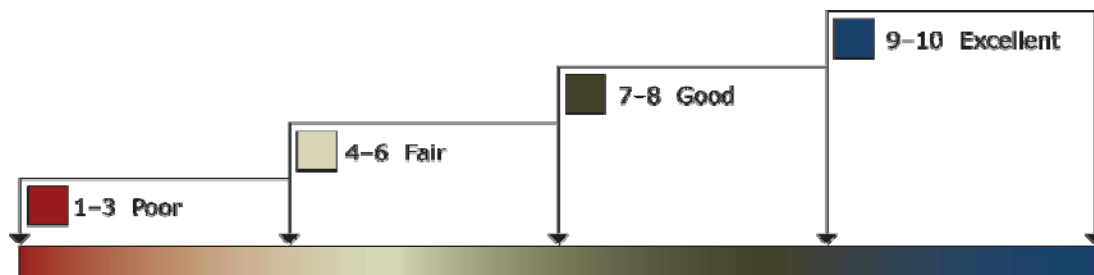
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Best Practice Award Analysis for VeEX, Inc.

Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are illustrated below.

RATINGS GUIDELINES



The Decision Support Scorecard is organized by Visionary Innovation & Performance and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criteria are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key players in as Company 2 and Company 3.

DECISION SUPPORT SCORECARD FOR EMERGING COMPANY OF THE YEAR AWARD

<i>Measurement of 1–10 (1 = poor; 10 = excellent)</i>			
Emerging Company of the Year	Visionary Innovation & Performance	Customer Impact	Average Rating
VeEX, Inc.	9.5	9.4	9.5
Competitor 2	8.9	8.9	8.9
Competitor 3	8.6	8.6	8.6

Visionary Innovation & Performance

Criterion 1: Addressing Unmet Needs

Requirement: Implementing a robust process to continuously unearth customers’ unmet or under-served needs, and creating the products or solutions to address them effectively

Criterion 2: Competitive Differentiation

Requirement: Deep understanding of both current and emerging competition to create and communicate strong competitive differentiators in the market

Criterion 3: Implementation Best Practices

Requirement: Best-in-class strategy implementation characterized by processes, tools, or activities that generate a consistent and repeatable level of success.

Criterion 4: Passionate Persistence

Requirement: A deep belief in the “rightness” of an idea, and a commitment to pursuing it despite seemingly insurmountable obstacles

Criterion 5: Financial Performance

Requirement: Strong overall business performance in terms of revenues, revenue growth, operating margin and other key financial metrics

Customer Impact

Criterion 1: Price/Performance Value

Requirement: Products or services offer the best value for the price, compared to similar offerings in the market

Criterion 2: Customer Purchase Experience

Requirement: Customers feel like they are buying the most optimal solution that addresses both their unique needs and their unique constraints

Criterion 3: Customer Ownership Experience

Requirement: Customers are proud to own the company’s product or service, and have a positive experience throughout the life of the product or service

Criterion 4: Customer Service Experience

Requirement: Customer service is accessible, fast, stress-free, and of high quality

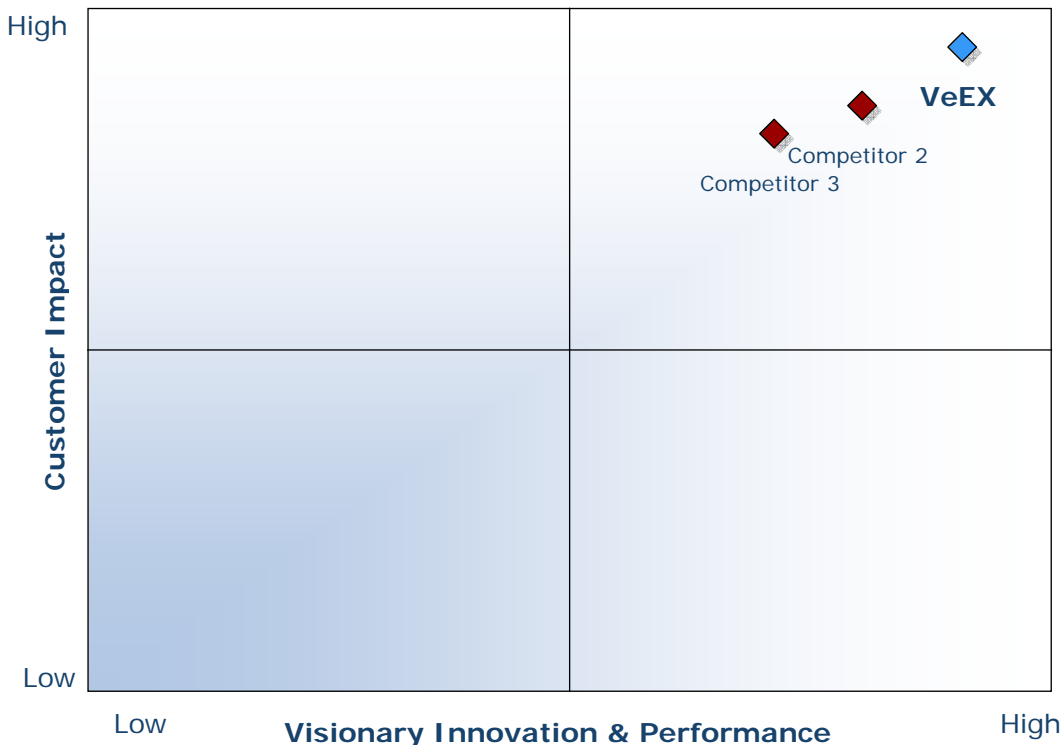
Criterion 5: Brand Equity

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts can then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.

DECISION SUPPORT MATRIX FOR EMERGING COMPANY OF THE YEAR AWARD



The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan’s 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan’s research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan Awards follow a 10-step process to evaluate Award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 Monitor, target, and screen	Identify Award recipient candidates from around the globe	<ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies 	Pipeline of candidates who potentially meet all best-practice criteria
2 Perform 360-degree research	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> • Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates 	Matrix positioning all candidates' performance relative to one another
3 Invite thought leadership in best practices	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> • Confirm best-practice criteria • Examine eligibility of all candidates • Identify any information gaps 	Detailed profiles of all ranked candidates
4 Initiate research director review	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> • Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles 	Final prioritization of all eligible candidates and companion best-practice positioning paper
5 Assemble panel of industry experts	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> • Share findings • Strengthen cases for candidate eligibility • Prioritize candidates 	Refined list of prioritized Award candidates
6 Conduct global industry review	Build consensus on Award candidates' eligibility	<ul style="list-style-type: none"> • Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates 	Final list of eligible Award candidates, representing success stories worldwide
7 Perform quality check	Develop official Award consideration materials	<ul style="list-style-type: none"> • Perform final performance benchmarking activities • Write nominations • Perform quality review 	High-quality, accurate, and creative presentation of nominees' successes
8 Reconnect with panel of industry experts	Finalize the selection of the best-practice Award recipient	<ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select winner 	Decision on which company performs best against all best-practice criteria
9 Communicate recognition	Inform Award recipient of Award recognition	<ul style="list-style-type: none"> • Present Award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance 	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10 Take strategic action	Upon licensing, company may share Award news with stakeholders and customers	<ul style="list-style-type: none"> • Coordinate media outreach • Design a marketing plan • Assess Award's role in future strategic planning 	Widespread awareness of recipient's Award status among investors, media personnel, and employees

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.