

**ABSOLUTE SOFTWARE CORPORATION**  
Suite 1400, Four Bentall Centre  
1055 Dunsmuir Street  
Vancouver, British Columbia, V7X 1K8

**INFORMATION CIRCULAR**  
as at November 13, 2018

The Board of Directors of Absolute Software Corporation (the “**Board**”) is delivering this information circular (the “**Information Circular**”) to you in connection with the solicitation of your proxy for use at the annual general meeting of shareholders to be held on December 13, 2018 (the “**Meeting**”). In this Information Circular, unless the context otherwise requires, all references to “Absolute”, “the Company”, “we”, “us” and “our” refer to Absolute Software Corporation.

**GENERAL PROXY INFORMATION**

**Who Can Vote**

The Board has fixed November 7, 2018 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment thereof. As of November 7, 2018, Absolute had outstanding 40,389,680 common shares in the capital of Absolute (“**Common Shares**”). Persons who on November 7, 2018, are recorded on our share register as holders of our Common Shares can vote at the Meeting. Each Common Share has the right to one vote.

Under our Articles, the quorum for the transaction of business at the Meeting is two persons present in person, each being a shareholder entitled to vote at the Meeting or a duly appointed proxyholder or representative for such shareholder so entitled, representing at least 25% of the issued and outstanding Common Shares entitled to be voted at the Meeting.

To the knowledge of our directors and officers, as of November 7, 2018, Trigran Investments, Inc. held 6,554,400 Common Shares or 16.2% of the Company’s outstanding Common Shares, Van Berkum and Associates Inc. held 5,047,418 Common Shares or 12.5% of the Company’s outstanding Common Shares and Stadium Capital Management, LLC held 6,220,010 Common Shares or 15.4% of the Company’s outstanding Common Shares. Otherwise, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of Absolute.

**How You Can Vote**

If you are a registered shareholder (your Common Shares are held in your name) you may vote your Common Shares either by attending the Meeting in person or, if you do not plan to attend the Meeting, by completing the proxy and following the delivery instructions contained in the form of proxy and this Information Circular.

**Advice to Beneficial Holders of Shares**

The information set forth in this section is of significant importance to many shareholders of Absolute, as a substantial number of shareholders do not hold their Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If your Common Shares are listed in an account statement provided to you by a broker, then in almost all cases those Common Shares will not be registered in your name on the records of Absolute. Such Common Shares will more likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depositary for many U.S. brokerage firms and custodian banks). If you are a Beneficial Shareholder you should ensure that instructions respecting the voting of your Common Shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered shareholders by Absolute. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions ("Broadridge") in Canada and in the United States. Broadridge will either mail a form of proxy or a voting instruction form in lieu of a form of proxy provided by Absolute. The voting instruction form will name the same persons as the proxy to represent you as a Beneficial Shareholder at the Meeting. As a Beneficial Shareholder you have the right to appoint a person (who need not be a Beneficial Shareholder of the Company) other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge you cannot use it to vote your Common Shares directly at the Meeting as the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have your Common Shares voted.**

Certain Beneficial Shareholders who have not objected to the Company knowing who they are (non-objecting beneficial owners) may be contacted by Kingsdale Advisors, the Company's strategic shareholder advisor and proxy solicitation agent, to conveniently obtain a vote directly over the phone. The Company may utilize the Broadridge QuickVote™ service to assist Beneficial Shareholders with voting their Common Shares over the telephone. Alternatively, Kingsdale Advisors may contact Beneficial Shareholders to assist them with conveniently voting their Common Shares directly over the phone.

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting your Common Shares registered in the name of your broker (or agent of the broker), you may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for the registered shareholder you should enter your own name in the blank space on the instrument of proxy provided to them and return the same to your broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, as a Beneficial Shareholder you may request in writing that your broker send to you a legal proxy which would enable you to attend at the Meeting and vote your Common Shares.

### **Solicitation of Proxies**

We are soliciting proxies primarily by mail, but our directors, officers and employees may solicit proxies personally, by telephone, by facsimile transmission or by other means of electronic communication. We are paying all proxy solicitation costs. **We are not sending proxy-related materials directly to non-objecting beneficial owners. We intend to pay for intermediaries to deliver proxy-related materials to objecting beneficial owners.**

Absolute has also retained the services of Kingsdale Advisors as its strategic shareholder advisor and proxy solicitation agent, to assist in the solicitation of proxies. For these services, Kingsdale will receive a CAD\$40,000 advisory fee, in addition to hourly rates for certain proxy solicitation services and reimbursement of its reasonable expenses. In the event that a "vote withhold" campaign is launched, and each of management's nominees for director are elected, Kingsdale will receive a success fee of CAD\$110,000. **Shareholders may contact Kingsdale Advisors toll-free at 1-866-851-3215 or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).**

### **Appointment and Revocation of Proxies**

The persons named in the accompanying form of proxy are our Chairman of the Board and our Chief Financial Officer. **You may also appoint some other person or company (who need not be a shareholder of Absolute) to represent you at the Meeting either by inserting such other person's name or company's name in**

**the blank space provided in the form of proxy or by completing another suitable form of proxy.** A proxy will not be valid unless the completed form of proxy is delivered to the office of AST Trust Company (Canada) (“AST”) or the Company’s agents by mail or by fax no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or adjournment thereof, or may be accepted by the Chairman of the Meeting prior to the commencement of the Meeting. The Company or the Chair of the Meeting may waive or extend the proxy cut-off without notice.

The mailing address of AST is AST Trust Company (Canada), Attention: Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1, its address for delivery by hand and its fax numbers are 1-866-781-3111 (toll free) or 1-416-368-2502. You may also scan and email your proxy to [proxyvote@astfinancial.com](mailto:proxyvote@astfinancial.com).

You can revoke your proxy by:

- providing a written notice of revocation to AST before the end of business on December 11, 2018,
- providing a written notice of revocation to Absolute at its registered office which is located at the offices of Blake, Cassels & Graydon LLP, 2600 – 595 Burrard Street, P.O. Box 49314, Vancouver, British Columbia, V7X 1L3, before the end of business on December 11, 2018,
- advising the Chairman of the Meeting that you are voting in person at the Meeting, or
- any other manner provided by law.

Your revocation of a proxy will not affect a matter on which a vote has already been taken.

If you have any questions or need assistance with voting your Common Shares, please contact Kingsdale Advisors, Absolute’s strategic shareholder advisor and proxy solicitation agent, by toll-free telephone at 1-866-851-3215 or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com)

### **Exercise of Discretion**

The nominees named in the accompanying form of proxy will vote or withhold from voting the Common Shares represented by the proxy in accordance with your instructions. The proxy grants the nominees the discretion to vote on:

- each matter or group of matters identified in the proxy where you do not specify how you want to vote, except for the election of directors and the appointment of auditors,
- any amendment to or variation of any matter identified in the proxy, and
- any other matter that properly comes before the Meeting.

If on a particular matter to be voted on, you do not specify in your proxy the manner in which you want to vote, your Common Shares will be voted for the approval of such matter.

As of the date of this Information Circular, we know of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the meeting, each nominee named in the proxy intends to vote in accordance with the nominee’s best judgment.

Late proxies may be accepted on or rejected by the Chair of the Meeting at his or her discretion and the Chair of the Meeting is under no obligation to accept or reject any particular late proxy. The Company or the Chair of the Meeting may waive or extend the proxy cut-off without notice.

### **Advance Notice Policy**

On October 25, 2014, our Board adopted an advance notice policy (the “**Advance Notice Policy**”) for director nominations. The Advance Notice Policy was ratified, confirmed and approved at our Annual General & Special

Meeting of our shareholders on December 8, 2014. Shareholders who wish to nominate candidates for election as directors must provide timely notice in writing to the Secretary of the Company at Suite 1400, Four Bentall Centre, 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1K8, and include the information set forth in the Advance Notice Policy. The notice must be given not less than 30 days nor more than 65 days prior to the date of the Company's annual general meeting of shareholders.

## ELECTION OF DIRECTORS

Our Board currently has seven members. At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at six, subject to such increases as may be permitted by our Articles and the *Business Corporations Act* (British Columbia). The number of directors will be approved if the affirmative vote of the majority of Common Shares present, or represented by proxy at the Meeting, and entitled to vote is voted in favour to set the number of directors at six. The term of office of each of the current directors will end at the conclusion of the Meeting. Each director elected will hold office until the end of our next annual meeting, or if no director is then elected, until a successor is elected or until the director resigns.

Each of the proposed nominees for election by you has been nominated by management of Absolute. With the exception of Ms. Wyatt, the incoming CEO of Absolute, each nominee is currently a director of Absolute. The following table sets out certain information regarding the nominees for election as directors. Information included in this table has been provided by the nominees.

### **Daniel Ryan**

Age:	59
Director Since:	June 2011
Principal Occupation: <sup>(1)</sup>	Chairman of the Board of Absolute and Chief Executive Officer of RedBrick Health Corporation
Areas of Expertise:	Senior leadership, Industry knowledge, Technology and research & development, Information security
Number of Shares Owned, Controlled or Directed: <sup>(1)</sup>	116,250
Number of Stock Options	55,000
Number of Share Units	42,750
Number of Phantom Share Units	0
Residence:	Minnesota, U.S.A.

### **Christy Wyatt**

Age:	46
Director Since:	N/A
Principal Occupation: <sup>(1)</sup>	Chief Executive Officer of Dtex Systems <sup>(2)</sup>
Areas of Expertise:	Strategic leadership, Industry knowledge, Product development, Technology, IT security, Mergers & acquisitions
Number of Shares Owned, Controlled or Directed: <sup>(1)</sup>	0
Number of Stock Options	0
Number of Share Units	0
Number of Phantom Share Units	0
Residence:	California, U.S.A.

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**Gregory Monahan**

Age:	45
Director Since:	December 2012
Principal Occupation: <sup>(1)</sup>	Portfolio Manager of Jamarant Capital, L.P. and Senior Managing Director of Crescendo Partners L.P.
Areas of Expertise:	Corporate governance, Financial expertise, Public company directorship, Public and private capital markets
Number of Shares Owned, Controlled or Directed: <sup>(1)(3)</sup>	74,150
Number of Stock Options	75,000
Number of Share Units	42,750
Number of Phantom Share Units	0
Residence:	Connecticut, U.S.A.

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**Salvatore (Sal) Visca**

Age:	52
Director Since:	February 2014
Principal Occupation: <sup>(1)</sup>	Chief Technical Officer of Elastic Path Software
Areas of Expertise:	Senior leadership, Strategic leadership, Industry knowledge, Technology and research & development, Information security, Executive compensation
Number of Shares Owned, Controlled or Directed: <sup>(1)</sup>	12,500
Number of Stock Options	100,000
Number of Share Units	45,812
Number of Phantom Share Units	0
Residence:	British Columbia, Canada

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**Gerhard Watzinger**

Age:	59
Director Since:	December 2014
Principal Occupation: <sup>(1)</sup>	Corporate director
Areas of Expertise:	Strategic leadership, Industry knowledge, C.E.O. background, IT Security knowledge
Number of Shares Owned, Controlled or Directed: <sup>(1)</sup>	0
Number of Stock Options	100,000
Number of Share Units	42,750
Number of Phantom Share Units	0
Residence:	Florida, U.S.A.

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**Eric Rosenfeld**

Age:	61
Director Since:	December 2012
Principal Occupation: <sup>(1)</sup>	Chairman and Chief Executive Officer of Crescendo Partners L.P.
Areas of Expertise:	Public company directorship, Mergers and acquisitions, Public and private capital markets, Senior leadership
Number of Shares Owned, Controlled or Directed: <sup>(1)(4)</sup>	2,345,907
Number of Stock Options	75,000
Number of Share Units	42,750
Number of Phantom Share Units	0
Residence:	New York, U.S.A.

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Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned, or controlled or directed, directly or indirectly, is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years except as otherwise noted.
- (2) Ms. Wyatt will become CEO of Absolute on November 26, 2018.
- (3) These include Common Shares held by Jamarant Capital, L.P.
- (4) These include Common Shares held by Crescendo Partners II, LP Series MI and Crescendo Partners III, LP.

Each of the nominees for election as director except Ms. Wyatt were nominated and elected as a director at the last annual meeting of shareholders.

*Daniel P. Ryan.* Mr. Ryan joined Absolute as a Director in June 2011, and is a member of the Compensation Committee and the Strategic Planning Committee. Mr. Ryan is a resident of Greenwood, Minnesota, and his principal occupation is as the CEO of RedBrick Health Corporation, a health engagement company. Mr. Ryan is also a director at Redbrick Health Corporation and LogicStream Health, a clinical process improvement company, and was previously a director at Secure Computing Corporation, a computer security appliance and hosted services company. Mr. Ryan was previously the President and CEO of Secure Computing Corporation, an executive vice president with McAfee, Inc., president and COO of Stellent, Inc., and a senior vice president at Oracle Corporation. Mr. Ryan earned his Bachelor of Science degree in math and economics from the University of Minnesota.

*Christy Wyatt.* Ms. Wyatt will become the CEO of Absolute effective November 26, 2018. Since 2016, Ms. Wyatt has been Chief Executive Officer of Dtex Systems, a user behavior intelligence company that grew revenue by 321 percent last year, and serves as a member of the board of Dtex. Prior to Dtex, Ms. Wyatt was Chairman, CEO and President of Good Technology, a mobile security company. During her tenure at Good Technology, she led the company through a growth period and Good Technology's subsequent acquisition by BlackBerry in 2015. Prior to Good Technology, Ms. Wyatt has held leadership positions across both consumer and enterprise at Citigroup, Motorola, Apple, Palm and Sun Microsystems. In 2015, Ms. Wyatt was named one of Inc. Magazine's Top 50 Women Entrepreneurs in America. Also in 2015, Ms. Wyatt was named CEO of the Year by the Information Security Global Excellence Awards. She was named one of the top 100 Women Leaders in STEM in 2012 and named one of Fierce Wireless' "Most Influential Women in Wireless" several years in a row. She also serves on the Board of Directors of Quotient Technology, and served as a member of the board for Centrify, an identity and access management company, until August 2018 when they were sold to Thoma Bravo.

*Gregory Monahan.* Mr. Monahan joined Absolute as a Director in December 2012, and is a member of the Audit Committee and the Governance and Nominating Committee. Mr. Monahan is a resident of Darien, Connecticut. Mr. Monahan is a Senior Managing Director of Crescendo Partners, L.P. and he is the Portfolio Manager of Jamarant Capital, L.P., a New York-based investment firm. Mr. Monahan was previously the co-founder of Bind Network Solutions, a consulting firm focused on network infrastructure and security. Mr. Monahan also serves on the board of directors of Cott Corporation, one of the world's largest producers of beverages on behalf of retailers, brand owners

and distributors, and BSM Technologies, a commercial fleet telematics provider. He was formerly a director of COM DEV International, a designer and manufacturer of space hardware; ENTREC Corporation, a crane and heavy haul transportation company; SAEExploration Holdings, a geophysical services company offering seismic data acquisition services to the oil and gas industry; O'Charley's Inc., a multi-concept restaurant company, and Bridgewater Systems, a telecommunications software provider. Mr. Monahan earned his Bachelor of Science degree in Mechanical Engineering from Union College and his MBA from Columbia Business School.

*Sal Visca.* Mr. Visca joined Absolute as a Director in March 2014, and is a member of the Compensation Committee and the Governance and Nominating Committee. Mr. Visca is a resident of Vancouver, British Columbia, and his principal occupation is as Chief Technology Officer of Elastic Path Software, a privately held ecommerce software company located in Vancouver, where he has been since January 2011. Prior to Mr. Visca's time with Elastic Path, he was the Chief Technology Officer from 2005 to 2008 at Business Objects, an enterprise software company specializing in business intelligence. When Business Objects was acquired by SAP in 2007, Sal transitioned to Chief Technology Officer for the SAP Technology Development Group until 2010. Prior to Business Objects, he held a number of technology leadership positions at Infowave Software and IBM. Mr. Visca served as the Chairman of the Advisory Board of Infowave Software Inc. from 2004-2006. Mr. Visca has also served as a Director of DDS Wireless International Inc. (formerly known as Digital Dispatch Systems Inc.) from November 2006 to July 2014, as the Independent Director of Terminal City Capital Inc. from May 2008 to August 2010, and as an Advisor of INETCO Systems Limited. Mr. Visca graduated with honors from the University of Western Ontario with a Bachelor of Science in Computer Science.

*Gerhard Watzinger.* Mr. Watzinger joined Absolute as a Director in December 2014, and is a member of the Strategic Planning Committee (Co-Chairman) and the Governance and Nominating Committee. Previously, Mr. Watzinger served as the Chief Strategy Officer and Executive Vice President at McAfee, where he was responsible for guiding McAfee's global business strategy and development. Mr. Watzinger helped accelerate the international expansion of McAfee and directed the company through numerous successful mergers and acquisitions, which resulted in record revenue growth and increased market share. Mr. Watzinger was also the architect of McAfee's acquisition by Intel, a \$7.8B transaction which was one of the largest deals in the security industry. Prior to joining McAfee in 2007 through an acquisition, Mr. Watzinger was Chief Executive Officer of SafeBoot Holdings, a leading enterprise security software vendor for data encryption and user authentication. With vast experience in information technology and global business development, Mr. Watzinger grew SafeBoot from a small, owner-operated company to an internationally recognized IT security firm with Fortune 500 customers in more than 70 countries. Before SafeBoot, Mr. Watzinger served as Chief Executive Officer at iGate, where he led the global expansion of the company's outsourcing and offshore business. Mr. Watzinger's other managerial positions include: CEO with APT International, executive at PricewaterhouseCoopers' consulting division, and managing director for Cap Gemini International. In 2013, Mr. Watzinger served as the interim CEO of iGate (NASDAQ: IGTE), one of the largest outsourcing services company. During his tenure, the market cap of iGate increased by 102% and the company delivered record earnings. In addition to keynoting many events throughout his career, Mr. Watzinger is on the Board at Mastech, a publicly traded IT outsourcing company in Pittsburgh, CrowdStrike, a security technology firm in L.A.. Mr. Watzinger has a bachelor's degree in computer science from the Technical University of Munich, Germany.

*Eric Rosenfeld.* Mr. Rosenfeld joined Absolute as a Director in December 2012, and is a member of the Strategic Planning Committee (Co-Chairman) and the Compensation Committee. Mr. Rosenfeld is a resident of New York, U.S. and his principal occupation is as the President and Chief Executive Officer of Crescendo Partners, L.P., a New York based investment firm, where he's been since its formation in November 1998. Prior to forming Crescendo Partners, he held the position of Managing Director at CIBC Oppenheimer and its predecessor company Oppenheimer & Co., Inc. for 14 years. Mr. Rosenfeld currently serves as a director on the board of directors for Aecon Group Inc., a Canada-based construction and infrastructure development company, and NextDecade Corp., an LNG development and project management company, the lead director for Cott Corporation, one of the world's largest producers of beverages on behalf of retailers, brand owners and distributors, CPI Aero (Chairman Emeritus), a company engaged in the contract production of structural aircraft parts and Pangaea Logistics Solutions, a shipping logistics company. Since July 2018, Mr. Rosenfeld has served as the Chief Executive Officer of Allegro Merger Corp, a blank check company. Mr. Rosenfeld has also served as Chairman and CEO for Arpeggio Acquisition Corporation, Rhapsody Acquisition Corporation, Trio Merger Corp. and Harmony Merger Corp., all blank check corporations that later merged with Hill International, Primoris Services Corporation and SAEExploration Holdings, and NextDecade Corp. respectively. He was also a director of Sierra Systems Group Inc., an information technology, management consulting and systems integration firm, Emergis Inc., an electronic commerce company, Hill International, a construction management firm, Matrikon Inc. a company that provides industrial intelligence solutions, DALSA Corp., a digital imaging and

semiconductor firm, HIP Interactive, a video game company, GEAC Computer, a software company, Computer Horizons Corp. (Chairman), an IT services company, Primoris Services Corporation, a specialty construction company, and SAExploration Holdings, a seismic exploration company.

### **Cease Trade Orders, Bankruptcies, Penalties and Sanctions**

None of our proposed directors or executive officers has, within the 10 years prior to the date of this Information Circular, been a director, chief executive officer or chief financial officer of any company (including us) that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity), was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation, in each case for a period of more than 30 consecutive days.

None of our proposed directors or executive officers or shareholders holding a sufficient number of securities to materially affect control of Absolute has within the 10 years prior to the date of this Information Circular: (i) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) been a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

None of our proposed directors or executive officers or shareholders holding a sufficient number of securities to materially affect control of Absolute has: (i) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

### **Majority Voting Policy**

The Board believes that each of its members should carry the confidence and support of its shareholders. To this end, the Board has adopted a majority voting policy for the election of directors. The policy provides that if a nominee for election as director receives a greater number of “withheld” votes than “for” votes, that nominee will tender a resignation to the Chair of the Board following the meeting of shareholders at which the director was put forth for election. The Board will consider the offer of resignation and announce its decision on whether to accept it in a press release within 90 days following the meeting of shareholders.

In its deliberations, the Board will consider all factors it deems relevant including any stated reasons why shareholders “withheld” votes from the election of that director, the length of service and the qualifications of the director, the director’s contributions to the Company, the effect such resignation may have on the Company’s ability to comply with any applicable governance rules and policies and the dynamics of the Board, and whether the resignation would be in the best interests of the Company. The Board will be expected to accept the resignation except in situations where extenuating circumstances would warrant the director to continue to serve.

This policy only applies in circumstances involving an uncontested election of directors, being those where the number of director nominees is the same as the number of directors to be elected to the Board.

### **Board and Committees**

The Board is responsible for the governance of Absolute. It establishes our overall policies and standards. The Board meets on a regularly scheduled basis. In addition to these meetings, the directors are kept informed of our operations through reports and analyses by, and discussions with, management.

The Board has established an Audit Committee, a Compensation Committee, a Strategic Planning Committee and a Governance and Nominating Committee. The membership of these committees is reviewed annually. The Board intends to review the compensation of each of its committees, and, if necessary, to re-constitute these committees, after the Meeting.

## **Audit Committee**

### *Composition of the Audit Committee*

In Fiscal 2018, the Audit Committee had the following members:

Josef Vejvoda (Chairman)  
J. Ian Giffen  
Gregory Monahan

The function of the Audit Committee is to: (a) meet with the financial officers of Absolute and its independent auditors to review matters affecting financial reporting, the system of internal accounting and financial controls and procedures and the audit procedures and audit plans; (b) appoint the auditors, subject to shareholder approval; and (c) review and recommend to the Board for approval Absolute's financial statements and certain other documents required by regulatory authorities.

During Fiscal 2018, all members of the Audit Committee listed above were independent (as assessed in accordance with our independence standards) and financially literate. None of the members of the Audit Committee were, during the most recently completed financial year of the Company, an officer or employee of the Company or any of its subsidiaries.

## **Compensation Committee**

### *Composition of the Compensation Committee*

In Fiscal 2018, the Compensation Committee had the following members:

Arthur Mesher (Chairman)  
Eric Rosenfeld  
Daniel Ryan  
Sal Visca

The function of the Compensation Committee is to consider the terms of employment of the Chief Executive Officer, Chief Commercial Officer, Chief Financial Officer, previous Chief Strategy Officer and other executive officers, and general compensation policy and the policy for granting awards under Absolute's long term compensation plans.

During Fiscal 2018, all members of the Compensation Committee were independent in accordance with applicable securities laws. None of the members of the Compensation Committee were, during the most recently completed financial year of the Company, an officer or employee of the Company or any of its subsidiaries.

## **Strategic Planning Committee**

### *Composition of the Strategic Planning Committee*

In Fiscal 2018, the Strategic Planning Committee had the following members:

Eric Rosenfeld (Co-Chairman)  
Gerhard Watzinger (Co-Chairman)  
Arthur Mesher  
Daniel Ryan  
Josef Vejvoda

The function of the Strategic Planning Committee is to analyze, consider and develop recommendations to the Board regarding the mission and future direction of the Company over the next five years, and to develop an ongoing process for the review and revision of these recommendations. The Strategic Planning Committee may also act on behalf of the Board with respect to analyzing any specific transactions and may make recommendations to the Board.

During Fiscal 2018, all members of the Strategic Planning Committee were independent in accordance with applicable securities laws. None of the members of the Strategic Planning Committee were, during the most recently completed financial year of the Company, an officer or employee of the Company or any of its subsidiaries.

### ***Governance and Nominating Committee***

#### *Composition of the Governance and Nominating Committee*

In Fiscal 2018, the Governance and Nominating Committee had the following members:

J. Ian Giffen (Chairman)  
Gregory Monahan  
Sal Visca  
Gerhard Watzinger

The function of the Governance and Nominating Committee is to provide a focus on governance that will enhance the Company's performance, to assess and make recommendations regarding the effectiveness of the Board and to establish and lead the process for identifying, recruiting, appointing, re-appointing and providing ongoing development for directors.

In Fiscal 2018, all members of the Governance and Nominating Committee were independent in accordance with applicable securities laws. None of the members of the Governance and Nominating Committee were, during the most recently completed financial year of the Company, an officer or employee of the Company or any of its subsidiaries.

### **Director Evaluation**

To supplement the Board's succession planning and its efforts to ensure Board renewal, the Governance and Nominating Committee carries out an annual assessment of individual directors, the Board and the various committees in order to assess the overall effectiveness of the Board.

The evaluation process assists the Board in:

- Assessing its overall performance and measuring the contributions made by the Board as a whole and by each committee;
- Evaluating the mechanisms in place for the Board and each committee to operate effectively and make decisions in the best interests of the Company;
- Improving the overall performance of the Board by assisting individual directors to build on their strengths;
- Identifying gaps in skills and educational opportunities for the Board and individual directors in the coming year; and
- Developing the Board's succession plan and recruitment efforts.

The Governance and Nominating Committee annually reviews the adequacy of the evaluation process and recommends any changes to the Board for approval. Each director completes certain surveys regarding the effectiveness of the Board and each committee of the Board of which the director is a member, including their processes and their relationship with management, and provides suggestions for improvement. This self-assessment also assists the Governance and Nominating Committee in determining the financial literacy of each director and topics for continuing education.

## **Director Term Limits**

The Company has not adopted term limits or other mechanisms to force Board renewal. Given the normal process of annual elections of individual directors by the shareholders of the Company and the fact that individual directors also undertake annual director assessments, the Board has determined that term limits or a mandatory retirement policy is not essential. Directors who have served on the Board for an extended period of time are in a unique position to provide valuable insight into the operations and future of the Company based on their experience with a perspective on the Company's history, performance and objectives. We believe it is important to have a balance between directors who have a long history and organizational understanding of our business with directors who bring new perspectives and ideas to the Board. We value the experience and continuity provided by long-term directors. From time to time, however, Board renewal is facilitated by introducing new director appointments to the Board with fresh perspectives to facilitate a balance between board refreshment and continuity.

## **Representation of Women on the Board and Senior Management**

The Company does not have a written policy on the representation of women on the Board. The Board does not believe that quotas or strict rules necessarily result in the identification or selection of the best candidates. Rather, selection is made based on merit, skills, qualifications, experience, background, needs of the Company at the time, etc. However, the Governance and Nominating Committee and the Board are mindful of the benefit of diversity in the Company's leadership positions and the need to maximize the effectiveness of the Board and its decision-making abilities. Accordingly, in searches for new directors or officers, the Governance and Nominating Committee considers the level of female representation and diversity within its leadership ranks as one of several factors used in its search process.

The Company has also not adopted a target or quota regarding diversity on its Board or in executive officer positions due to the need to evaluate a balance of criteria, including diversity, in each individual appointment. The Company is monitoring the industry and its peers in order to identify best practices.

For the fiscal year ended June 30, 2018, 0% of our directors and 20% of our executive officers were women. The Company also continues to ensure that the language in our recruitment postings is gender neutral. We are also developing our talent management strategy for both employees and directors to ensure that diversity is reflected in every aspect of our programs, including succession planning, leadership, development and identification of certain talent.

## **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires Absolute to disclose annually, in its Annual Information Form, certain information concerning the constitution of its audit committee and its relationship with its independent auditor. Absolute did so in the "Audit Committee Disclosure" and "Schedule 'A' Audit Committee Charter" sections of the Annual Information Form dated September 25, 2018, which is incorporated herein by reference. NI 52-110 requires Absolute to include the above cross-reference to the applicable sections in the Annual Information Form. Copies of the Annual Information Form may be obtained upon request from Absolute in person at Suite 1400, Four Bentall Centre, 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1K8 or by telephone (604) 730-9851 or fax (604) 730-2621 and on SEDAR at [www.SEDAR.com](http://www.SEDAR.com).

## **APPOINTMENT OF AUDITOR**

Deloitte LLP, Chartered Professional Accountants, of Four Bentall Centre, 2800 – 1055 Dunsmuir Street, Vancouver, B.C., V7X 1P4 will be nominated at the Meeting for reappointment as auditor of Absolute at a remuneration to be fixed by the directors. Deloitte LLP was first appointed auditor of Absolute by the shareholders on November 12, 2003.

The remuneration for the auditors is determined by the Board, and the fees paid to the auditors during the last two fiscal years has been disclosed in the "Audit Committee Disclosure" section of the Annual Information Form dated September 25, 2018.

## AMENDMENTS TO THE SHARE OPTION PLAN

### **Amendments to the Option Plan**

At the Meeting, shareholders will be asked to approve certain amendments to the Company's share option plan (the "**Option Plan**"). Pursuant to the Option Plan, the Board may, from time to time, determine those eligible employees and officers of the Company who will receive options. Please see the description of the Option Plan beginning on page 39 for a more detailed description of the Option Plan.

The Board approved and recommends the following amendments to the Option Plan (as amended, the "**Amended Option Plan**"):

- to amend certain definitions in the Option Plan to accord with the definitions in the PRSU Plan, including the definitions of "Cause", "Accelerated Vesting Event" (replacing this definition with the definition in the Amended Option Plan of "Change of Control"), "Retired" (including amending the retirement age applicable to the Option Plan from 65 to 63) and "Totally Disabled" (replacing this definition with the definition in the Amended Option Plan of "Total Disability");
- to amend the provisions governing the vesting of options in the event of a change of control of the Company to match those in the PRSU Plan governing the vesting of Share Units under the same circumstances such that, in the event of a Change of Control, as defined in the Amended Option Plan, in the event that the employment of an optionee is terminated without Cause, as defined in the Amended Option Plan, or if the optionee resigns in circumstances constituting constructive termination, in each case within twelve months following a Change of Control, all of the optionee's options shall vest immediately prior to the date of termination and may be exercised for up to thirty days thereafter;
- to amend the treatment of stock options upon death or Total Disability, as defined in the Amended Option Plan, such that all options shall vest immediately in such circumstances and become exercisable by the personal representative of the optionee for six months after the death or Total Disability;
- to amend the administration provisions of the Option Plan, such that the Amended Option Plan shall be administered only by the Board;
- to amend the amendment provisions of the Option Plan, such that shareholder approval will be required for amendments to the Amended Option Plan that (i) extend the option period of options granted pursuant to the Option Plan to any participant; (ii) to reduce the exercise price of options granted pursuant to the Option Plan to any participant; (iii) to cancel and reissue options; and (iv) to expand the categories of eligible optionees such that there is the potential of broadening or increasing insider participation;
- to decrease the maximum aggregate number of Common Shares that may be issued as incentive stock options (for US tax purposes) under the Option Plan, subject to adjustment in accordance with the Option Plan, to 4,846,000; and
- to make consequential, "housekeeping" amendments to the Option Plan to integrate the foregoing amendments into the Amended Option Plan.

For more information regarding the amendments proposed to the Option Plan, please see the text of the Amended Option Plan and a blackline comparing the Amended Option Plan and the Option Plan, scheduled to this Information Circular as Schedule A and B, respectively.

## **Option Plan Amendment Resolution**

At the Meeting, shareholders will be asked to consider, and if deemed appropriate, to pass with or without variation, the following ordinary resolutions (the “**Option Plan Amendment Resolutions**”):

**RESOLVED THAT:**

1. The amendments to the Option Plan, as described in this Information Circular, are hereby approved, and the Company is hereby authorized to issue securities pursuant to the Option Plan, as amended; and
2. Any director or officer of the Company be and is hereby authorized and directed to take all such action and execute and deliver all such documents as any such director or officer may, in his or her sole discretion, determine are necessary, desirable or useful to implement the foregoing resolution.

An ordinary resolution is a resolution passed by a simple majority of the votes cast in person or by proxy. Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by each properly executed Proxy **FOR** the Option Plan Amendment Resolutions.

**The Board of Directors recommends that shareholders vote FOR the Option Plan Amendment Resolutions. Unless otherwise instructed, Common Shares represented by proxies in favour of management will be voted FOR the Option Plan Amendment Resolutions.**

If the shareholders do not approve the amendments to the Option Plan, the foregoing amendments will not be implemented and the Option Plan will remain as currently constituted. In the event that the Option Plan Amendment Resolutions are approved, grants of options going forward will be subject to and governed by the terms of the Amended Option Plan.

## **RENEWAL OF THE SHARE OPTION PLAN**

### **Option Plan Renewal**

Pursuant to Section 613 of the TSX Company Manual, unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate number of securities issuable must be approved by a majority of the issuer’s directors and by the issuer’s security holders every three years. The Option Plan, whether or not amended, does not have a fixed number of Common Shares issuable thereunder but, together with all other security-based compensation arrangements of the Company, permits the issuance of up to an aggregate of 12% of the outstanding Common Shares from time to time pursuant to the exercise of options granted under the Option Plan. As such, the Company is required to seek shareholder approval for all of the unallocated options issuable pursuant to the Option Plan, whether or not amended, by no later than December 15, 2018, being the three-year anniversary of the last shareholder approval of the Option Plan. The Company has determined to submit this matter to the shareholders at the Meeting.

As at November 13, 2018, we had outstanding options to purchase 2,187,526 Common Shares (representing approximately 5.4% of our issued and outstanding Common Shares as of November 13, 2018) out of a total pool of 4,856,095 Common Shares reserved for issue (representing 12% of our issued and outstanding Common Shares) under the Option Plan and all other security-based compensation arrangements of the Company, including the PRSU Plan (as defined herein), the PhSU Plan (as defined herein) and the Share Purchase Plan (as defined herein).

## **Option Plan Renewal Resolutions**

At the Meeting, shareholders will be asked to consider, and if deemed appropriate, to pass with or without variation, the following ordinary resolutions (the “**Option Plan Renewal Resolutions**”):

**RESOLVED THAT:**

1. The unallocated entitlements under the Option Plan are hereby approved and the Company will have the ability to grant options under the Option Plan until the date that is three years from the date of the Meeting, being December 13, 2021; and
2. Any director or officer of the Company be and is hereby authorized and directed to take all such action and execute and deliver all such documents as any such director or officer may, in his or her sole discretion, determine are necessary, desirable or useful to implement the foregoing resolutions.

An ordinary resolution is a resolution passed by a simple majority of the votes cast in person or by proxy. Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by each properly executed Proxy **FOR** the Option Plan Renewal Resolutions.

The Option Plan, whether or not amended, will continue to benefit the Company’s shareholders by aligning the interests of the Company’s directors, employees and officers with those of Absolute shareholders and providing a long-term incentive to reward employees, officers and directors for their contribution to the generation of shareholder value.

**The Board of Directors recommends that shareholders vote FOR the Option Plan Renewal Resolutions. Unless otherwise instructed, Common Shares represented by proxies in favour of management will be voted FOR the Option Plan Renewal Resolutions.**

If the shareholders do not approve the unallocated entitlements under the Option Plan, whether or not amended, the Company will no longer be able to make grants of options under the Option Plan, whether or not amended. All outstanding options will continue unaffected. All previously allocated options will no longer be available for reallocation if they are cancelled or expire unexercised.

## **AMENDMENTS TO PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**

### **Amendments to the PRSU Plan**

At the Meeting, shareholders will be asked to approve certain amendments to the Company’s performance and restricted share unit plan (the “**PRSU Plan**”). Pursuant to the PRSU Plan, the Board may, from time to time, determine those eligible employees and officers of the Company who will receive a grant of restricted share units (“**RSUs**”) and/or performance share units (“**PSUs**”, and, together with RSUs, “**Share Units**”). Please see the description of the PRSU Plan beginning on page 45 for a more detailed description of the PRSU Plan.

The Board approved and recommends the following amendments to the PRSU Plan (as amended, the “**Amended PRSU Plan**”):

- to amend the PRSU Plan to limit the maximum adjustment factor under the PRSU Plan to 200%, or a multiple of 2;
- to amend the PRSU Plan to include in the definition of “Change of Control” any change of control identified in a Participant’s (as defined herein) employment agreement;
- to amend the definition of “Disability” in the PRSU Plan to mean a situation in which the Participant is deemed by a qualified physician selected by the Company as unable to discharge the Participant’s employment duties for the Company for the foreseeable future because of disease or injury;

- to amend the definition of “Retirement” in the PRSU Plan to mean the cessation of the employment of a Participant where the Participant is over the age of 63 and the Participant and the Company agree such cessation of employment is a retirement from employment;
- to amend the provisions with respect to Retirement by a Participant in the PRSU Plan to cause the forfeiture of all unvested PSUs and RSUs, and all related dividend PSUs and RSUs, at the Participant’s termination date, and cause all vested Share Units to be redeemed at the Participant’s termination date;
- to amend the provisions with respect to termination by the Company of a Participant for Cause to cause all PSUs and RSUs, whether vested or unvested, and the related Dividend PSUs and RSUs, to immediately be cancelled as at the Participant’s termination date;
- to amend the provisions with respect to termination by the Company of a Participant without Cause, to cause all of the Participant’s unvested PSUs and RSUs, and related Dividend PSUs and RSUs, to immediately be cancelled as at the Participant’s termination date; and
- to make consequential, “housekeeping” amendments to the PRSU Plan to integrate the foregoing amendments into the Amended PRSU Plan.

For more information regarding the amendments proposed to the PRSU Plan, please see the text of the Amended PRSU Plan and a blackline comparing the Amended PRSU Plan and the PRSU Plan, scheduled to this circular as Schedule C and D, respectively.

#### **PRSU Plan Amendment Resolutions**

At the Meeting, shareholders will be asked to consider, and if deemed appropriate, to pass with or without variation, the following ordinary resolutions (the “**PRSU Plan Amendment Resolutions**”)

RESOLVED THAT:

1. The amendments to the PRSU Plan, as described in this Information Circular, are hereby approved, and the Company is hereby authorized to issue securities pursuant to the PRSU Plan, as amended; and
2. Any director or officer of the Company be and is hereby authorized and directed to take all such action and execute and deliver all such documents as any such director or officer may, in his or her sole discretion, determine are necessary, desirable or useful to implement the foregoing resolution.

An ordinary resolution is a resolution passed by a simple majority of the votes cast in person or by proxy. Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by each properly executed Proxy **FOR** the PRSU Plan Amendment Resolutions.

The PRSU Plan will continue to benefit the Company’s shareholders by aligning the interests of the Company’s employees and officers with those of Absolute shareholders and providing a long-term incentive to reward employees and officers for their contribution to the generation of shareholder value.

**The Board of Directors recommends that shareholders vote FOR the PRSU Plan Amendment Resolutions. Unless otherwise instructed, Common Shares represented by proxies in favour of management will be voted FOR the PRSU Plan Amendment Resolutions.**

If the shareholders do not approve the amendments to the PRSU Plan, the foregoing amendments will not be implemented and the PRSU Plan will remain as currently constituted. In the event that the PRSU Plan Amendment Resolutions are approved, grants of Share Units going forward will be subject to and governed by the terms of the Amended PRSU Plan.

## **RENEWAL OF PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**

### **Renewal of PRSU Plan**

Pursuant to Section 613 of the TSX Company Manual, unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate number of securities issuable must be approved by a majority of the issuer's directors and by the issuer's security holders every three years. The PRSU Plan, whether or not amended, does not have a fixed number of Common Shares issuable thereunder but, together with all other security-based compensation arrangements of the Company, permits the issuance of up to an aggregate of 12% of the outstanding Common Shares from time to time pursuant to the vesting of Share Units granted under the PRSU Plan, whether or not amended. As such, the Company is required to seek shareholder approval for all of the unallocated Share Units issuable pursuant to the PRSU Plan, whether or not amended, by no later than December 15, 2018, being the three-year anniversary of the last shareholder approval of the PRSU Plan. The Company has determined to submit this matter to the shareholders at the Meeting.

As at November 13, 2018, we had outstanding RSUs to purchase 1,467,750 Common Shares (representing approximately 3.6% of our issued and outstanding Common Shares) and outstanding PSUs to purchase 170,049 Common Shares (representing approximately 0.4% of our issued and outstanding Common Shares and, with the outstanding RSUs, 4.0% of our issued and outstanding Common Shares) out of a total pool of 4,856,095 Common Shares reserved for issue (representing 12% of our issued and outstanding Common Shares) under the PRSU Plan and all other security based compensation arrangements of the Company, including the Option Plan, the PhSU Plan and the Share Purchase Plan.

### **PRSU Plan Renewal Resolutions**

At the Meeting, shareholders will be asked to consider, and if deemed appropriate, to pass with or without variation, the following ordinary resolutions (the "**PRSU Plan Renewal Resolutions**")

**RESOLVED THAT:**

1. The unallocated entitlements under the PRSU Plan are hereby approved and the Company will have the ability to grant Share Units under the PRSU Plan until the date that is three years from the date of the Meeting, being December 13, 2021; and
2. Any director or officer of the Company be and is hereby authorized and directed to take all such action and execute and deliver all such documents as any such director or officer may, in his or her sole discretion, determine are necessary, desirable or useful to implement the foregoing resolution.

An ordinary resolution is a resolution passed by a simple majority of the votes cast in person or by proxy. Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by each properly executed Proxy **FOR** the PRSU Plan Renewal Resolutions.

The PRSU Plan, whether or not amended, will continue to benefit the Company's shareholders by aligning the interests of the Company's employees and officers with those of Absolute shareholders and providing a long-term incentive to reward employees and officers for their contribution to the generation of shareholder value.

**The Board of Directors recommends that shareholders vote FOR the PRSU Plan Renewal Resolutions. Unless otherwise instructed, Common Shares represented by proxies in favour of management will be voted FOR the PRSU Plan Renewal Resolutions.**

If the shareholders do not approve the unallocated entitlements under the PRSU Plan, whether or not amended, the Company will no longer be able to make grants of Share Units under the PRSU Plan, whether or not amended. All outstanding Share Units will continue unaffected. All previously allocated Share Units will no longer be available for reallocation if they are cancelled or expire unexercised.

## OTHER BUSINESS

Management has no knowledge, as at the date hereof, of any business other than that mentioned in the Notice of Meeting, to be presented for action by the Company at the Meeting. However, the proxy solicited hereunder confers upon the proxyholder the discretionary right to exercise the powers conferred thereunder upon any other matters and proposals that may properly come before the Meeting.

## COMPENSATION OF EXECUTIVE OFFICERS

All dollar amounts referred to in this Information Circular are in United States dollars unless otherwise designated.

In this Information Circular, a Named Executive Officer (or “NEO”) means each of the following individuals: (i) the Company’s previous Chief Executive Officer (“CEO”) and interim CEO; (ii) the Company’s Chief Financial Officer (the “CFO”); (iii) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the previous CEO, interim CEO and CFO, at the end of fiscal 2018 whose total compensation was, individually, more than CAD\$150,000 for fiscal 2018; and (iv) each individual who would be an NEO under (iii) above, but for the fact that he or she was neither an executive officer of the Company, nor serving in a similar capacity, at the end of fiscal 2018.

### ***Compensation Committee***

The Company’s Compensation Committee is composed of Arthur Mesher, Daniel Ryan, Sal Visca and Eric Rosenfeld, all of whom are independent directors and have prior management experience determining compensation plans and levels in other organizations. See “Election of Directors” for a description of their recent positions. The Compensation Committee has adopted a charter, which outlines the roles, responsibilities, and purposes of the Compensation Committee.

The purposes and responsibilities of the Compensation Committee with respect to compensation matters are to determine the Company’s compensation philosophy, oversee the development and implementation of executive and director compensation programs, and review and recommend to the Board of Directors any required modifications to the program.

### ***The Objectives***

For the year ended June 30, 2018, the Compensation Committee determined the compensation of the Company’s previous CEO and Interim CEO, CFO, previous Chief Strategy Officer and Chief Commercial Officer (collectively, the “**C-level Officers**”), as well as the Executive Vice President, Product Development. The C-level Officers determined the compensation program for all other NEOs. Compensation of the Company’s executives has three objectives, namely: (i) attract and retain executives with the management skills required to execute on the Company’s objectives; (ii) reward executive team members for their contribution to the overall success of the Company and for achievement of planned business objectives in their own area of responsibility; and (iii) align the longer term interests of the Company’s executives with the investment objectives of the Company’s shareholders through share-ownership programs. In order to meet these objectives, the Compensation Committee considers many factors which influence the overall level of NEO compensation.

### ***Elements of Compensation***

The Company’s executive compensation program is comprised primarily of the following elements:

- base salary;
- participation in the Option Plan, which is described in this Information Circular under the heading “Securities Authorized Under Equity Compensation Plans – Share Option Plan”;
- participation in the Company’s PRSU Plan, which is described in this Information Circular under the heading “Securities Authorized Under Equity Compensation Plans – Performance and Restricted Share Unit Plan”;

- prior to December 8, 2017, through the award of Phantom Share Units (“**PhSUs**”) under the Company’s Phantom Share Unit plan (“**PhSU Plan**”), which is described in this Information Circular under the heading “Securities Authorized Under Equity Compensation Plans – Phantom Share Unit Plan”;
- compensation under the Company’s short-term incentive plan, namely a variable pay plan, which is awarded on an annual basis or sales commissions, depending on the nature of the NEO’s employment;
- participation in the Company’s employee share purchase plan (“**Share Purchase Plan**”), which is described in this Information Circular under the heading “Securities Authorized Under Equity Compensation Plans – Employee Share Purchase Plan”; and
- other perquisites and benefits.

Each element of the Company’s compensation program is chosen to satisfy one or more of the stated compensation objectives. The Compensation Committee regularly reviews the various elements of the Company’s compensation program to ensure that each element is aligned with both the goals of the Company and the individual executive officer. The compensation program, as designed, achieves the Company’s compensation objectives through:

*Benchmarking.* The Compensation Committee periodically benchmarks the Company’s executive compensation with a broad peer group of companies with particular emphasis on the security software and Software-as-a-Service sectors. This comparison ensures that the Company’s executive compensation and benefits package is competitive with those found in the survey. To ensure that the survey includes the most appropriate companies, the Compensation Committee considers companies of a similar revenue size and market capitalization that have a global focus and that compete with the Company for executives of similar talent and experience. The total compensation package is compared to approximately the 35<sup>th</sup> percentile of the comparator group, taking into account the specific skillset and performance of the executives.

*Providing Fixed and Variable Compensation.* The Company provides a mix of fixed and variable compensation designed to attract, retain and motivate top performing executives, and the Company also appropriately links compensation levels with the achievement of relevant financial and strategic goals. The Company’s fixed compensation includes salary, perquisites and benefits. The Company’s variable compensation includes participation in the Company’s Option Plan, the PRSU Plan, the PhSU Plan (which lapsed December 8, 2017), the Share Purchase Plan and compensation under the short-term incentive plan.

*Providing a Mix of Equity and Cash Incentives.* The Company provides a mix of equity compensation, through participation in its Option Plan, PRSU Plan, PhSU Plan (which lapsed December 8, 2017), and Share Purchase Plan, and variable pay cash incentives designed to motivate executive officers to focus on achieving performance results that lead to sustainable long-term shareholder returns.

### ***Independent Compensation Consultant***

Under its mandate, the Compensation Committee has the sole authority to select, retain and terminate advisors (normally a compensation consultant) and to approve the consultant's fees and other retention terms. The Compensation Committee is also entitled to the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel and other experts or consultants. In fiscal 2018, the Compensation Committee engaged an independent compensation consultant.<sup>1</sup>

In fiscal 2018 the services provided by the consultant included the following:

- a) Advised on an appropriate peer group for benchmarking executive compensation;
- b) Conducted independent reviews of executive compensation in order to develop reasonable compensation programs for senior executives, including the NEOs;
- c) Assisted with annual incentive and long-term incentive compensation design; and
- d) Conducted an independent review of director compensation in order to develop a reasonable compensation program for Board members.

The consultant was originally retained prior to this engagement in fiscal 2016 and again in fiscal 2017 and has not provided any other services to the Company or to its affiliates, or to any of its directors or members of management, other than the compensation services that it has been retained to provide to the Compensation Committee.

The consultant compiled lists of peer group companies in the software industry, with particular emphasis on those with a similar size (based on revenue) in the security software and Software-as-a-Service industries. This list comprised a total of 17 peer group companies, of which 6 were Canadian-based and 11 were U.S.-based. Total compensation for each selected C-level Officer and the Executive Vice President, Product Development was compared to the 35<sup>th</sup> percentile of the appropriate range, based on the compiled list of Canadian- and U.S.-based companies, and recommendations were then made for consideration of the Compensation Committee.

The peer companies studied in fiscal 2018 were:

- Amber Road Inc.
- Brightcove, Inc.
- Descartes Systems Group Inc.
- Everbridge, Inc.
- Guidance Software, Inc.
- Halogen Software Inc.
- Kinaxis Inc.
- MobileIron, Inc.
- Qualys, Inc.
- Rapid7, Inc.
- Redknee Solutions Inc.
- Solium Capital Inc.
- Tucows, Inc.
- Upland Software, Inc.
- Vasco Data Security Intl., Inc.
- Xactly Corp.
- Zix Corporation

### ***Executive Compensation-Related Fees***

The aggregate fees billed by the consultant, or any of its affiliates, for services related to determining compensation for any of the Company's directors and executive officers were CAD \$29,710 in fiscal 2017 and CAD\$32,407 in fiscal 2018.

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<sup>1</sup> Meridian Compensation Partners

### *All Other Fees*

The aggregate fees billed by the consultant, or any of its affiliates, for all other services provided were CAD\$14,405 in fiscal 2017 and CAD\$24,987 in fiscal 2018. The nature of the services included: development of equity compensation plans, assistance with development of equity compensation policies and preparation for and attendance at Compensation Committee meetings.

### ***Recommendations of the Compensation Committee and Management***

In general, the Compensation Committee uses information gathered from the independent consultant, if engaged, and its own assessment of performance to develop pay strategies and recommendations for the C-level Officers and the Executive Vice President, Product Development. After this analysis, the Compensation Committee prepares its recommendation for the Board to review and discuss. The independent (non-executive) members of the Board have the sole authority to approve compensation decisions made with respect to any of the C-level Officers and the Executive Vice President, Product Development. This applies to all elements of C-level Officer and Executive Vice President, Product Development compensation, including salary, short-term incentive plan opportunity, sales commissions, and long-term incentive plans. Participation in the Share Purchase Plan is voluntary for all employees.

With respect to the Company's other senior management and employees, the C-level Officers and Executive Vice President, Product Development develop the pay strategies and recommendations, within the context of the Company's annual financial plan and general compensation philosophies as outlined by the Compensation Committee and the Board. However, the authority to approve those strategies and recommendations resides with different parties according to the employee's level. For senior management, decisions must be approved by the C-level Officer responsible for each employee's functional area. Accordingly, to the extent that a non-C-level Officer becomes a NEO, their compensation will have been set by that employee's functional C-level Officer. For employees below the level of senior management, the C-level Officer and his or her designees have the authority to approve pay actions. However, the Compensation Committee is responsible for approving actions related to other aspects of these employees' compensation, such as any grant of Options or Share Units and for non-commissioned employees, the corporate targets applicable thereto and the general amount available pursuant to the variable pay plan.

### ***The Determination of Each Element***

The Compensation Committee's processes for establishing and overseeing compensation include holding regular meetings. The Compensation Committee meets as required, and at least once per year, to consider the Company's executive compensation, benefit plans and policies. The committee met five times in fiscal 2018. As noted above, the Compensation Committee determined the compensation of the Company's C-level Officers and Executive Vice President, Product Development, while the C-level Officers determine the compensation program for all other NEOs.

When determining compensation policies and individual compensation levels for the C-level Officers, the Compensation Committee takes into consideration a variety of factors. These factors include: (i) the Company's overall financial and operating performance; (ii) the Compensation Committee's and the Board of Directors' overall assessment of each executive's individual performance and contribution towards meeting corporate objectives, levels of responsibility and length of service; and (iii) industry comparables, as noted under "Independent Compensation Consultant".

The amount for each element of compensation is determined as follows:

- **Salary:** salary for each NEO is determined based on his or her responsibilities, individual performance factors, overall corporate performance, benchmark data, and the assessment of such individual as determined by the Compensation Committee. The base salaries for executive officers are reviewed annually. Base salary is considered as a part of the overall compensation package, which is intended to provide the NEO with a compensation level comparable to the total compensation package within the applicable peer group of companies.

- *Options and Share Ownership:* NEOs benefit from long-term improved performance by the Company almost entirely through their participation in the Company's Option Plan, PSRU Plan, PhSU Plan (which lapsed on December 8, 2017) and Share Purchase Plan. The Compensation Committee may from time to time recommend the grant of Options, PSUs and RSUs to the Company's executive officers under the Company's Option Plan and PRSU Plan, respectively. All grants of options, PSUs and RSUs are reviewed and approved by the Board of Directors. Grants of Options, PSUs and RSUs are intended to emphasize the executive officers' commitment to the Company's growth and the enhancement of share value and to reward executive officers for the Company's performance through appreciation in equity values. The grant of Options, PSUs and RSUs is a key component of the executive compensation package and contributes to the Company's ability to attract and retain qualified executives. The Compensation Committee recommends grants to newly hired executive officers at the commencement of their initial employment and reviews Option, PSU and RSU balances annually. The amount of Options, PSUs and RSUs granted to the NEOs on an annual basis is determined based on his or her responsibilities, individual performance factors, overall corporate performance, benchmark data, and the assessment of such individual as determined by the Compensation Committee. In addition, the amount and terms of outstanding Options, PSUs and RSUs held by an executive officer are taken into account when determining whether and how new grants should be made to the executive. The number of Common Shares which may be subject to Option in favour of any one individual is limited under the terms of the Company's Option Plan, and the limit cannot be increased without shareholder and regulatory approval. Generally, Options, PSUs and RSUs are granted on initial hire, upon promotion, and via an annual grant to certain employees, including the NEOs.
- All employees are eligible to invest in the Company's Common Shares through the Share Purchase Plan. Each employee, including NEOs, can invest up to \$10,500 per year in the Company's Common Shares. The Common Shares are issued from treasury at a discount of 15% from the market price at either the beginning or the end of two designated six-month periods in the year.
- For a description of these plans, please refer to the "Securities Authorized for Issuance Under Equity Compensation Plans – Share Option Plan", "Securities Authorized for Issuance Under Equity Compensation Plans – Performance and Restricted Share Unit Plan", and "Securities Authorized for Issuance Under Equity Compensation Plans – Share Purchase Plan" sections of this Information Circular. The adjustment factor for PSUs granted in fiscal 2018 was related to a market-based performance condition.
- *Short-term Incentive Plan:* NEOs also benefit from the improved performance of the Company from time to time by the receipt of variable pay, awarded based on Company performance set in conjunction with the annual financial plan, subject to personal performance. The variable pay plan pool and the Company performance targets are reviewed and approved by the Compensation Committee. The performance targets are aligned with those which the Compensation Committee believes will enhance future shareholder value and in fiscal 2018 were based on the achievement of profitability, annual contract value base growth, and cash flow targets, in addition to the achievement of specified operational imperatives. Generally, the amounts available under the variable pay plan will be paid if the Company meets annual targets and strategic imperatives as set out in the annual operating plan.

From time to time, the Compensation Committee may change the variable pay plan performance targets in order to provide continued incentive to NEOs and other employees throughout the year, if it becomes clear the targets as originally outlined are unachievable.

- *Commissions:* Certain NEOs in sales and business development roles benefit from variable compensation in the form of sales commissions. Sales quotas are set based on senior management recommendation, taking into account current market trends and the overall annual budget approved by the Board of Directors, and are subject to approval by the CEO. In fiscal 2018, sales quotas were set annually, with quarterly benchmarks. In fiscal 2019, sales quotas are set semi-annually, with quarterly benchmarks. Due to their nature, sales commissions are generally earned on a pro-rata basis, based on performance. Any sales commission opportunity for C-level Officers is approved by the Compensation Committee.
- *Perquisites and Benefits:* The Compensation Committee also determines industry standard perquisites for each C-level Officer. The Company's perquisites are intended to provide the executive officers with a package competitive within its industry, so as to attract and retain talented executives. Executive officers

also participate in the Company's employee health insurance benefit plans. There are minimal perquisites provided to the C-level Officers which are not afforded to all employees.

The Company believes that the disclosure of the specific targets referred to under "Short-term Incentive Plan" and "Commissions" above would be seriously prejudicial to its interests, as disclosure of these targets would reveal details that could undermine the chosen target criteria and the rationale for choosing such criteria. The Company believes these targets are sufficiently and appropriately difficult to reach, while still being achievable. The achievement of targeted objectives, which are established in consideration of the Company's projections for each fiscal year, is based on, among other things, the Company's financial performance. Thus, various economic factors beyond the Company's control, including the Company's market outlook and the global economic environment, may influence the achievement of the Company's results.

Both the Compensation Committee and the Board considered the implications of the risks associated with the Company's compensation policies and practices. The role of the Board includes assessing and reviewing the principal risks of all aspects of the Company's business, and ensuring proper structures are in place to manage those risks. The role of the Compensation Committee includes developing appropriate terms of employment of senior management and general compensation policy to appropriately balance risks and incentives.

The Company monitors industry standards for compensation practices to identify emerging areas of potential risk or inappropriate incentives. When setting compensation levels, the Company seeks an appropriate balance of base pay, variable pay opportunities based on the achievement of business objectives, option grants and share ownership to balance the short-term and long-term interests of the Company by tying compensation to the achievement of the business objectives of the Company, while also ensuring that the senior management of the Company has sufficient equity exposure to align their interests with the interests of the Company's shareholders. The Company believes that the compensation policies it has established reflect an appropriate mixture of guaranteed compensation, variable pay opportunities and risk mitigation. The Company believes that senior management collectively owns a sufficient number of Common Shares of the Company to discourage the taking of inappropriate risks by senior management.

The Board of Directors, the interim CEO, the CFO, the Chief Commercial Officer and other executive officers are prohibited from purchasing financial instruments designed to hedge or offset a decrease in the market value of the Common Shares or other equity securities of the Company that were granted to him or her by the Company as compensation, or that are otherwise held (directly or indirectly) by him or her.

### **Compensation paid to NEOs in Fiscal 2018**

Other than as set out below, there are no material differences in the Company's compensation policies with respect to any of the NEOs. The variable pay opportunity for Mr. Munford was guaranteed to be paid at 100% with respect to the prorated amount applicable to the year ended June 30, 2018. In addition, the variable pay opportunity for Mr. Maxwell is primarily based on the achievement of certain sales targets, with a small portion being based on achievement of corporate objectives. The variable pay opportunity for each of the NEOs in fiscal 2018 was as follows:

Name and principal position	Variable Pay Opportunity (\$)
Steve Munford Interim Chief Executive Officer	174,725 CAD <sup>(1)</sup>
Errol Olsen Chief Financial Officer	167,375 CAD
Sean Maxwell Chief Commercial Officer	276,000
Dean Coza Executive Vice President, Product	114,375 <sup>(2)</sup>
Todd Wakerley Executive Vice President, Product Development	145,000
Geoff Haydon Chief Executive Officer	189,583 <sup>(3)</sup>

**Notes:**

- (1) This variable pay opportunity is based on a full year at CAD\$400,000, pro-rated to a start date of January 16, 2018. This amount was guaranteed to be paid out at 100% pursuant to the terms of Mr. Munford's employment agreement.
- (2) This variable pay opportunity is based on a full year at \$152,500, pro-rated to a start date of October 3, 2017.
- (3) This variable pay opportunity was based on a full year at \$350,000, pro-rated to an end date of January 15, 2018.

All of the NEOs received a grant of stock options, PSUs, and/or RSUs in August 2017, September 2017 or February 2018 in recognition of their performance in fiscal 2018 and as a retention tool. NEOs were also eligible to participate in the Share Purchase Plan.

Below are the specific compensation actions for each of the Company's NEOs in fiscal 2018. See also the "Summary Compensation Table".

#### *Base Salaries*

Base salaries for C-level Officers are reviewed annually by the Compensation Committee. The C-level Officers determine the compensation program for all other NEOs. The following changes were made to the base salaries of the NEOs in fiscal 2018:

- Effective January 16, 2018, Mr. Munford was hired as the Company's Interim CEO. Mr. Munford's base salary was set at an annual amount of CAD\$400,000.
- Effective July 1, 2017, Mr. Maxwell's base salary was increased to an annual amount of \$360,000.
- Effective October 3, 2017, Mr. Coza was hired as the Company's Executive Vice President, Product. Mr. Coza's base salary was set at an annual amount of \$305,000.

### *Incentive Plan Opportunity*

Opportunity under the Company's variable pay plans is reviewed annually by the Compensation Committee or by the C-level Officers, depending on the level of the employee. The following changes were made to the variable pay plan opportunities of the NEOs in fiscal 2018:

- Effective January 16, 2018, Mr. Munford was hired as the Company's Interim CEO. Mr. Munford's standard annual variable pay plan opportunity was set at CAD \$400,000. The amount related to the year ended June 30, 2018 (CAD\$174,725) was guaranteed to be paid out at 100% pursuant to the terms of his employment agreement.
- Effective July 1, 2017, Mr. Olsen's standard annual variable pay plan opportunity, based on corporate performance, was increased to CAD\$167,375.
- Effective July 1, 2017, Mr. Maxwell's standard variable pay plan opportunity was decreased to \$276,000. Of this amount, \$240,000 was structured as sales commissions and \$36,000 was based on corporate performance.
- Effective October 3, 2017, Mr. Coza was hired as the Company's Executive Vice President, Product. Mr. Coza's standard annual variable pay plan opportunity was set at \$152,500.

### *Actual Annual Incentive Plan*

The C-level Officers achievement pursuant to the annual incentive plan for fiscal 2018 was based upon the achievement of the Company's three annual performance targets and a fourth performance target comprised of four target initiatives under which there were nine specific objectives. Each of the nine objectives was weighted equally at 11%. The first and second performance targets were each weighted at 30%, while the third performance target and the achievement of the four target initiatives pursuant to the fourth performance target, were each weighted at 20%.

The Company achieved approximately 93% of the first performance target, 94% of the second performance target, and 83% of the third performance target. The minimum threshold for the first performance target was not met, while the achievement of the second and third performance targets applied an 85% and 83% attainment factors to those amounts, respectively. The achievement of the nine target objectives pursuant to the four target initiatives was calculated using a simple average for a total amount of 83% for that target. As a result, the C-Level Officers achieved an overall attainment of 59% of their incentive pay opportunity for fiscal 2018, which was paid in early fiscal 2019.

The Board of Directors always, by operation of applicable corporate law, retains discretion to award compensation absent attainment of the relevant performance goal or to reduce (subject to the terms of any binding contract) or increase the size of any award or payout.

Actual amounts paid, and their percentage of total compensation for each NEO, are outlined in the Summary Compensation Table below.

### *Compensation Plan Changes for Fiscal 2019*

Effective July 1, 2018, the amount of Mr. Munford's annual variable pay plan opportunity related to the period ended December 31, 2018 (CAD\$200,000) was guaranteed to be paid out at 100%.

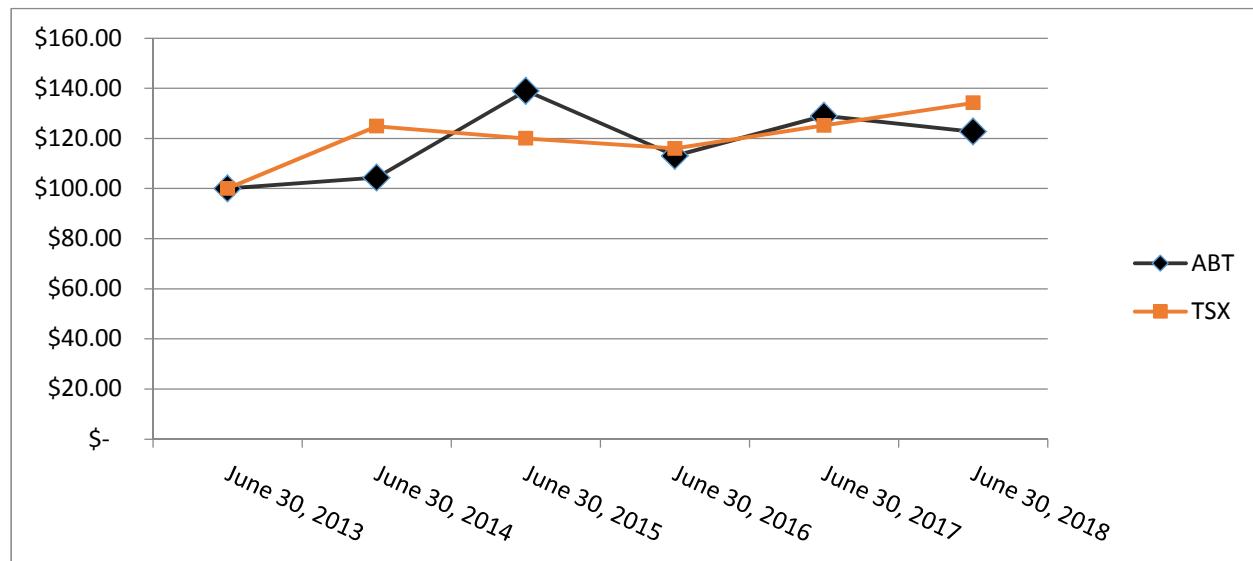
The variable pay plan for Messrs. Munford, Olsen, Wakerley and Coza has been determined by the Compensation Committee for fiscal 2019 to align with current internal targets, budgets and forecasts. For fiscal 2019, the two performance targets of the Company are equally related to adjusted earnings before interest, taxes, depreciation, and amortization ("EBITDA") and growth in our commercial Annual Contract Value ("ACV") Base, each weighted at 40%. The final 20% weighing is related to the achievement of personal objectives under a management-by-objectives ("MBO") model. For Mr. Maxwell, approximately 87% of his variable pay plan opportunity is based on the achievement of sales targets and is paid as commissions on a pro-rata basis, with the remaining 13% based on the corporate variable pay plan as described above.

The standard variable pay plan opportunities described above are available if the Company meets its performance targets. In addition, the standard opportunities described above are also payable at a variety of decreased or increased levels depending on performance (such as at a level of 50% for achievement of approximately 87-95% of the standard performance targets, depending on the target, or at a level of 200% for overachievement of approximately 104-120% of the standard performance targets, depending on the target). The MBO goals will be assessed qualitatively, on a percentage basis, according to the level to which each goal is achieved.

In general, for variable pay plans that are not MBO-based, the achievement of annual performance targets by the Company triggers the creation of the pool of funds available for variable pay for employees who are not C-level Officers or commissioned employees; however, amounts are earned based on personal performance levels. When a semi-annual performance target for a non-NEO is not met, it remains available if the annual performance target is exceeded sufficiently to meet the annual target after payment of any previously unearned semi-annual component. For employees on MBO-based variable play plans, the achievement is based on personal performance only.

### **Performance Chart**

The following chart shows the shareholder return on the Common Shares of the Company for the five-year period from June 30, 2013 to June 30, 2018, together with the cumulative return for the S&P/TSX Total Return Index for the same period, based on the closing price on the last trading day of each year and including dividends paid on the Company's Common Shares. The chart assumes an initial investment of CAD\$100.



(in Canadian dollars)	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Absolute Software Corporation	C\$100.00	C\$104.39	C\$138.95	C\$113.03	C\$128.99	C\$122.69
S&P/TSX Total Return Index	C\$100.00	C\$124.87	C\$119.99	C\$115.96	C\$125.17	C\$134.20

The trend in the above graph shows that the performance of S&P/TSX Total Return Index has outpaced the performance of the Company's Common Shares in Canadian dollars over the past five years. Overall compensation for the Company's Named Executive Officers has been relatively constant over this period, with the exception of higher amounts in the first year of a NEO's employment as a result of inception equity grants. The short term variable incentive compensation for NEOs is based on Company performance in meeting profitability and revenue growth targets, with annual improvement in these metrics contributing to Common Share performance. The long term incentive compensation for NEOs is equity based; however, ongoing grants are measured primarily by the value of equity instruments at the time of grant. As a result, changes in the Company's public market valuation do not directly influence NEO compensation; however, the post-grant value of these awards will increase if the Company's Common Share performance improves.

### **Summary Compensation Table**

The compensation paid to the NEOs during the Company's most recently completed financial year of June 30, 2018 is as set out below:

Name and principal position	Fiscal Year	Salary (\$) <sup>(1)</sup>	Share-based awards (\$) <sup>(2)(3)</sup>	Option-based awards (\$) <sup>(4)</sup>	Non-equity incentive plan	All other compensation (\$) <sup>(1)(5)</sup> <sup>(6)</sup>	Total compensation (\$)
					Annual incentive plans <sup>(1)(5)</sup>		
Steve Munford <sup>(7)</sup> Interim Chief Executive Officer	2018	141,949	544,624	325,555	121,469	nil	1,133,607
Errol Olsen Chief Financial Officer	2018	260,683	328,476	42,475	68,652	9,098	709,386
	2017	252,352	103,968	19,538	56,087	10,125	442,070
	2016	245,467	164,230	22,064	82,018	9,409	523,188
Sean Maxwell <sup>(8)</sup> Chief Commercial Officer	2018	354,939	298,522	42,475	248,302	1,952	946,190
	2017	300,000	nil	nil	275,504	nil	575,504
	2016	125,000	661,500	123,576	117,195	nil	1,027,270
Dean Coza <sup>(9)</sup> Executive Vice President, Product	2018	226,599	466,185	72,072	66,740	nil	831,596
Todd Wakerley <sup>(10)</sup> Executive Vice President, Product Development	2018	290,000	141,313	14,128	85,550	8,700	539,693
	2017	270,833	180,413	7,098	145,000	8,125	611,469
	2016	166,667	126,588	30,442	45,000	1,875	370,571
Geoff Haydon <sup>(11)</sup> Chief Executive Officer	2018	207,340	542,005	99,903	nil	7,427	856,676
	2017	301,530	592,232	nil	191,484	11,600	1,096,846
	2016	283,231	422,371	41,018	146,269	10,542	903,430

#### **Notes:**

- (1) The salary and annual incentive plan payments for Messrs. Haydon, Munford and Olsen are paid in Canadian dollars. These amounts are translated into US dollars at the average monthly foreign exchange rate in effect when the payment is made.
- (2) The grant-date fair value of the PhSU and RSU awards is the fair value of the Company's common shares on the date of grant.
- (3) The grant-date fair value of PSU awards is determined on the grant date using a Monte Carlo simulation model, taking into account the fair value of the Company's common shares on the date of grant, potential future dividends accruing to the unitholder's benefit, and encompassing a wide range of possible future market conditions.
- (4) The grant-date fair value of the option-based awards is determined in accordance with IFRS 2, "Share Based Payment" using a Black-Scholes option pricing model. The Company has chosen this methodology as there are no future performance criteria for the vesting of these options, other than the passage of time.
- (5) The annual incentive plan compensation (the specific targets for which have not been disclosed), as a percentage of total annual compensation for the year ended June 30, 2018 is 11% for Mr. Munford, 10% for Mr. Olsen, 26% for Mr. Maxwell, 8% for Mr. Coza, 16% for Mr. Wakerley and 0% for Mr. Haydon.
- (6) Other compensation relates to participation in the Company's Employee Share Purchase Plan. The amount is calculated as the difference between the price expected to be paid for the number of shares purchased and the fair market value of the shares at the beginning of each Employee Share Purchase Plan period. Other compensation also includes any company contribution to a personal savings plan like a registered retirement savings plan made on behalf of the NEO.
- (7) Mr. Munford was appointed Interim Chief Executive Offer on January 16, 2018.
- (8) Mr. Maxwell's employment commenced February 1, 2016.
- (9) Mr. Coza's employment commenced October 3, 2017.
- (10) Mr. Wakerley's employment commenced November 1, 2015.
- (11) Mr. Haydon's employment ended January 15, 2018.

### ***Outstanding Option-based Awards***

The following table sets out all option-based awards outstanding as at June 30, 2018, for each NEO:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#) <sup>(1)</sup>	Option exercise price (CAD\$) <sup>(2)</sup>	Option expiration date <sup>(3)</sup>	Value of unexercised in-the-money options (CAD\$)
Steve Munford Interim Chief Executive Officer	400,000	6.83	February 16, 2025	40,000
	5,000	8.09	November 13, 2018 <sup>(3)</sup>	nil
	5,000	8.09	November 13, 2019	nil
	5,000	8.09	November 13, 2020	nil
	5,000	8.09	November 13, 2021	nil
Errol Olsen Chief Financial Officer	7,500	5.10	December 19, 2017 <sup>(3)</sup>	27,450
	7,500	5.10	December 19, 2018	
	7,500	5.22	February 14, 2018 <sup>(3)</sup>	12,825
	12,500	6.90	February 20, 2018 <sup>(3)</sup>	375
	12,500	6.90	February 20, 2019	375
	12,500	6.90	February 20, 2020	375
	17,500	7.10	August 22, 2018	nil
	17,500	7.10	August 22, 2019	nil
	17,500	7.10	August 22, 2020	nil
	26,600	7.11	March 15, 2023	nil
	22,500	7.23	September 9, 2023	nil
	47,348	7.46	August 25, 2024	nil
Sean Maxwell Chief Commercial Officer	200,000	6.03	February 8, 2023	180,000
	47,348	7.46	August 25, 2024	nil
Dean Coza Executive Vice President, Product	86,450	6.99	November 17, 2024	nil
Todd Wakerley Executive Vice President, Product Development	8,000	7.40	August 23, 2023	nil
	15,750	7.46	August 25, 2024	nil
	7,500	8.09	November 13, 2018	nil
	7,500	8.09	November 13, 2019	nil
	7,500	8.09	November 13, 2020	nil
	7,500	8.09	November 13, 2021	nil

#### **Notes:**

- (1) Under the terms of the Company's Option Plan prior to its amendment in December 2015, vested Options expired two years after their date of vesting. Accordingly, Options granted prior to that amendment have four separate expiration dates, and therefore appear on multiple rows in the table. Options listed are grouped by each grant.
- (2) All Options have exercise prices denominated in Canadian dollars.
- (3) The expiration dates noted herein are the contractual expiration dates applicable to the original Option grant. The NEOs listed are insiders of the Company, and are therefore subject to Common Share trading blackout during reporting periods and at other times where they are in possession of material information that is not publicly available. Pursuant to the Company's corporate blackout policy, when Options expire during a Company-imposed blackout, the Option expiration date is extended to 10 business days after the expiry of the blackout. As a result, any options presented as outstanding herein, with a contractual expiration date prior to June 30, 2018, have been extended pursuant to the Company's corporate blackout policy.

### ***Outstanding Share-Based Awards - NEOs***

The following table sets out all share-based awards (PhSUs, PSUs, and RSUs) and share-based awards outstanding as at June 30, 2018, for each NEO:

Name	Share-based Awards		
	Number of securities underlying unvested share-based awards (#)	Value of unvested share-based awards (CAD\$)	Value of vested share-based awards not paid out or distributed (CAD\$)
Steve Munford Interim Chief Executive Officer	101,147	700,951	nil
Errol Olsen Chief Financial Officer	76,277	528,598	142,354
Sean Maxwell Chief Commercial Officer	100,448	696,106	768,516
Dean Coza Executive Vice President, Product	87,029	603,108	nil
Todd Wakerley Executive Vice President, Product Development	55,562	385,045	78,891

### ***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table sets out the value vested or earned under incentive plans during the year ended June 30, 2018, for each NEO:

Name	Option-based awards – Value vested during the year (CAD\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (CAD\$) <sup>(2)</sup>	Non-equity incentive plan compensation – Value earned during the year
Steve Munford Interim Chief Executive Officer	3,333	nil	121,469
Errol Olsen Chief Financial Officer	375	146,997	68,652
Sean Maxwell Chief Commercial Officer	45,000	401,488	248,302
Dean Coza Executive Vice President, Product	nil	nil	66,740
Todd Wakerley Executive Vice President, Product Development	nil	129,516	85,550
Geoff Haydon Chief Executive Officer	nil	224,729	nil

#### **Notes:**

- (1) Amount is calculated as the number of Common Shares vested multiplied by the difference between the Common Share price and the exercise price on the date of vesting.
- (2) Amount is calculated as the number of Common Shares vested multiplied by the Common Share price on the date of vesting.

See “Securities Authorized Under Equity Compensation Plans – Share Option Plan” in this Information Circular for further information on the Company’s Option Plan.

See “Securities Authorized Under Equity Compensation Plans – Performance and Restricted Share Unit Plan” in this Information Circular for further information on the Company’s PRSU Plan.

See “Securities Authorized Under Equity Compensation Plans – Phantom Share Unit Plan” in this Information Circular for further information on the Company’s PhSU Plan.

#### ***Termination and Change of Control Benefits***

The Company has written employment agreements with all of its NEOs. Under these agreements, the NEOs are required to work full time for the Company and are eligible to receive equity incentives and a performance based variable pay opportunity at the discretion of the Compensation Committee and the Board of Directors (or, in the case of non-C-level Officer NEOs, by the C-level Officers) and other standard benefits made available by the Company. In addition, under these agreements an amount equal to 12 months in the case of Messrs. Munford, Maxwell, Wakerley and Coza; and 18 months, in the case of Mr. Olsen, salary is payable in the event of a termination without cause or a resignation with cause within 12 months following a change of control (as defined below). All Options granted pursuant to the Company’s Option Plan vest on a change of control, accordingly, all Options held by the NEOs would fully vest in that event. All NEOs maintain the right to exercise any vested Options at the date of a termination without cause. PSUs, RSUs, and PhSUs do not vest on a change of control unless the NEO is terminated without cause, within 12 months from the date of the change in control, and in the case of PSUs and RSUs, if the NEO resigns in circumstances constituting constructive termination within 12 months from the date of the change of control. Any unvested PSUs and RSUs vest on termination without cause.

The NEOs also have non-competition and non-solicitation provisions in their employment contracts. These provisions prohibit the following activities, which are effective for a period of one year from the date that employment ceases, for any reason: a) entering into any commercial activity that competes with any material aspect of the Company’s business; b) soliciting or contacting any customers or prospects of the Company for the purposes of selling or supplying any product or service that competes with the Company’s business; or c) soliciting or contacting any of the Company’s employees for employment.

For those NEOs who have a change of control clause in their agreements, a change of control is generally defined to have occurred on (a) the acquisition or ownership by a person of a stated percentage of Common Shares of Absolute (ranging between 30% and 51%), (b) the election over any period of two consecutive years of a stated percentage (ranging between 51% and 75%) of directors of Absolute who were not incumbent directors, (c) the sale, lease, exchange or other disposition of all or substantially all of the assets of Absolute, (d) an amalgamation, merger, arrangement or other business combination that results in persons other than shareholders of Absolute owning Common Shares of the continuing entity that entitle the holders thereof to cast a majority of the votes on the election of directors or (e) the Board of Directors determining that a change of control has occurred.

The estimated incremental payments from the Company to each of the NEOs following (i) termination without cause or (ii) termination without cause or resignation with cause within 12 months following a change of control, assuming the triggering event occurred on June 30, 2018, are as follows:

<b>NEO</b>		<b>Termination Without Cause (\$)</b>	<b>Change of Control (\$)</b>
Steve Munford Interim Chief Executive Officer	Salary	400,000 CAD	400,000 CAD
	Bonus	nil	nil
	Options	3,333 CAD	40,000 CAD
	Share Units	233,650 CAD	700,951 CAD
Errol Olsen Chief Financial Officer	Salary	502,125 CAD	502,125 CAD
	Bonus	nil	nil
	Options	41,400 CAD	41,400 CAD
	Share Units	396,541 CAD	670,951 CAD
Sean Maxwell Chief Commercial Officer	Salary	360,000	360,000
	Bonus	nil	nil
	Options	90,000 CAD	180,000 CAD
	Share Units	1,184,830 CAD	1,464,621 CAD
Dean Coza Executive Vice President, Product	Salary	305,000	305,000
	Bonus	nil	nil
	Options	nil	nil
	Share Units	212,076 CAD	603,108 CAD
Todd Wakerley Executive Vice President, Product Development	Salary	290,000	290,000
	Bonus	nil	Nil
	Options	nil	2,240
	Share Units	304,780 CAD	463,937 CAD

### **Director Compensation**

The Company pays its independent directors for serving on the Company's Board of Directors. In making recommendations to the Board of Directors relating to director compensation, the Compensation Committee considered directors' compensation offered by similar companies, its directors' time commitments and the risks and responsibilities that the directors of the Company assume. In fiscal 2018, the following changes were made to annual director compensation (all of which became effective July 1, 2018 unless otherwise noted):

All Board and related committee fees were changed such that they are all denominated in U.S. Dollars. Previously, all board and committee fees were denominated in the currency of the country of each Board member's domicile.

The independent members of the Board of Directors have received deferred share units in accordance with the policies of the TSX and the Company's Deferred Share Unit Plan.

The compensation provided to the directors, for the Company's most recently completed financial year of June 30, 2018 is:

Name and principal position	Fiscal Year	Fees earned (\$) <sup>(1)</sup>	Share-based awards (\$) <sup>(2)</sup>	Total compensation (\$)
J. Ian Giffen	2018	67,500 <sup>(3)</sup>	100,972	168,472
	2017	56,541 <sup>(4)</sup>	80,730	137,271
	2016	59,541 <sup>(5)</sup>	69,544	129,085
Arthur Mesher	2018	70,000 <sup>(3)</sup>	99,756	169,756
	2017	52,771 <sup>(4)</sup>	80,730	133,501
	2016	52,925 <sup>(5)</sup>	69,544	122,469
Gregory Monahan	2018	60,000	81,060	141,060
	2017	60,000	80,730	140,730
	2016	65,625 <sup>(5)</sup>	69,544	135,169
Eric Rosenfeld	2018	63,750 <sup>(3)</sup>	81,060	144,810
	2017	63,750 <sup>(4)</sup>	80,730	144,480
	2016	67,500 <sup>(5)</sup>	69,544	137,044
Daniel Ryan	2018	90,000 <sup>(6)</sup>	81,060	171,060
	2017	90,000 <sup>(6)</sup>	80,730	170,730
	2016	90,000 <sup>(6)</sup>	69,544	159,544
Josef Vejvoda	2018	75,000 <sup>(3)</sup>	99,206	174,206
	2017	50,887 <sup>(4)</sup>	80,730	131,617
	2016	45,364 <sup>(5)</sup>	69,544	114,908
Salvatore Visca	2018	60,000	97,087	157,087
	2017	45,233	80,730	125,963
	2016	45,364	69,544	114,908

Name and principal position	Fiscal Year	Fees earned (\$) <sup>(1)</sup>	Share-based awards (\$) <sup>(2)</sup>	Total compensation (\$)
Gerhard Watzinger	2018	63,750 <sup>(3)</sup>	81,060	154,810
	2017	63,750 <sup>(4)</sup>	80,730	144,480
	2016	61,875 <sup>(5)</sup>	69,544	131,419

**Notes:**

- (1) The fees earned for Messrs. Giffen, Mesher, Vejvoda, and Visca are paid in Canadian dollars. The fees earned in fiscal 2018 are denominated in US dollars, as such, they are converted at the rate at which the payments were translated from US to Canadian dollars. The amounts for fiscal 2016 and 2017 were denominated in Canadian dollars and were translated into US dollars at the average monthly foreign exchange rate in effect when the payment is made.
- (2) The grant-date fair value of the Deferred Share Unit (“DSU”) awards is the fair value of the Company’s Common Shares on the date of grant.
- (3) Includes compensation for acting as Chairman or Co-Chairman of a Committee of the Board. This compensation amounted to \$7,500 for Mr. Giffen (Governance and Nominating Committee), \$10,000 for Mr. Mesher (Compensation Committee), \$3,750 for Mr. Rosenfeld (Co-Chair of Strategic Planning Committee), \$15,000 for Mr. Vejvoda (Audit Committee) and \$3,750 for Mr. Watzinger (Co-Chair of Strategic Planning Committee).
- (4) Includes compensation for acting as Chairman or Co-Chairman of a Committee of the Board. This compensation amounted to \$11,308 for Mr. Giffen (Audit Committee for partial year and Governance and Nominating Committee), \$7,539 for Mr. Mesher (Compensation Committee), \$3,750 for Mr. Rosenfeld (Co-Chair of Strategic Planning Committee), \$5,654 for Mr. Vejvoda (Audit Committee for partial year), and \$3,750 for Mr. Watzinger (Co-Chair of Strategic Planning Committee).
- (5) Includes compensation for acting as Chairman or Co-Chairman of a Committee of the Board. This compensation amounted to \$14,176 for Mr. Giffen (Audit Committee and Governance and Nominating Committee for partial year), \$7,561 for Mr. Mesher (Compensation Committee), \$5,625 for Mr. Monahan (Governance and Nominating Committee for partial year), \$7,500 for Mr. Rosenfeld (Strategic Planning Committee), and \$1,875 for Mr. Watzinger (Strategic Planning Committee).
- (6) Includes compensation of \$30,000 for acting as Chairman of the Board.

***Outstanding Option-Based Awards - Directors***

The following table sets out all option-based awards outstanding as at June 30, 2018, for each director:

<b>Option-based Awards</b>				
Name	Number of securities underlying unexercised options (#) <sup>(1)</sup>	Option exercise price (CAD\$) <sup>(2)</sup>	Option expiration date <sup>(3)</sup>	Value of unexercised in-the-money options (CAD\$)
J. Ian Giffen	6,250	5.10	December 19, 2018	11,438
	5,000	5.22	February 14, 2018 <sup>(3)</sup>	8,550
	6,250	6.90	February 20, 2018 <sup>(3)</sup>	188
	6,250	6.90	February 20, 2019	188
	6,250	6.90	February 20, 2020	188
	6,250	9.16	February 5, 2018 <sup>(3)</sup>	nil
	6,250	9.16	February 5, 2019	nil
	6,250	9.16	February 5, 2020	nil
	6,250	9.16	February 5, 2021	nil
	25,000	8.04	December 16, 2017 <sup>(3)</sup>	nil
Arthur Mesher	25,000	8.04	December 16, 2018	nil
	25,000	8.04	December 16, 2019	nil
	25,000	8.04	December 16, 2020	nil
	25,000	8.04	December 16, 2020	nil
Gregory Monahan	15,625	5.10	December 19, 2017 <sup>(3)</sup>	28,594
	15,625	5.10	December 19, 2018	28,594
	6,250	6.90	February 20, 2018 <sup>(3)</sup>	188
	6,250	6.90	February 20, 2019	188
	6,250	6.90	February 20, 2020	188
	6,250	9.16	February 5, 2018 <sup>(3)</sup>	nil
	6,250	9.16	February 5, 2019	nil
	6,250	9.16	February 5, 2020	nil
	6,250	9.16	February 5, 2021	nil
	15,625	5.10	December 19, 2018 <sup>(7)</sup>	28,594
Eric Rosenfeld	15,625	5.10	December 19, 2018	28,594
	6,250	6.90	February 20, 2018 <sup>(3)</sup>	188
	6,250	6.90	February 20, 2019	188
	6,250	6.90	February 20, 2020	188
	6,250	9.16	February 5, 2018 <sup>(3)</sup>	nil
	6,250	9.16	February 5, 2019	nil
	6,250	9.16	February 5, 2020	nil
	6,250	9.16	February 5, 2021	nil
	6,250	5.10	December 19, 2018	11,438
	5,000	5.22	February 14, 2018 <sup>(3)</sup>	8,550
Daniel Ryan	6,250	6.90	February 20, 2018 <sup>(3)</sup>	188
	6,250	6.90	February 20, 2019	188
	6,250	6.90	February 20, 2020	188
	6,250	9.16	February 5, 2018 <sup>(3)</sup>	nil
	6,250	9.16	February 5, 2019	nil
	6,250	9.16	February 5, 2020	nil
	6,250	9.16	February 5, 2021	nil

Name	Option-based Awards			
	Number of securities underlying unexercised options (#) <sup>(1)</sup>	Option exercise price (CAD\$) <sup>(2)</sup>	Option expiration date <sup>(3)</sup>	Value of unexercised in-the-money options (CAD\$)
Josef Vejvoda	25,000 25,000 25,000 25,000	8.04 8.04 8.04 8.04	December 16, 2017 <sup>(3)</sup> December 16, 2018 December 16, 2019 December 16, 2020	nil nil nil nil
Salvatore Visca	25,000 25,000 25,000	6.89 6.89 6.89	February 25, 2018 <sup>(3)</sup> February 25, 2019 February 25, 2020	1,000 1,000 1,000
	6,250 6,250 6,250 6,250	9.16 9.16 9.16 9.16	February 5, 2018 <sup>(3)</sup> February 5, 2019 February 5, 2020 February 5, 2021	nil nil nil nil
Gerhard Watzinger	25,000 25,000 25,000	8.04 8.04 8.04	December 16, 2018 December 16, 2019 December 16, 2020	nil nil nil

**Notes:**

- (1) Under the terms of the Company's Option Plan prior to its amendment in December 2015, vested Options expire two years after their date of vesting. Accordingly, Options granted prior to that amendment have four separate expiration dates, and therefore appear on multiple rows in the table. Options listed are grouped by each grant.
- (2) All Options have exercise prices denominated in Canadian dollars.
- (3) The expiration dates noted herein are the contractual expiration dates applicable to the original Option grant. The Directors listed are insiders of the Company, and are therefore subject to Common Share trading blackout during reporting periods and at other times where they are in possession of material information that is not publicly available. Pursuant to the Company's corporate blackout policy, when Options expire during a Company-imposed blackout, the Option expiration date is extended to 10 business days after the expiry of the blackout. As a result, any options presented as outstanding herein, with a contractual expiration date prior to June 30, 2018, have been extended pursuant to the Company's corporate blackout policy.

### ***Outstanding Share-Based Awards - Directors***

The following table sets out all share-based awards DSUs outstanding as at June 30, 2018, for each director:

Name	Share-based Awards		
	Number of securities underlying unvested share- based awards (#)	Value of unvested share-based awards (CAD\$)	Value of vested share-based awards not paid out or distributed (CAD\$)
J. Ian Giffen	7,080	49,064	268,593
Arthur Mesher	7,080	49,064	267,103
Gregory Monahan	7,080	49,064	244,199
Eric Rosenfeld	7,080	49,064	244,199
Daniel Ryan	7,080	49,064	244,199
Josef Vejvoda	7,080	49,064	266,431
Salvatore Visca	7,080	49,064	263,839
Gerhard Watzinger	7,080	49,064	244,199

### ***Incentive Plan Awards – Value Vested or Earned During the Year - Directors***

The following table sets out the value vested or earned under incentive plans during the year ended June 30, 2018, for each director:

Name	Option-based awards – Value vested during the year (CAD\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (CAD\$) <sup>(2)</sup>	Non-equity incentive plan compensation – Value earned during the year
J. Ian Giffen	187	127,718	nil
Art Mesher	nil	126,228	nil
Gregory Monahan	187	103,321	nil
Eric Rosenfeld	187	103,321	nil
Daniel Ryan	187	103,321	nil
Josef Vejvoda	nil	125,554	nil
Salvatore Visca	1,000	122,957	nil
Gerhard Watzinger	nil	103,321	nil

#### **Notes:**

- (1) Amount is calculated as the number of Options vested multiplied by the difference between the Common Share price and the exercise price on the date of vesting.
- (2) Amount is calculated as the number of Common Shares vested multiplied by the Common Share price on the date of vesting.

### ***Executive Officer and Director Share Ownership Policy***

The Interim Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer and certain other senior level executive officers are required to hold Common Shares in the Company that are worth a multiple or percentage, respectively, of their base salary depending on their role with the Company. In addition, all non-executive directors on the Company's Board of Directors are required to hold a minimum number of 25,000 Common Shares of the Company. This policy was approved by the Board to be effective on January 1, 2016.

The purpose of this policy is to align the interests of the Company and its executives and non-executive directors with the long-term interests of shareholders. Our Common Share ownership requirements ensure that our executives and non-executive directors experience a similar impact on the value of their personal holdings of Common Shares to that of our shareholders. This is further reinforced by the requirement that the ownership be fulfilled by actual Common Shares that our executives and non-executive directors have five years and three years, respectively, from the date that the ownership requirement applies to them to accumulate the required Common Shares. If their Common Share ownership falls below the minimum market value, the Company's Compensation Committee may take certain corrective action including imposing restrictions on future awards under incentive programs.

All executive officers and non-executive directors must fulfill their Common Share ownership requirement within five years and three years, respectively, from the effective date of the Common Share ownership policy.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

### ***Share Option Plan***

The Company's Option Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Option Plan is administered by the directors of the Company. The Option Plan provides that options will be issued to officers, employees or consultants of the Company or a subsidiary of the Company. The shareholders have approved the reservation of a maximum of 12% of the number of Common Shares outstanding immediately before the grant of the applicable option, in combination with the Common Shares reserved pursuant to the Company's other security-based compensation arrangements, for issuance upon the exercise of options granted under the Option Plan. Common Shares purchased and cancelled under the Company's Normal Course Issuer Bid will reduce the number of Common Shares outstanding and therefore the maximum number of options the Company can issue. All options expire on a date not later than 7 years after the date of grant of such option.

The aggregate number of Common Shares that may be reserved for issuance under the Option Plan, in combination with all other security-based compensation arrangements of the Company, is 12% of the Company's issued and outstanding Common Shares. Based on the 40,467,456 Common Shares issued and outstanding as at November 13, 2018, the Company may reserve up to 4,856,095 Common Shares for issuance pursuant to its Option Plan and all other security based compensation arrangements. As at November 13, 2018, the Company had outstanding options to purchase 2,187,526 Common shares (representing approximately 5.4% of our issued and outstanding Common Shares as at November 13, 2018). Taking into account the 19,499 Common Shares that have been reserved for issuance pursuant to Phantom Share Units granted under the Company's PhSU Plan, the 136,737 Common Shares reserved for issuance pursuant to the Share Purchase Plan and the 1,637,799 Common Shares that have been reserved for issuance pursuant to Share Units granted under the Company's PRSU Plan, 874,534 Common shares, or approximately 2.2% of the Company's total issued and outstanding Common Shares as at November 13, 2018, are available to be reserved for issuance pursuant to the Option Plan and all other security-based compensation arrangements of the Company.

As at June 30, 2018, the Company had outstanding options to purchase 2,310,376 Common Shares (representing approximately 5.7% of our issued and outstanding Common Shares as at June 30, 2018). Taking into account the 19,292 Common Shares that were reserved for issuance pursuant to Phantom Share Units granted under the Company's PhSU Plan, the 182,353 Common Shares that were reserved for issuance pursuant to the Share Purchase Plan and the 1,147,147 Common Shares that were reserved for issuance pursuant to Share Units granted under the Company's PRSU Plan as at June 30, 2018, 1,167,739 Common Shares, or approximately 2.9% of the Company's issued and outstanding Common Shares as at June 30, 2018, were available to be reserved for issuance pursuant to the Option Plan and all other security-based compensation arrangements of the Company as at June 30, 2018.

The Company's annual burn rate, as described in Section 613(d) of the TSX Company Manual, under the Option Plan was 2.9% in fiscal 2016, 1.9% in fiscal 2017 and 4.7% in fiscal 2018. The burn rate is calculated by dividing the number of securities granted under the security-based compensation arrangement during the relevant fiscal year by the weighted average number of securities outstanding for the applicable fiscal year ("Burn Rate"). The weighted average number of securities outstanding during the period is the number of securities outstanding at the beginning of the period, adjusted by the number of securities bought back or issued during the period, multiplied by a time-weighting factor. The time-weighting factor is the number of days that the securities are outstanding as a proportion of the total number of days in the period (a weighted average is adequate in many circumstances). The weighted average number of securities outstanding is to be calculated in accordance with the CPA Canada Handbook, as such may be amended or superseded from time to time.

The exercise price for each option is equal to the closing price per share for the Common Shares on the Toronto Stock Exchange ("TSX") on the last trading day before the date of the grant of the option. Except for alternate vesting schedules for certain optionees that may be fixed by the Board on a case by case basis, and except for accelerated vesting in certain instances, stock options vest after the first, second, third or fourth year of the term

of the options as to a total number of Common Shares not exceeding 25% of the Common Shares that are the subject of the options in each such year. For options issued on or before December 31, 2012, accelerated vesting in respect of a change of control is defined broadly to include, among other things, the launch of a take-over bid which would result in the acquisition of control over 75% of the votes to elect a director, whether or not the bid is ultimately successful, the beneficial acquisition of sufficient securities to cast 75% of the votes to elect a director, on a fully diluted basis, a disposition of substantially all of the assets of the Company or an amalgamation, merger, arrangement or other business combination resulting in securityholders of the other party's shares being entitled to cast 75% of the votes to elect directors of the continuing entity. For stock options issued on or after January 1, 2013, accelerated vesting in respect of a change of control is defined to include, among other things, an accelerated vesting event identified in an employment agreement, the passage of a resolution by the Board determining that an accelerated vesting event has or is deemed to have occurred together with the occurrence of (a) a special resolution of shareholders pursuant to the *Business Corporations Act* (British Columbia) in the event of a take-over bid, (b) the acquisition or continuing ownership by any person or persons acting jointly or in concert of at least 50% of the Common Shares of the Company, (c) the sale, lease exchange or other disposition of all or substantially all of the Company's assets or a business combination involving the Company that results in securityholders other than current securityholders of the Company owning shares of the continuing entity entitling them to cast over 50% of the votes attaching to all shares of the continuing entity.

If the amendments to the Option Plan are approved by shareholders, accelerated vesting would occur for an optionee upon the occurrence of: (A)(i) the sale of all or substantially all of the assets of the Company other than to an entity which was an affiliate of the Company prior to the sale; (ii) a reorganization, amalgamation, merger or plan of arrangement with respect to which all or substantially all of the persons who were the beneficial owners of the Common Shares immediately prior to such reorganization, amalgamation, merger or plan of arrangement beneficially own, directly or indirectly, less than 50 percent of the resulting voting shares on a fully-diluted basis; (iii) a formal bid or tender offer for Common Shares being made as a result of which the offeror and its affiliates would, if successful, beneficially own, directly or indirectly, 50 percent or more of the Common Shares then outstanding; (iv) during any period of two consecutive years, individuals who at the beginning of the period constituted the Board (together with any new directors whose nomination for election was approved by a vote of a majority of the directors of the Company, then still in the office, who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board, then still in office; (v) any transaction determined by the Board to be substantially similar to the above transactions; (vi) any proposed change of control determined by the Board to be a change of control; or (vii) any change of control event identified in an optionee's employment agreement and (B) the employment of an optionee being terminated by the Company without Cause or the optionee resigning in circumstances constituting constructive termination, in each case within twelve months following any of the events listed above.

If a stock option would otherwise expire during or within five business days after the expiration of a Black-out Period (as outlined in the Company's securities trading policy) applicable to the option-holder, then such stock option shall expire ten business days following the expiration of the applicable Black-out Period.

Options terminate upon the happening of certain events. For option-holders who are directors, their options terminate upon their ceasing to be a director. For officers and employees, their options terminate on the last day such officer or employee worked for the Company, except in limited circumstances. The exceptions to these termination events include, (a) the cases of death, retirement or total disability of the optionholder, in which cases an additional one year, three years or three years, respectively, are allowed for the exercise of the options in question, and (b) in the event the optionholder is terminated other than for Cause, the optionholder may exercise the options in question for up to thirty days following termination. In the event that the amendments to the Option Plan are approved by the shareholders, upon the death or disability of an optionee, all options shall vest immediately prior to the optionee's death or disability and become exercisable by the personal representatives of the optionee for six months following such death or disability.

Except for cases involving assignment to a personal representative in the case of death, an option may be exercised only by the option-holder to whom it is granted and is not assignable.

The number of Common Shares reserved for issue to any person under the Option Plan may not exceed 5% of the issued and outstanding Common Shares (2,023,373 Common Shares, based on the number of issued and outstanding Common Shares as at November 13, 2018). In addition, the number of Common Shares (i) that may be issuable under the Option Plan and any other security-based compensation arrangement at any time or (ii) issued under the Option Plan and any other security-based compensation arrangement within any one year period to insiders of the Company may not exceed 10% of the issued and outstanding Common Shares at that time.

Currently, shareholder approval is required for any amendment or modification to the Option Plan that does any of the following:

- increases the aggregate number of Common Shares reserved under the Option Plan;
- extends the option period of options granted to insiders pursuant to the Option Plan;
- reduces the exercise price of options granted to insiders pursuant to the Option Plan;
- removes or exceeds the insider participation limit set out in the Option Plan;
- removes the non-transferability limits set out in the Option Plan, or permits the transfer or assignment of options other than by will or the laws of descent and distribution; or
- amends the amending provisions set out in the Option Plan.

In the event that the amendments to the Option Plan are approved by the shareholders, in addition to the above, shareholder approval will be required for any amendment or modification to the Amended Option Plan that does any of the following:

- extends the option period of options granted to any participant in the Amended Option Plan (under the unamended Option Plan, shareholder approval was only required to be sought where the extension was for options granted to insiders);
- reduces the exercise price of options granted to any participant in the Amended Option Plan (under the unamended Option Plan, shareholder approval was only required to be sought where the exercise price of options granted to insiders was being reduced);
- cancels and reissues any option; or
- expands the categories of eligible optionees to broaden or increase insider participation.

Except for the above noted matters, the Board retains the power without further shareholder approval to approve all other changes to the Option Plan. Such amendments may include the following:

- changes to the terms and conditions of the Option Plan necessary to ensure that the Option Plan complies with the applicable regulatory requirements, including, without limitation, the rules of the TSX or any national securities exchange or system on which the stock is then listed or reported, or by any regulatory body having jurisdiction with respect thereto;
- the addition of a cashless exercise feature, payable in cash or securities, whether or not such feature provides for a full deduction of the number of underlying securities from the Option Plan reserve;
- a change to the termination provisions of a security or the Option Plan which does not entail an extension beyond the original expiry date;

- changes to the provisions of the Option Plan respecting the administration of the Option Plan and eligibility for participation under the Option Plan;
- changes to the provisions of the Option Plan respecting the terms and conditions on which options may be granted, including the provisions relating to the subscription price, the option period, and the vesting schedule;
- the addition of any form of financial assistance to participants for the acquisition of Common Shares, and the subsequent amendment of any such provision which is more favourable to participants;
- changes of a “housekeeping nature”;
- any amendments necessary to suspend or terminate the Option Plan; and
- any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including the policies of the TSX).

Further, the Option Plan allows for the grant of options to employees, officers and consultants resident in the United States pursuant to exemptions permitted under applicable United States tax and securities legislation.

#### ***Employee Share Purchase Plan***

The Company’s Share Purchase Plan has been established to provide incentive to qualified individuals to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Share Purchase Plan is administered by the directors of the Company. The Share Purchase Plan provides for the issuance of Common Shares to employees of the Company or a subsidiary of the Company pursuant to its terms. The shareholders have approved the issuance of a maximum of 2,000,000 Common Shares under the Share Purchase Plan, which represents approximately 4.9% of the Company’s issued and outstanding shares as at November 13, 2018. As at November 13, 2018, 1,863,263 and 136,737 Common Shares have been issued and are available for issue, respectively, under the Share Purchase Plan, constituting approximately 4.6% and 0.3%, respectively, of the issued and outstanding Common Shares as at that date. As at June 30, 2018, 1,817,647 and 182,353 Common Shares had been issued and were available for issue, respectively, under the Share Purchase Plan, constituting approximately 4.5% and 0.4%, respectively, of the issued and outstanding Common Shares as at June 30, 2018. The Company’s annual Burn Rate under the Share Purchase Plan was 0.3% in fiscal 2016, 0.2% in fiscal 2017 and 0.3% in fiscal 2018.

The number of Common Shares that may be reserved under the Share Purchase Plan and any other security-based compensation arrangement for insiders of the Company may not exceed 10% of the issued and outstanding Common Shares at that time. The number of Common Shares that may be purchased by any person under the Share Purchase Plan may not exceed 5% of the issued and outstanding Common Shares (2,023,373 Common Shares, based on the number of issued and outstanding Common Shares as at November 13, 2018). With respect to insiders (or their associates), within a one year period, the number of Common Shares that may be issued under the Share Purchase Plan and any other security-based compensation arrangement to such insiders may not exceed 10% of the issued and outstanding Common Shares at that time. The purchase price of Common Shares under the Share Purchase Plan is 85% of the lower of the closing Common Share price on the first and last day of the offering period, and therefore could result in a purchase price that is below the market price of the Common Shares. The Share Purchase Plan has annual Common Share purchase limits of \$10,500 for US-based employees and CAD\$10,500 for Canada-based employees.

Upon termination of employment with the Company (including retirement or death), under the terms of the Share Purchase Plan, an employee will be deemed to have withdrawn from participation in the purchase of Common Shares under the Share Purchase Plan, effective the date of termination.

An employee's rights under the Share Purchase Plan may not be pledged, assigned, encumbered or otherwise transferred for any reason other than by will or the laws of descent and distribution.

The Board may amend any terms under the Share Purchase Plan upon sixty (60) days written notice, subject to the receipt of any required regulatory approval, and approval from the administrator under the Share Purchase Plan and a majority of shareholders.

### ***Phantom Share Unit Plan***

On December 8, 2014, at the Company's Annual General & Special Meeting, shareholders approved the PhSU Plan for directors, employees and officers. The Company decided to let the PhSU Plan lapse on December 8, 2017 and is instead focusing on granting awards under its other security-based compensation arrangements. No further Phantom Share Units (as defined below) will be granted under the PhSU Plan but those currently outstanding shall remain in place in accordance with their terms until expiry.

The PhSU Plan was established to allow for discretionary bonuses and similar awards as an incentive and reward for selected persons who are directors, employees or officers of the Company or of the Company's subsidiaries (each an "**Eligible Person**"). The PhSU Plan is intended to encourage the achievement of long-term financial and strategic objectives of the Company, and the resulting increases in shareholder value, and to promote a greater alignment of interests between the shareholders of the Company and the selected Eligible Persons by providing an opportunity to participate in increases in the value of the Company.

Each phantom share unit (a "**Phantom Share Unit**") granted under the PhSU Plan will generally vest on the third anniversary of its grant date (the "**Trigger Date**") or as otherwise determined by the Board. On or after the Trigger Date of a Phantom Share Unit, but no later than its expiry date and subject to Blackout Periods, the Company may elect, in its sole discretion, to pay out the Phantom Share Unit in (a) cash, (b) subject to receipt of the necessary approvals from shareholders of the Company, the TSX and any other relevant regulatory bodies, Common Shares, or (c) a combination of cash and Common Shares. The cash payout per Phantom Share Unit will be an amount equal to the volume weighted average price per Common Share subject to the Phantom Share Unit over the five preceding trading days (the "Fair Market Value"). If the payout is in Common Shares, one Common Share will be issued for each Phantom Share Unit. If no election is made in respect of a particular Trigger Date, the Company will pay out the Phantom Share Unit in cash. Phantom Share Units will expire on December 31 of the calendar year in which the Trigger Date occurs.

If a dividend is declared and paid by the Company, a person holding Phantom Share Units will be credited on the payment date of such dividend with an additional number of Phantom Share Units determined by: (a) multiplying the amount of the dividend per Common Share by the aggregate number of Phantom Share Units credited to the person's account as of the record date for payment of the dividend; and (b) dividing the amount obtained in (a) by the Fair Market Value based upon the date that is three trading days before the record date for payment of the dividend.

Phantom Share Units and all other rights, benefits or interests in the PhSU Plan are non-transferable and may not be pledged, assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a person holding Phantom Share Units dies, the legal representatives of the deceased person will be entitled to receive the amount of any payment otherwise payable in accordance with the PhSU Plan.

The Company will not issue Common Shares under the PhSU Plan to any Eligible Person where such issuance would result in: (a) the total number of Common Shares issuable at any time under the PhSU Plan to insiders, or when combined with all other Common Shares issuable to insiders under any other security-based compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding Common Shares of the Company on a non-diluted basis; and (b) the total number of Common Shares that may be issued to insiders during any one year period under the PhSU Plan, or when combined with all other Common Shares issued to insiders under any other security-based compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding Common Shares of the Company on a non-diluted basis. If the Company is

precluded from issuing Common Shares to an insider of the Company, the Company will pay out that Phantom Share Unit in cash.

Unless the Board at any time otherwise determines, unvested Phantom Share Units held by persons who are no longer Eligible Persons as a result of retirement will not be cancelled but will remain outstanding and vest in accordance with the terms of the PhSU Plan as if such person continued to be an Eligible Person. All unvested Phantom Share Units will be automatically cancelled immediately in the event of the termination of employment or removal from service by the Company or a subsidiary of an Eligible Person for cause, or the resignation or cessation of employment or services by the Eligible Person (other than retirement). All unvested Phantom Share Units held by an Eligible Person will automatically vest immediately on (a) the death or total disability of the Eligible Person; (b) the termination of employment or removal from service by the Company or a subsidiary of an Eligible Person without cause; or (c) the resignation or cessation of employment or service by the Eligible Person based on a material reduction or change in position, duties or remuneration of that Eligible Person at any time within 12 months after the occurrence of an Accelerated Vesting Event. “Accelerated Vesting Event” in respect of any Eligible Person means any accelerated vesting event identified in an employment agreement of an Eligible Person or both the determination by the Board that an accelerated vesting event has occurred, in its sole discretion, together with the occurrence of any one of: (a) a take-over bid made for voting securities, which would result in any persons acting jointly or in concert, beneficially, directly or indirectly, owning Common Shares that would entitle such person and its joint actors, for the first time, to cast at least 50% of the votes attaching to all voting securities of the Company that may be cast to elect directors; (b) the acquisition by any person or by any person and its joint actors, directly or indirectly, of voting securities of the Company which, when added to all of the voting securities of the Company at the time held by such person and its joint actors, entitle such person and its joint actors, for the first time, to cast at least 50% of the votes attaching to all voting securities of the Company that may be cast to elect directors; (c) the sale, lease, exchange or other disposition of all or substantially all of the Company’s assets; or (d) an amalgamation, merger, arrangement or other business combination involving the Company that results in the securityholders of the parties to the business combination other than the Company owning, directly or indirectly, voting securities of the continuing entity that entitle such securityholders to cast at least 50% of the votes attaching to all voting securities of the continuing entity that may be cast to elect directors.

The Board may amend, without shareholder approval, the PhSU Plan as it deems necessary or appropriate (including, without limitation, by making amendments to address tax and other issues particular to Eligible Persons who are not residents of Canada), subject to the requirements of applicable law, but no amendment will, without the consent of a Phantom Share Unit holder or unless required by law, adversely affect the rights of a Phantom Share Unit holder with respect to Phantom Share Units awarded to the holder. Shareholder approval is required to amend the PhSU Plan to: (a) make any amendment that would increase the vesting date value of the Phantom Share Units or increase the number of Common Shares that the Company will issue to a person holding Phantom Share Units; (b) extend the expiry date of the Phantom Share Units that have been awarded; (c) make any amendment to remove or to exceed the insider participation limits under the PhSU Plan; (d) increase the maximum number of Common Shares issuable under the PhSU Plan; and (e) make any amendment to the amendment provision of the PhSU Plan.

The aggregate number of Common Shares that may be reserved for issuance under the PhSU Plan, in combination with all other security-based compensation arrangements of the Company is 12% of the Company’s issued and outstanding Common Shares. Based on the 40,467,456 Common Shares issued and outstanding as at November 13, 2018, the Company may reserve up to 4,856,095 Common Shares for issuance pursuant all security-based compensation arrangements. As at November 13, 2018, the Company had outstanding Phantom Share Units to purchase 19,499 Common Shares (representing approximately 0.05% of our issued and outstanding Common Shares as at November 13, 2018). As at June 30, 2018, the Company had outstanding Phantom Share Units to purchase 19,292 Common Shares (representing approximately 0.05% of our issued and outstanding Common Shares as at June 30, 2018). The Company’s annual Burn Rate under the PhSU Plan was 0.2% in fiscal 2016, 0.04% in fiscal 2017 and 0.01% in fiscal 2018.

### ***Performance and Restricted Share Unit Plan***

On December 15, 2015, at the Company's Annual General & Special Meeting, shareholders approved the PRSU Plan pursuant to which the Board may, from time to time, determine those eligible employees and officers of the Company who will receive a grant of Share Units.

#### *Purpose*

The purposes of the PRSU Plan are to: (i) support the achievement of the Company's performance objectives; (ii) ensure that interests of key persons are aligned with the success of the Company; (iii) provide compensation opportunities to attract, retain and motivate key employees and officers critical to the long-term success of the Company; and (iv) provide compensation incentives that do not promote excessive risk-taking by the Company's key employees.

#### *Administration*

Subject to the Compensation Committee of the Board reporting to the Board on all matters relating to the PRSU Plan and obtaining approval of the Board for those matters required by the Compensation Committee's mandate, the PRSU Plan is administered by the Compensation Committee, which has the sole and absolute discretion to recommend to the Board the employees and officers of the Company to whom grants of Share Units should be made and the number of Share Units to be granted; to interpret and administer the PRSU Plan; to establish conditions to the vesting of Share Units; to set, waive, and amend performance targets; and to make any other determinations that the Compensation Committee deems necessary or desirable for the administration of the PRSU Plan. Any decision of the Compensation Committee with respect to the administration and interpretation of the PRSU Plan will be conclusive and binding on the participants.

#### *Mechanics*

The Board may award Share Units to any employee or officer (a "**Participant**"), subject to Board approval, and a Participant may elect to defer compensation to be received under the Company's annual incentive program by electing to receive such compensation in the form of RSUs by delivering to the Company an election notice not later than December 31 of the year preceding the first date of any period of services over which any compensation to be received under the annual incentive program would be earned. A Participant who makes such an election will be awarded the number of RSUs determined by dividing the dollar amount of incentive compensation to be deferred by the "FMV" (as defined below) as at the award date.

Each Share Unit granted to a Participant under the PRSU Plan will be credited to the Participant's Share Unit account. From time to time, a Participant's Share Unit account will be credited with dividend Share Units in the form of additional PSUs ("**Dividend PSUs**") or additional RSUs ("**Dividend RSUs**", together with Dividend PSUs, "**Dividend Share Units**"), as applicable, in respect of outstanding PSUs or RSUs, as applicable, on each dividend payment date in respect of which normal cash dividends are paid on Common Shares. Such Dividend Share Units will be computed as the amount of the dividend declared and paid per Common Share multiplied by the number of Share Units recorded in the Participant's Share Unit account on the date for the payment of such dividend, divided by the FMV as at the dividend payment date. Dividend Share Units are not paid out until the underlying vested Share Unit is paid out.

"FMV" for these purposes means the volume weighted average trading price of a Common Share on the principal stock exchange on which the Common Shares are traded for the five trading days immediately preceding the applicable day (calculated as the total value of Common Shares traded over the five day period divided by the total number of Common Shares traded over the five day period on that exchange).

Participants may elect at any time to redeem vested Share Units on any date or dates after the date the Share Units become vested and on or before the expiry date. A Participant who does not elect an early redemption

date as specified under the PRSU Plan shall have vested Share Units redeemed on their expiry date. The expiry date for Share Units shall be determined by the Compensation Committee for each applicable grant.

The Company will redeem each Share Unit elected to be redeemed by a Participant on the applicable redemption date by:

- (a) issuing to the Participant the number of Common Shares equal to one Common Share for each whole vested Share Unit elected to be redeemed and delivering (A) such number of Common Shares; less (B) the number of Common Shares with a FMV equal to the amount of all income taxes and statutory amounts required to be withheld (“**Applicable Withholdings**”); or
- (b) at the election of the Participant and subject to the consent of the Company, paying the Participant an amount in cash equal to: (A) the number of vested Share Units elected to be redeemed multiplied by (B) the FMV minus (C) Applicable Withholdings; or
- (c) at the election of the Participant, a combination of Common Shares and, subject to the consent of the Company, cash.

Rights respecting Share Units and Dividend Share Units are not transferable or assignable other than by will or the laws of descent and distribution.

No financial assistance will be provided by the Company to any Participant in connection with any award of Share Units.

#### *Vesting Provisions*

Each RSU will vest on the date or dates designated in the applicable grant agreement or such earlier date as is provided for in the PRSU Plan or is determined by the Compensation Committee, conditional on the satisfaction of any additional vesting conditions established by the Compensation Committee.

Each PSU will vest on the date or dates designated in the applicable grant agreement or such earlier date as is provided in the PRSU Plan or is determined by the Compensation Committee, conditional on the satisfaction of any additional vesting conditions established by the Compensation Committee. The number of PSUs which will vest on a vesting date will be the number of PSUs and Dividend PSUs scheduled to vest on such vesting date multiplied by the applicable adjustment factor set out and defined in the relevant grant agreement. The adjustment factor will be determined based on the Company’s financial or market performance, as described in the applicable grant agreement. If the amendments to the PRSU Plan are approved by the shareholders, the adjustment factor of any Share Unit will be capped at 200% (or a multiple of 2).

#### *Number of Common Shares Available for Issuance*

The aggregate number of Common Shares that may be reserved for issuance under the PRSU Plan, in combination with all other security-based compensation arrangements of the Company is 12% of the Company’s issued and outstanding Common Shares. Based on the 40,467,456 Common Shares issued and outstanding as at November 13, 2018, the Company may reserve up to 4,856,095 Common Shares for issuance pursuant to its PRSU Plan and all other security-based compensation arrangements. As at November 13, 2018, the Company had outstanding Share Units to purchase 1,637,799 Common shares (representing approximately 4.0% of our issued and outstanding Common Shares as at November 13, 2018). Taking into account the 19,499 Common Shares that have been reserved for issuance pursuant to Phantom Share Units granted under the PhSU Plan, the 136,737 Common Shares reserved for issuance pursuant to the Share Purchase Plan and the 2,187,526 Common Shares that have been reserved for issuance pursuant to options granted under the Option Plan, 874,533 Common Shares, or approximately 2.2% of the Company’s total issued and outstanding Common Shares as at November 13, 2018, are available to be reserved for issuance pursuant to the PRSU Plan and all other security-based compensation arrangements of the

Company. The Company's annual Burn Rate under the PRSU Plan was 0.8% in fiscal 2016, 1.3% in fiscal 2017 and 2.2% in fiscal 2018.

As at June 30, 2018, the Company had outstanding Share Units to purchase 1,147,147 Common Shares (representing approximately 2.8% of our issued and outstanding Common Shares as at June 30, 2018). Taking into account the 19,292 Common Shares that were reserved for issuance pursuant to Phantom Share Units granted under the PhSU Plan, the 182,353 Common Shares that were reserved for issuance pursuant to the Share Purchase Plan and the 2,310,376 Common Shares that were reserved for issuance pursuant to options granted under the Option Plan as at June 30, 2018, 1,167,739 Common Shares, or approximately 2.9% of the Company's issued and outstanding Common Shares as at June 30, 2018 were available to be reserved for issuance pursuant to the Company's PRSU Plan and all other security-based compensation arrangements as at June 30, 2018.

Under the PRSU Plan, Common Shares reserved for issuance pursuant to Share Units that are surrendered, terminated or are cancelled without having been redeemed will again be available for issuance under the PRSU Plan and Common Shares underlying Share Units that are redeemed for cash, Common Shares or a combination of cash and Common Shares will again be available for issuance under the PRSU Plan.

#### *Restrictions on the Award of Share Units*

Pursuant to the terms of the PRSU Plan: (i) the number of Common Shares reserved for issuance pursuant to the PRSU Plan and any other security-based compensation arrangement of the Company to any one person shall not exceed 5% of the issued and outstanding Common Shares of the Company; (ii) the aggregate number of Common Shares issued to insiders of the Company under the PRSU Plan and under any other security-based compensation arrangement of the Company shall not exceed 10% of the issued and outstanding Common Shares of the Company within a 12-month period; and (iii) the aggregate number of Common Shares issued to insiders of the Company, or issuable to insiders of the Company at any time, under the PRSU Plan and any other security-based compensation arrangement of the Company, may not exceed 10% of the total number of issued and outstanding Common Shares.

#### *Termination, Retirement and Other Cessation of Employment*

In the event that a Participant's employment is terminated due to resignation by the Participant or by the Company for just cause, the Participant will forfeit all rights, title and interest with respect to Share Units and the related Dividend Share Units which are not vested at the Participant's termination date. All vested Share Units will be redeemed as at the Participant's termination date. If the amendments to the PRSU Plan are approved, in the case of termination by the Company for Cause, all PSUs and RSUs, whether vested or unvested, and the related dividend PSUs and RSUs, will immediately be cancelled at the Participant's termination date.

In the event a Participant's employment is terminated by the Company without just cause, a pro-rata portion of the Participant's unvested PSUs and Dividend PSUs will vest immediately prior to the Participant's termination date, based on the number of complete months from the first day of the performance period to the applicable termination date divided by the number of months in the performance period and using an Adjustment Factor of one. Similarly, if the Participant's employment is terminated by the Company without just cause, a pro-rata portion of the Participant's unvested RSUs and Dividend RSUs will vest immediately prior to the Participant's termination date, based on the number of months from the first day of the grant term to the termination date divided by the number of months in the grant term. The Participant's vested PSUs and RSUs will be redeemed as at the Participant's termination date. If the amendments to the PRSU Plan are approved, in the case of a termination of a Participant without Cause, all of the Participant's unvested PSUs and RSUs and related Dividend RSUs and PSUs shall immediately be cancelled as at the Participant's termination date. Treatment of vested Share Units shall remain the same under the Amended PRSU Plan.

In the event a Participant's employment is terminated by the death or disability of the Participant or the Participant ceases to be employed due to retirement, all of the Participant's PSUs and RSUs and related Dividend PSUs and Dividend RSUs, as applicable, will vest immediately prior to the date of such event, and for purposes of PSUs using an Adjustment Factor of one, and will be redeemed as at that date. If the amendments to the PRSU Plan

are approved, in the case of the Retirement of a Participant, the Participant shall forfeit all rights, title and interest with respect to unvested PSUs and RSUs, and the related Dividend PSUs and RSUs. Vested PSUs and RSUs will be redeemed as at the Participant's termination date.

In the event that employment of a Participant is terminated by the Company without just cause or if the Participant resigns in circumstances constituting constructive termination, in each case, within twelve months following a Change of Control (as such term is defined under the PRSU Plan) which includes, among other things the acquisition of 50% or more of the Common Shares, sale of all or substantially all of the assets of the Company or a significant change in the directors of the Company, all of the Participant's Share Units and related Dividend Share Units as applicable will vest immediately prior to the Participant's termination date, for purposes of PSUs using an Adjustment Factor of one, and will be redeemed as at that date.

*Amendment, Suspension or Termination of PRSU Plan*

The Board may amend, suspend or terminate the PRSU Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of shareholders or any governmental or regulatory body. The Board may make any amendments to the PRSU Plan without seeking shareholder approval and the Compensation Committee may correct any defect or supply any omission or reconcile any inconsistency in the PRSU Plan and to the extent the Compensation Committee deems, in its sole and absolute discretion, necessary or desirable. However, shareholder approval (by a majority of votes cast) will be required for:

- (a) amendments to the percentage of Common Shares issuable under the PRSU Plan, including an increase to the fixed maximum percentage of Common Shares or a change from a fixed maximum percentage of Common Shares to a fixed maximum number;
- (b) amendments expanding the categories of Participants which would have the potential of broadening or increasing insider participation;
- (c) amendments extending the term of a Share Unit or any rights pursuant thereto held by an insider beyond its original expiry date;
- (d) amendments that add any other provision which results in participants receiving Common Shares while no cash consideration is received by the Company;
- (e) amendments which would permit the rights respecting Share Units or Dividend Share Units to be transferred or assigned other than by will or the laws of descent and distribution;
- (f) amendments to the amending provisions of the PRSU Plan; and
- (g) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange).

The Board may, from time to time, in its absolute discretion and without the approval of shareholders, make the following amendments to the PRSU Plan or any Share Unit:

- (a) any amendment to the vesting provisions applicable to a Share Unit, including to accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of a Share Unit, provided that with respect to any Participant who is a United States citizen or United States resident alien, the acceleration will not accelerate the redemption date applicable to the Share Unit;
- (b) any amendment to the PRSU Plan or a Share Unit, as necessary, to comply with applicable law or the requirements of the applicable stock exchange or any other regulatory body having authority over the Company, the PRSU Plan or the shareholders;

- (c) any amendment to permit the conditional redemption of any Share Unit;
- (d) any amendment of a “housekeeping” nature, including, without limitation, to clarify the meaning of an existing provision of the PRSU Plan, correct or supplement any provision of the PRSU Plan that is inconsistent with any other provisions of the PRSU Plan, correct any grammatical or typographical errors or amend the definitions in the PRSU Plan regarding administration of the PRSU Plan;
- (e) any amendment respecting the administration of the PRSU Plan; or
- (f) any other amendment that does not require the approval of the shareholders, including, for greater certainty, an amendment in connection with a change of control of the Company to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential event or to obtain the advantage of holding the underlying Common Shares during such event, and to terminate, following the successful completion of such event, on such terms as it sees fit, the Share Units not redeemed prior to the successful completion of the event .

The Board may amend or modify any outstanding Share Unit in any manner to the extent that the Board would have had the authority to initially grant the award as so modified or amended, provided that, where such amendment or modification is adverse to the holder, the consent of the holder is required to effect such amendment or modification.

No new awards of Share Units may be made under the PRSU Plan after December 16, 2025, being the tenth anniversary of the PRSU Plan’s effective date.

#### ***Deferred Share Unit Plan***

The Company adopted a deferred share unit plan (the “**DSU Plan**”) effective January 1, 2016. Pursuant to the DSU Plan, non-employee directors are entitled to elect to receive deferred share units (“**DSUs**”) in full or partial satisfaction of their annual retainers, with each DSU having a value equal to the market price of the Common Shares, which under the DSU Plan is equal to the weighted-average closing price of the Common Shares in the period of five trading days preceding the date of grant. Although each DSU is fully vested on grant, it is not payable by the Company until the non-employee director ceases to be a member of the Board. Each director is required to hold the DSUs until the director either resigns or is not re-elected to the Board, following which the DSU will be redeemed by the Company for cash during a prescribed period at a value equal to the market price of the Common Shares prevailing at the date of redemption. No Common Shares are issuable pursuant to the DSU Plan. The Company may amend the DSU Plan as it deems necessary or appropriate, but no such amendment may adversely affect the rights of an eligible director in DSUs granted prior to the date of amendment without the consent of the director.

**Equity Compensation Plan Information at June 30, 2018**

Plan Category	Number of securities to be issued under equity compensation plans <sup>(1)</sup> (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)
<b>A. Equity compensation plans approved by securityholders</b>			
Option Plan	2,310,376	CAD\$ 7.21	1,350,092
Share Purchase Plan	n/a	n/a	182,353
PhSU Plan	19,292	n/a	n/a <sup>(2)</sup>
PRSU Plan	1,147,148	n/a	1,350,092
<b>B. Equity compensation plans not approved by securityholders</b>			
Deferred Share Unit Plan	n/a	n/a	n/a
<b>Total</b>	<b>3,476,816</b>	<b>CAD\$ 7.21</b>	<b>n/a</b>

Notes:

(1) Except as set out herein, Absolute does not have any Common Share purchase arrangements or other rights to purchase Common Shares outstanding.

(2) The PhSU Plan lapsed on December 8, 2017.

**Indebtedness of Directors and Executive Officers**

No individual who is, or at any time during the most recently completed financial year of the Company was, an executive officer, director, proposed nominee for election as a director, employee or former executive officer, director or employee of the Company or any of its subsidiaries, and no associate of the foregoing persons, (i) is, or was at any time since the beginning of the most recently completed financial year of the Company, indebted to the Company or any of its subsidiaries, or (ii) has or had indebtedness to another entity which, or at any time since the beginning of the most recently completed financial year of the Company has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

**NORMAL COURSE ISSUER BID**

On September 26, 2018, the Company commenced a Normal Course Issuer Bid (“**Bid**”) to purchase and cancel up to 1,933,375 of its Common Shares. The Bid allowed for the purchase on a daily basis of up to 12,224 Common Shares until September 27, 2019, except where purchases were made in accordance with “block purchases” exemptions under applicable TSX policies. To date, the Company has not purchased any shares under this Bid.

Security holders of the Company may obtain a copy of the notice of the Bid, without charge, from Absolute in person at Suite 1400, Four Bentall, 1055 Dunsmuir Street, Vancouver British Columbia, V7X 1K8 or by telephone at (604) 730-9851 (ext. 117) or fax at (604) 730-2621.

The Company commenced the Bid because it believes that, from time to time, the market price of its Common Shares may not fully reflect the underlying value of the Company’s business and its future business prospects. The Company believes that at such times the purchase of Common Shares would be in the best interests of the Company. Such purchases are expected to benefit all remaining shareholders by increasing their equity interest in the Company.

The Company announced a Normal Course Issuer Bid on September 11, 2017 which expired on September 10, 2018 (the “**2017 Bid**”). The Company purchased 49,800 Common Shares under the 2017 Bid. For more details regarding the 2017 Bid, see the Company’s Information Circular as at November 6, 2017 filed on SEDAR at [www.sedar.com](http://www.sedar.com). The Company previously announced a Normal Course Issuer Bid on August 29, 2016 which expired on August 28, 2017 (the “**2016 Bid**”). The Company purchased 280,100 Common Shares under the 2016

Bid. For details regarding the 2016 Bid, see the Company's Information Circular as at November 10, 2016 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Interest of Certain Persons or Companies in Matters to be Acted Upon**

None of the directors or executive officers of Absolute, nor any person who has held such a position since the beginning of the last completed financial year end of Absolute, nor any proposed nominee for election as a director of Absolute, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors as set out herein.

#### **Interest of Informed Persons in Material Transactions**

To the knowledge of management of Absolute, no informed person (a director, executive officer or holder of 10% or more of the Common shares) or nominee for election as a director of Absolute or any associate or affiliate of any informed person or proposed director had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Absolute or any of its subsidiaries, other than as set out herein.

#### **Management Contracts**

There are no management functions of Absolute which are to any substantial degree performed by a person or company other than the directors or senior officers of Absolute.

### **FINANCIAL AND ADDITIONAL INFORMATION**

Additional information relating to Absolute is included in our Annual Report for the year ended June 30, 2018, which includes our audited financial statements and management's discussion and analysis of financial condition for the years end June 30, 2018 and 2017. Copies of the Annual Report, as well as additional information relating to Absolute, may be obtained upon request from Absolute in person at Suite 1400, Four Bentall Centre, 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1K8 or by telephone at (604) 730-9851 (ext. 117) or fax at (604) 730-2621, and under Absolute's profile on SEDAR at [www.SEDAR.com](http://www.SEDAR.com).

Dated at Vancouver, British Columbia, November 13, 2018.

#### **BY ORDER OF THE BOARD OF DIRECTORS**

*'Daniel Ryan'*

**Chairman of the Board**

**Form 58-101F1**  
**Corporate Governance Disclosure**

**1. Board**

Corporate governance is overseen by the Board and its committees. The Board is committed to sound corporate governance practices in the interest of the Company and its shareholders. A summary of the responsibilities, activities and membership of each committee is set out below. National Policy 58-101 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been uniformly adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses.

NI 58-101 mandates disclosure of certain corporate governance practices and this disclosure is set out below.

- Mr. Monahan is currently a director of Cott Corporation and BSM Technologies;
- Mr. Watzinger is currently a director of Mastech;
- Mr. Mesher is currently a director of Versapay;
- Mr. Rosenfeld is currently a director of Cott Corporation, CPI Aerostructures Inc., Pangaea Logistics Solutions, Aecon Group Inc. and NextDecade Corp.; and
- Ms. Wyatt is currently a director of Quotient Technology Inc.

The Company's Board currently consists of seven directors, all of whom are independent based upon the criteria set forth in National Instrument 52-110. In the event that all of the nominees for director are elected by the shareholders, the Company's Board will consist of six directors, 5 of whom will be independent. The independent directors, should all of the director nominees be elected, would be Daniel Ryan, Greg Monahan, Salvatore Visca, Gerhard Watzinger and Eric Rosenfeld.

When appropriate, to ensure independence from management, any non-independent director is requested to withdraw as director from meetings of the Board and similarly from any meetings of Board committees. Private sessions may be held by the independent directors at any time during each meeting of the Board and the independent directors may from time to time communicate with each other between scheduled meetings.

Daniel Ryan, an independent director, is Chairman of the Board and presides as such at each Board meeting.

There were twelve (12) meetings of the full Board during the most recently completed fiscal year and additional meetings of the Audit Committee, Compensation Committee, Strategic Planning Committee and Governance & Nominating Committee. Meeting attendance is summarized in the table below:

<b>Director</b>	<b>Committees</b>					<b>Board Meeting Attendance<sup>(3)</sup></b>
	<b>Year Appointed</b>	<b>AC</b>	<b>Comp</b>	<b>SPC</b>	<b>GNC</b>	
Daniel Ryan	2011	N/A	7/7	N/A	N/A	12/12
Ian Giffen <sup>(1)</sup>	2008	4/4	N/A	N/A	3/3	11/12
Gregory Monahan	2012	4/4	N/A	N/A	2/3 <sup>(2)</sup>	12/12
Arthur Mesher	2014	N/A	7/7	N/A	N/A	11/12
Eric Rosenfeld	2012	N/A	7/7	N/A	N/A	12/12
Josef Vejvoda	2014	4/4	N/A	N/A	N/A	11/12

Director	Committees					Board Meeting Attendance <sup>(3)</sup>
	Year Appointed	AC	Comp	SPC	GNC	
Sal Visca	2014	N/A	7/7	N/A	3/3	10/12
Gerhard Watzinger	2014	N/A	N/A	N/A	3/3	10/12

AC = Audit Committee

Comp = Compensation Committee

SPC = Strategic Planning Committee

GNC = Governance and Nominating Committee

**Notes:**

- (1) Mr. Giffen resigned as a member of the Board on November 13, 2018.
- (2) Mr. Monahan was unable to attend one Governance and Nominating Committee meeting due to a scheduling conflict, but reviewed all materials and provided his input to the committee and the Chairman, respectively.
- (3) Directors who were unable to attend specific Board meetings were required to review all materials and provide input directly to the Chairman of the Board.

**2. Board Mandate**

The Board has no written mandate. The Board delineates its role and responsibilities as follows: (a) to establish and follow Board procedures; (b) to direct the business and affairs of the Company including approval of all significant decisions; and (c) to act honestly, in good faith and with a view to the best interest of the Company. In doing so, the Board will:

- (i) contribute to, review and approve all materials in relation to management's strategic plans;
- (ii) monitor the performance of management as against the strategic plans;
- (iii) review and approve all financial and other material corporate information before the public dissemination thereof;
- (iv) oversee and ensure the effectiveness of the Company's communications policy;
- (v) ensure that relevant information is provided to the Board by management (inclusive of industry news);
- (vi) assist in the creation and selection of an appropriate management structure;
- (vii) review the effectiveness of the Company's internal control processes and management information systems;
- (viii) assess and review principal risks of all aspects of the Company's business, and ensure proper structures are in place to manage those risks;
- (ix) participate in management and director succession planning;
- (x) participate in the selection and evaluation of the CEO and other senior officers, inclusive of terms of employment, compensation, and corporate objectives;
- (xi) fulfill fiduciary and legal requirements such as the payment of taxes, adherence to regulatory requirements and maintenance of necessary documents and records;
- (xii) contribute director expertise on specific issues and networking contacts as required;

- (xiii) monitor the effectiveness of the Board and its committees and the actions of the Board as viewed by the individual directors and senior management; and
- (xiv) assess the participation, contributions and effectiveness of individual Board members on an annual basis through the use of surveys, discussion groups or informal feedback obtained from members of the Board and its committees.

### **3. Position Descriptions**

The Board has not developed written position descriptions for the Chair, the CEO or the Chair of each Board committee. The Audit Committee and the Compensation Committee each have a written charter or role description which governs their conduct as well as that of the Chair of each Committee. The CEO's role and responsibilities are assessed annually by the Board.

### **4. Orientation and Continuing Education**

New Board members are provided with information respecting the functioning of the Board, its committees, the responsibilities and duties of the director and the Company under corporate and securities law, as well as access to the publicly filed documents of the Company and complete access to management and the Company's professional advisors.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. To facilitate ongoing education, Board members are encouraged to communicate with management and the auditors, to keep themselves current with industry trends and developments and changes in legislation with the Company's assistance, to attend industry seminars and to observe the Company's operations first-hand.

### **5. Ethical Business Conduct**

The Board has adopted a written code for the directors, officers and employees. It promotes ethical business conduct through the nomination of Board members it considers ethical. As well, it requires all directors to fully disclose any conflicts or potential conflicts of interest immediately upon the identification thereof. The Audit Committee also has as part of its mandate to review and report to the Board on any related party transactions. The Company's written Code of Conduct is available on SEDAR at [www.sedar.com](http://www.sedar.com). The Board monitors compliance with this Code of Conduct primarily through the Company's whistleblower policy and through regular updates, if necessary, from management of the Company.

### **6. Nomination of Directors**

The Board has established a Governance and Nominating Committee. See "Governance and Nominating Committee" in this Information Circular. Recruitment of new Directors generally results from recommendations made by directors, management and shareholders and candidates are assessed by the Governance and Nominating Committee for their skills, expertise, experience, independence and other factors.

All members of the Governance and Nominating Committee are independent in accordance with applicable securities laws.

### **7. Compensation**

The amount and form of Director compensation is reviewed annually by the Compensation Committee in comparison to compensation information for comparable companies. Any resultant recommendations are made to the full Board, to ensure that such compensation is consistent with the responsibilities and risks involved in being an effective director.

The Compensation Committee determines the compensation for the Company's senior executives. See "Compensation Discussion and Analysis" and "Director Compensation" in this Information Circular. This Committee ensures that the Company has a plan for continuity of its officers and an executive compensation plan that is motivational and competitive, to attract, retain and inspire the performance of executive management and other key personnel. The Compensation Committee is composed entirely of independent directors.

See "Compensation Discussion and Analysis" in this Information Circular for the responsibilities and powers of the Compensation Committee. The Compensation Committee meets at least annually, and as required throughout the year.

## **8. Other Board Committees**

In addition to the Compensation Committee and the Nominating and Governance Committee, the Board contains two other standing committees. The Audit Committee's function is described under "Audit Committee" in this Information Circular. The Board has also established a Strategic Planning Committee that meets as required. See "Strategic Planning Committee" in this Information Circular.

## **9. Assessments**

The Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. On an annual basis, individual directors complete peer evaluations, self-evaluations and questionnaires in order to assess the effectiveness of the Board, all committees and the individual directors. The Governance & Nominating Committee and the Corporate Secretary compile the results of such questionnaires and provide a report to the Board for discussion and review.

The purpose of this annual review process is to assist the Board in assessing:

- Board structure, composition, diversity, experience, mandate, roles and responsibilities and effectiveness;
- Committee meetings, composition, mandate, committee operations and effectiveness; and
- Director attendance, preparedness, contribution and participation, knowledge of the business and required skills and expertise.

In addition, the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively by conducting informal assessments from time to time.

**Schedule “A” – Amended Option Plan**

(see attached)

**ABSOLUTE SOFTWARE CORPORATION  
2000 SHARE OPTION PLAN**

Dated for Reference March 16, 2000  
Last Amended December \_\_\_, 2018

**PART 1**

**DEFINITIONS AND INTERPRETATION**

**Definitions**

1.1 In this Share Option Plan:

- (a) **Affiliate** means any entity that is an “affiliate” for purposes of the Canadian Securities Administrators National Instrument 45-106 Prospectus and Registration Exemptions, as amended from time to time.
- (b) **Associate** has the meaning ascribed thereto in the *Securities Act* (British Columbia);
- (c) **Board** means the board of directors of the Company;
- (d) **Cause** means when used in relation to the termination of employment, includes any matter that would constitute lawful Cause for dismissal from employment at common law and any matter included as “cause” or “Cause” in an employment agreement between the Company and the dismissed employee.
- (e) **CFO** means the Chief Financial Officer of the Company from time to time;
- (f) **Change of Control** means
  - (i) The sale of all or substantially all of the assets of the Company other than to an entity which was an Affiliate of the Company prior to the sale;
  - (ii) A reorganization, amalgamation, merger or plan of arrangement, with respect to which all or substantially all of the persons who were the beneficial owners of the Common Shares immediately prior to such reorganization, amalgamation, merger or plan of arrangement, beneficially own, directly or indirectly, less than 50 percent of the resulting voting shares on a fully-diluted basis;
  - (iii) A formal bid or tender offer for Common Shares being made, as a result of which the offeror and its Affiliates would, if successful, beneficially own, directly or indirectly, 50 percent or more of the Common Shares then outstanding;
  - (iv) During any period of two consecutive years, individuals who at the beginning of the period constituted the Board (together with any new directors whose nomination for election was approved by a vote of a majority of the directors of the Company, then still in office, who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board, then in office,

- (v) Any transaction determined by the Board to be substantially similar to the above transactions;
  - (vi) Any proposed Change of Control determined by the Board to be a Change of Control; or
  - (vii) Any change of control event identified in an Optionee's employment agreement.
- (g) **Common Shares** means Common shares without par value in the capital of the Company;
- (h) **Convertible Securities** means securities convertible into, exchangeable for or representing the right to acquire Common Shares;
- (i) **Company** means Absolute Software Corporation;
- (j) **Director** means a director of the Company;
- (k) **Effective Date** of an Option means the date on which the Option is granted, whether or not the grant is subject to any Regulatory Approval;
- (l) **Employee** means a bona fide employee of the Company or of a Subsidiary, and includes
  - (i) a bona fide permanent part-time employee of the Company or a Subsidiary, and
  - (ii) a bona fide consultant of the Company or of a Subsidiary who is approved for participation in this Share Option Plan by the Board and in respect of whom the Company has qualified by way of an exemption, or has obtained an order from any securities commission or other regulatory authority having jurisdiction over the granting of options to consultants, permitting granting of the Option provided that if the consultant is located in the United States, the consultant is a natural person and is not providing services in connection with the offer or sale of securities in a capital-raising transaction, and does not directly or indirectly promote or maintain a market for the issuer's securities;
- (m) **Expiry Date** of an Option means the day on which an Option lapses;
- (n) **Insider** means
  - (i) an insider of the Company as defined in the *Securities Act* (British Columbia), other than a person who is an insider solely by virtue of being a director or senior officer of a Subsidiary, and
  - (ii) an Associate of a person who is an Insider by virtue of §(i);
- (o) **Officer** means an individual who is an officer of the Company;
- (p) **Option** means a right to purchase Common Shares granted under this Share Option Plan to an Officer or Employee;
- (q) **Outstanding Issue** means the number of Common Shares outstanding on a non-diluted basis;

- (r) **Option Commitment** means the notice of grant of an Option delivered by the Company to an Optionee and substantially in the form of the Schedule I hereto;
- (s) **Optioned Shares** means Common Shares subject to an Option;
- (t) **Optionee** means an individual to whom an Option is granted by the Company under this Share Option Plan;
- (u) **Performance and Restricted Share Unit Plan** means the performance and restricted share unit plan dated for reference December 16, 2015 as amended on December \_\_\_, 2018 and as further amended from time to time;
- (v) **Plan Administrator** means Solium Capital or any other entity appointed to administer the Share Option Plan from time to time;
- (w) **Regulatory Approval** means the approval of the Toronto Stock Exchange and every other stock exchange or securities regulatory agency whose approval is required in the circumstances;
- (x) **Retired** means the cessation of the employment of an Officer or Employee with the Company where the Officer or Employee is over the age of 63 and the Officer or Employee and the Company agree is a retirement from employment.
- (y) **Share Compensation Arrangement** means any stock option, stock option plan, share distribution plan or any other compensation or incentive mechanism involving the issuance or potential issuance of shares to any Director, Officer or Employee, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guaranty or otherwise;
- (z) **Share Option Plan** means this 2000 Share Option Plan, as amended from time to time;
- (aa) **Subscription Price** means the amount payable on an exercise of an Option;
- (bb) **Subsidiary** means a subsidiary as determined under the *Business Corporations Act* (British Columbia);
- (cc) **Total Disability** means that the Employee or Officer is deemed by a qualified physician selected by the Company as unable to discharge their employment duties for the Company for the foreseeable future because of disease or injury;
- (dd) a reference to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations; and
- (ee) the words “**the last day on which the Officer or Employee worked for the Company or a Subsidiary of the Company**” means, with respect to an Officer or Employee whose employment has been terminated by the Company or a Subsidiary of the Company

- (i) other than for Cause, either
  - (A) the day specified by the Company or such Subsidiary in writing to the Officer or Employee as being the last day on which the Officer or Employee is to work for the Company or a Subsidiary of the Company, or
  - (B) if such Officer or Employee is given pay in lieu of advance notice of a pending effective date of termination, the day on which such notice of termination is given in writing by the Company or such Subsidiary to the Officer or Employee,
- and in both cases the day shall be determined without giving effect to, and will not be extended or changed by, any reasonable notice period that would otherwise be required under applicable law or wrongful dismissal, and
- (ii) for Cause, the day on which the notice of termination was given.

## PART 2

### SHARE OPTION PLAN

#### Purpose of Share Option Plan

2.1 The purpose of this Share Option Plan is to recognize contributions made by Officers and Employees and to provide for an incentive for their continuing relationship with the Company and its Subsidiaries.

#### Eligibility

2.2 Options to purchase unissued Common Shares may be granted from time to time under this Share Option Plan by the Board, on the recommendation of the Chief Executive Officer of the Company, to Officers and Employees.

#### Incorporation of Terms of Share Option Plan

2.3 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of each Option granted under this Share Option Plan.

#### Maximum Shares to be Allotted

2.4 The maximum aggregate number of Common Shares that may be allotted for issuance under this Share Option Plan, is 12% of the Outstanding Issue at any time on a non-diluted basis, less the aggregate number of Common Shares then reserved for issuance pursuant to any other Share Compensation Arrangement including, without limitation, the Performance and Restricted Share Unit Plan. For greater certainty, if Options granted under this Share Option Plan are exercised for Common Shares or are surrendered, terminated or expire without being exercised, the Common Shares reserved for issuance pursuant to this Share Option Plan will be available for new Options granted under this Share Option Plan, and for, without limitation, Common Shares granted under the Performance and Restricted Share Unit Plan.

## **PART 3**

### **TERMS AND CONDITIONS OF OPTIONS**

#### **Subscription Price**

3.1 The Subscription Price per Common Share to be acquired on the exercise of an Option will be the closing price per share for the Common Shares on the Toronto Stock Exchange on the last trading day on such exchange before the Effective Date of the Option.

#### **Term of Options**

3.2 The term of an Option will be such period after the Effective Date thereof, not exceeding 7 years, as the Board determines at the time of granting of the Option. Notwithstanding the expiration date applicable to any option, if an option would otherwise expire during or within five business days after the expiration of a Black-out Period applicable to the relevant Optionee, then such option shall expire ten business days following the expiration of the applicable Black-out Period. For the purposes of this §3.2, “Black-out Period” means the period during which the Company has imposed restrictions on its Insiders and certain other persons pursuant to its insider trading and disclosure policies.

#### **Vesting of Option Rights**

3.3 Except as otherwise provided pursuant to §3.4, §3.5 or §3.6, an Option may be exercised from time to time

- (a) at any time after the first, second, third or fourth year of the term of the Option as to a total number of shares not exceeding one-quarter of the Optioned Shares in each such year, and
- (b) in addition, during any year of the term of the Option, as to a total number of shares not exceeding the number of Optioned Shares as to which the Option could have been exercised but was not exercised during the preceding year, whether pursuant to §(a) or this §(b).

#### **Variation of Vesting Periods**

3.4 If the Board determines with respect to an Optionee that it is desirable to grant to the Optionee an Option for which the vesting of rights should be other than as provided in §3.3 or that it is desirable to alter the vesting periods of any particular Option, it may fix the vesting of that Option before or after its grant in such manner as it determines in its discretion; however, the vesting of that Option shall not be changed so as to make the Option exercisable during the first year of the term of the Option.

3.5 Notwithstanding anything herein to the contrary, if the employment of an Optionee is terminated by the Company without Cause or if the Optionee resigns in circumstances constituting constructive termination, in each case, within twelve months following a Change of Control, all of the Optionee’s Options shall vest immediately prior to the Optionee’s date of termination.

#### **Limitation on Right to Exercise**

3.6 No Option may be exercised after 5:00 p.m. Pacific Standard Time on the last day on which the Officer or Employee worked for the Company or a Subsidiary of the Company (being the “particular time”), except as follows:

- (i) upon the death or Total Disability of an Optionee, all Options shall vest immediately prior to the Optionee's death or Total Disability and become exercisable by the personal representatives of the Optionee, from time to time no later than the earlier of the Expiry Date of the Option and six months after the particular time, as to a total number of shares not exceeding the number of shares as to which the Optionee did not exercise the Option before the particular time, including shares as to which pursuant to §3.3 or §3.4 the Optionee was at the particular time not yet entitled to exercise the Option;
- (ii) an Option that would otherwise so cease to be exercisable by reason that the particular time is the effective time that the Optionee has Retired may be exercised by the Optionee or, if the Optionee dies after the particular time, the personal representatives of the Optionee, from time to time no later than the earlier of the Expiry Date of the Option and three years after the particular time, as to a total number of shares not exceeding the number of shares as to which the Optionee did not exercise the Option before the particular time, including shares as to which pursuant to §3.3 or §3.4 the Optionee was at the particular time not yet entitled to exercise the Option;
- (iii) an Option that would otherwise so cease to be exercisable by reason that, in circumstances in which neither §(i) nor §(ii) applies,
  - (A) the particular time
    - (I) is 5:00 p.m. Pacific Standard Time on the last day on which the Officer or Employee worked for the Company or a Subsidiary of the Company, where the office or employment was terminated for Cause, and
    - (II) except where the office or employment was terminated for Cause, is not a time immediately before which the office might have been terminated by the Company or a Subsidiary of the Company, and may be exercised by the Optionee or, if the Optionee dies after the particular time, the personal representatives of the Optionee, from time to time no later than 5:00 p.m. Pacific Standard Time on the earlier of the Expiry Date of the Option and the day that is 30 days after the particular time, as to a total number of shares not exceeding the number of shares as to which the Optionee was entitled to and did not exercise the Option immediately before the particular time.

### **Non Assignability**

3.7 Except as provided in §3.6, an Option may be exercised only by the Optionee to whom it is granted and will not be assignable.

### **Adjustment**

3.8 The number of Common Shares subject to an Option and the price per share payable on exercise of an Option will be subject to adjustment in the events and in the manner following:

(a) if the Common Shares are subdivided or consolidated after the Effective Date of an Option, or the Company pays to holders of Common Shares of record as of a date after the Effective Date of an Option a dividend payable in Common Shares,

(i) the number of Common Shares which would be acquired on any exercise of the Option thereafter will be adjusted to the number of such shares that the Optionee would hold through the combined effect of such exercise and such subdivision, consolidation or stock dividend if the time of the subdivision or consolidation or the record date of such stock dividend had been immediately after the exercise,

(ii) the price per share payable on such an exercise of such an Option will be adjusted in inverse proportion to the adjustment under §(i) in the number of shares that may be acquired or such exercise,

and the number of such shares referred to in §2.4, §5.3 and §5.4 and considered as previously allotted for the purposes of applying §2.4, §5.3 and §5.4 will be correspondingly adjusted;

(b) if there is any capital reorganization, reclassification or other change or event affecting the Common Shares to which §(a) does not apply, the Board will determine whether in the circumstances it is just and equitable that there be some alteration in the securities or other consideration to be acquired by Optionees on the exercise of Options then outstanding and will make such amendments to the Share Option Plan as the Board considers appropriate in the circumstances to ensure a just and equitable result;

(c) the Company will not be required to issue any fractional share in satisfaction of its obligations hereunder or make any payment in lieu thereof.

## **Disputes**

3.9 If any question arises at any time with respect to the Subscription Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in §3.8, such question will be conclusively determined by the Company's auditors, or, if the auditors decline to so act, any other firm of chartered accountants in Vancouver, British Columbia that the Company may designate, and such auditors or other firm will have access to all appropriate records and its determination will be binding upon the Company and each Optionee.

## **PART 4**

### **PROCEDURE**

#### **Option Commitment**

4.1 Upon the granting of an Option hereunder the Chief Executive Officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of the Option and upon such delivery the Optionee will be a participant in this Share Option Plan and have the right to purchase the Optioned Shares at the Subscription Price set out therein, subject to the terms of this Share Option Plan.

4.2 Upon the occurrence of an event to which §3.8 applies, the Chief Executive Officer of the Company may, and if so directed by the Board will, deliver to any Optionee with respect to any Option a revised Option Commitment, identified as such, with respect to shares as to which the Option has not been exercised, reflecting the application of §3.8 by reason of that event.

### **Manner of Exercise**

4.3 An Optionee being entitled to and wishing to exercise an Option may do so only by delivering to the Company at its head office or to such other place as the Company may direct in writing

(a) a written notice addressed to the Company substantially in the form set forth in Appendix A to Schedule I hereto specifying the number of Optioned Shares being acquired pursuant to the Option, and

(b) a certified cheque or bank draft payable to the Company for the aggregate Subscription Price for the Optioned Shares being acquired;

or to exercise an Option on a cashless basis, the Optionee may do so under any cashless exercise program offered by the Plan Administrator that is approved by the CFO from time to time. The CFO may direct the Plan Administrator to offer, amend, suspend, cease offering or offer again any cashless exercise feature to the Company's Optionees from time to time. Any cashless exercise program authorized under this section shall be available only while offered by the Plan Administrator and while approved by the CFO. Any such cashless exercise program may be revoked, amended or discontinued at any time without prior notice or liability to any Optionee.

4.4 Notwithstanding anything else contained in this Share Option Plan, the Company may, from time to time, implement such other procedures and conditions as it determines appropriate with respect to the payment, funding or withholding of amounts required by law to be withheld on the exercise of Options under this Share Option Plan.

### **Tax Matters and Applicable Withholding Tax**

4.5 The Company does not assume any responsibility for or in respect of the tax consequences of the grant of Options to Optionees, the exercise of Options by Optionees, or the tax consequences otherwise arising to Optionees in respect of participation in this Plan. The Company may, as a condition of exercise of Options or issuance of Optioned Shares or delivery of a share certificate, require the Optionee to deliver cash or certified cheque payable to the Company for the amount of such taxes and other amounts as the Company determines in its discretion should be paid in order to fund, or otherwise permit the Company or any relevant affiliate to comply with, the applicable requirements under the provisions of any federal, provincial, foreign, state or local law relating to the withholding or remittance of tax, social security or similar payment, or other required deductions or remittances (herein, "Applicable Withholding Tax"), or require the Optionee to deliver undertakings to, or indemnities in favour of, the Company and/or any relevant affiliate in this regard in its discretion. Notwithstanding anything else contained in this Plan, the Company may from time to time, implement all such other procedures and conditions as it determines appropriate with respect to the payment, funding or withholding of the Applicable Withholding Tax, including but not limited to the selling of Optioned Shares on such terms and conditions as the Company may determine.

### **Share Certificates**

4.6 Upon an exercise of an Option the Company will direct its transfer agent to issue a share certificate (or, in the case of the issuance of uncertificated shares where permitted, to record an electronic entry in the share register) to an Optionee for the appropriate number of Optioned Shares not later than five days thereafter.

## PART 5

### GENERAL PROVISIONS

#### **Effective Date of Plan**

5.1 This Share Option Plan will become effective on the later of the receipt of Regulatory Approval for this Share Option Plan and December \_\_\_, 2018.

#### **Administration**

5.2 The Board will be responsible for the general administration of this Share Option Plan, the proper execution of its provisions, the interpretation of this Share Option Plan and the determination of all questions arising pursuant to this Share Option Plan, and without limiting the generality of the foregoing, the Board will have the power to grant Options pursuant to this Share Option Plan and allot Common Shares for issuance on the exercise of Options.

#### **Limitations on Issue**

5.3 The number of Common Shares reserved for issue to any person under this Share Option Plan may not exceed 5% of the Outstanding Issue.

5.4 In addition to the limitations set out in §5.3, the number of Common Shares under this Share Option Plan, or when combined with any other Share Compensation Arrangement,

- (a) issued to Insiders within any one-year period may not exceed 10% of the Outstanding Issue at that time, and
- (b) issuable to Insiders at any time may not exceed 10% of the Outstanding Issue at that time.

5.5 For the purposes of §5.4, Common Shares issuable to an Insider pursuant to a stock option or other entitlement that was granted before the person became an Insider will be excluded in determining the number of Common Shares issuable to Insiders.

#### **Amendment**

5.6 Subject to Regulatory Approval, and without shareholder approval, the Board may amend, suspend, terminate or discontinue this Share Option Plan, or revoke or alter any action taken pursuant to this Share Option Plan, except that no amendment, suspension, termination or discontinuance of this Share Option Plan will alter or impair any Option without the written consent of the Optionee. Provided, however, that if the Board wishes to: (i) increase the aggregate number of Common Shares reserved under this Share Option Plan, (ii) extend the option period of Options granted pursuant to this Share Option Plan, (iii) reduce the Subscription Price of options granted pursuant to this Share Option Plan, (iv) cancel and reissue any Option, (v) amend to remove or to exceed the Insider participation limit set out in §5.4, (vi) remove the non-transferability limits set out in §6.7 or to permit the transfer or assignment of Options other than by will or the laws of descent and distribution, (vii) expand the categories of eligible Optionees which would have the potential of broadening or increasing insider participation or (viii) amend the amending provisions set out in this §5.6 and §5.7, shareholder approval will be required. Notwithstanding any other provision of this Share Option Plan, no amendment or modification shall provide for an Subscription Price of an Option to be lower than the closing sale price

for board lots of common shares on the Toronto Stock Exchange on the business day immediately prior to the date of the grant of any such option.

5.7 Without limiting the generality of the foregoing, the Board may make the following amendments to this Share Option Plan, without obtaining shareholder approval:

- (a) amendments to the terms and conditions of this Share Option Plan necessary to ensure that the Plan complies with the applicable regulatory requirements, including without limitation the rules of the Toronto Stock Exchange or any national securities exchange or system on which the stock is then listed or reported, or by any regulatory body having jurisdiction with respect thereto;
- (b) the addition of a cashless exercise feature, payable in cash or securities, whether or not such feature provides for a full deduction of the number of underlying securities from the Share Option Plan reserve, and the subsequent removal or amendment thereof;
- (c) a change to the termination provisions of a security or this Share Option Plan which does not entail an extension beyond the original expiry date;
- (d) amendments to the provisions of this Share Option Plan respecting administration of this Share Option Plan and eligibility for participation under this Share Option Plan;
- (e) amendments to the provisions of this Share Option Plan respecting the terms and conditions on which options may be granted pursuant to the Share Option Plan, including the provisions relating to the Subscription Price, the option period, and the vesting schedule;
- (f) the addition of any form of financial assistance by the Company for the acquisition by all or certain categories of participants of Common Shares under the Share Option Plan, and the subsequent amendment of any such provision which is more favourable to participants;
- (g) amendments to the Share Option Plan that are of a "housekeeping nature";
- (h) any amendments necessary to suspend or terminate the Share Option Plan; and
- (i) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the policies of the Toronto Stock Exchange).

### **Governing Law**

5.8 This Share Option Plan will be construed in accordance with and the rights of the Company and each Optionee will be governed by the laws of British Columbia and the laws of Canada applicable therein.

### **Notice**

5.9 Each notice, demand or communication required or permitted to be given under this Share Option Plan will be in writing and will be delivered to the person to whom it is addressed, and the date of delivery of such notice, demand or communication will be the date of receipt by the addressee.

## **Employment**

5.10 Nothing contained in this Share Option Plan will confer upon any Optionee or Employee any right with respect to employment or continuance of employment with the Company or a Subsidiary, or interfere in any way with the right of the Company or a Subsidiary to terminate the Optionee's or Employee's employment at any time. Participation in this Share Option Plan by an Optionee or Employee will be voluntary.

## **No Representation or Warranty**

5.11 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of this Share Option Plan. Notwithstanding any other provision of this Share Option Plan, the Company has no obligation to issue or deliver any Common Shares under this Share Option Plan or to make any other distribution of benefits hereunder unless such issuance, delivery or distribution would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity.

## **Prohibition on Price Amendment**

5.12 Subject to §3.8, the Subscription Price per Common Share under an Option that has been issued will not, after the issue of the Option, be amended to lower the price unless the disinterested shareholders of the Company approve such reduction.

## **Compliance with Securities Laws**

5.13 No Shares or other assets shall be issued or delivered under this Share Option Plan unless and until the Company has determined that there has been full and adequate compliance with all Canadian and United States and any other applicable jurisdiction's federal, provincial and state securities laws and regulations. The Board may require the Optionee to make such warranties and representations as are necessary to satisfy the various securities laws.

5.14 Shares issued under the Share Option Plan shall bear such restrictive legends as the Board deems necessary or appropriate.

## **PART 6**

### **INCENTIVE STOCK OPTION PROVISIONS FOR U.S. RESIDENTS**

#### **U.S. Employees**

6.1 The Board is authorised under this Share Option Plan, in its sole discretion, to issue Options to U.S. residents as nonqualified stock options or as incentive stock options, which will be appropriately designated. For purposes of this Share Option Plan, an "incentive stock option" is an Option intended to qualify as such under Section 422 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). To the extent required by Section 422 of the Code, incentive stock options will be subject to the following additional terms and conditions.

## **Eligible Employees**

6.2 Only individuals who are employees of the Company or one of its subsidiary corporations may be granted incentive stock options. For purposes of this Part, "subsidiary corporation" has the meaning attributed to that term for purposes of Section 422 of the Code.

## **Maximum Shares to be Issued as Incentive Stock Options**

6.3 The maximum aggregate number of Common Shares that may be issued as incentive stock options under this Share Option Plan, subject to adjustment in accordance with §3.8, is 4,846,000.

## **Dollar Limitation**

6.4 To the extent the aggregate fair market value (determined as of the Effective Date of an Option) of Common Shares with respect to which incentive stock options are exercisable for the first time during any calendar year (under this Share Option Plan and all other share option plans of the Company) exceeds \$100,000, such portion in excess of \$100,000 will be treated as a nonqualified stock option. In the event an Optionee holds two or more Options that become exercisable for the first time in the same calendar year, this limitation will be applied on the basis of the order in which the Options were granted.

## **More than 10% Shareholders**

6.5 If an individual owns more than 10% of the total voting power of all classes of the Company's securities, then the Subscription Price per share of an incentive stock option will not be less than 110% of the fair market value of the Common Shares on the Effective Date of an Option and the term of the Option will not exceed five years. The determination of more than 10% ownership will be made in accordance with Section 422 of the Code.

## **Exercisability**

6.6 An Option designated as an incentive stock option will cease to qualify for favourable tax treatment as an incentive stock option to the extent it is exercised (if permitted by the terms of the Option) (a) more than three months after termination of employment for reasons other than death or disability (as defined for purposes of Section 422 of the Code), (b) more than one year after termination of employment by reason of disability (as defined for purposes of Section 422 of the Code) or (c) after the Optionee has been on a leave of absence for more than 90 days, unless the Optionee's reemployment rights are guaranteed by statute or contract.

## **Transferability**

6.7 Incentive stock options may not be transferred by an Optionee other than by will or the laws of descent and distribution and, during the Optionee's lifetime, are exercisable only by the Optionee.

## **Taxation of Incentive Stock Options**

6.8 In order to obtain certain U.S. federal tax benefits afforded to incentive stock options under Section 422 of the Code, the Optionee must hold the shares issued upon the exercise of an incentive stock option for two years after the Effective Date of the Option and one year from the date of exercise. An Optionee may be subject to the alternative minimum tax at the time of exercise of an incentive stock option. The Optionee will give the Company prompt notice of any disposition of Common Shares acquired by the exercise of an incentive stock option prior to the expiration of such holding periods.

### **Options in Foreign Countries**

6.9           The Board will have the authority to adopt such modifications, procedures and subplans as may be necessary or desirable to comply with provisions of the laws of foreign countries in which the Company or its Subsidiaries may operate to assure the viability of the benefits from Options grants to Optionees employed in such countries and to meet the objectives of this Share Option Plan.

### **Optionees Resident in the State of California**

6.10          Optionees who are residents of the State of California will be subject to the additional terms and conditions set forth in Schedule II to this Share Option Plan.

### **Effectiveness of Part**

6.11          In the event shareholder approval is required for an amendment to this Share Option Plan, shareholder approval of this Part must be obtained no later than 12 months after adoption of this Share Option Plan by the Board. In the event shareholder approval is not obtained by such time, all incentive stock options granted under this Share Option Plan will be treated as nonqualified stock options.

### **Term of Incentive Stock Options**

6.12          Notwithstanding anything in §3.2 to the contrary, unless sooner exercised, all incentive stock options shall expire and no longer be exercisable no later than seven years after the Effective Date, subject to the limitations established in §6.5 for certain individuals.

## SCHEDULE I

### 2000 SHARE OPTION PLAN OPTION COMMITMENT

Notice is hereby given that, effective \_\_\_\_\_, 20\_\_\_ (the "Effective Date") Absolute Software Corporation (the "Company"), pursuant to the Company's 2000 Share Option Plan (the "Plan"), as it may have been amended to the Effective Date, granted to \_\_\_\_\_ (the "Optionee"), an option (the "Option") to acquire up to \_\_\_\_\_ Common shares in the capital of the Company (the "Optioned Shares") on or before \_\_\_\_\_, \_\_\_\_\_ at a Subscription Price of Cdn. \$ \_\_\_\_\_ per share.

The grant of the Option is made on and subject to the vesting provisions and other terms and conditions of the Plan, which are incorporated by reference herein. The number of Optioned Shares will be adjusted if and to the extent required in accordance with §3.8 of the Plan.

To exercise the Option, the Optionee must deliver to the Company at its head office a written notice addressed to the Company substantially in the form set forth in Appendix A hereto specifying the number of Optioned Shares that the Optionee wishes to acquire, together with a certified cheque or bank draft payable to the Company for the aggregate Subscription Price for such shares. A share certificate evidencing the Optioned Shares thereby acquired will be issued to the Optionee by the Company's transfer agent in accordance with the Plan.

#### [For U.S. Employees]

[IF ISSUING ISOs INCLUDE THE FOLLOWING LANGUAGE: The Option is intended to qualify as an Incentive Stock Option under U.S. federal income tax law, but the Company does not represent or guarantee that the Option qualifies as such. To obtain certain tax benefits afforded to Incentive Stock Options, you must hold the shares issued upon exercise of the Option for two years after the Effective Date and one year from the date of exercise. You may be subject to the alternative minimum tax at the time of exercise.]

[To the extent you are a citizen or resident of the United States, your participation in the Plan could subject you to a filing requirement under the Foreign Account Tax Compliance Act (FATCA) and/or Report of Foreign Bank and Financial Accounts (FBAR). Both FATCA and FBAR require United States citizens and residents to disclose to the government the existence of certain foreign accounts in which the citizen or resident has an interest. In addition, both FATCA and FBAR impose penalties for failure to file the applicable reports. The obligation to file a report under FATCA and/or FBAR depends on the facts and circumstances of your individual situation, and for that reason you are strongly encouraged to discuss your participation in the Plan with your personal tax advisor.]

[IF ISSUING ISOs INCLUDE THE FOLLOWING LANGUAGE: Incentive stock options may not be transferred by an Optionee other than by will or the laws of descent and distribution and, during the Optionee's lifetime, are exercisable only by the Optionee.]

[By accepting the Option, the Optionee hereby acknowledges reading and understanding of Part 6 of the Plan.]

If the Optionee is a U.S. person or is located in the United States, the Optionee also hereby acknowledges and agrees as follows:

(a) The Option and the Optioned Shares (collectively, the "Securities") have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States, and the Option is being granted to the Optionee in reliance on an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws;

(b) The Securities will be "restricted securities", as defined in Rule 144 under the U.S. Securities Act, and the rules of the United States Securities and Exchange Commission provide in substance that the Optionee may dispose of the Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and the Company has no obligation to register any of the Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder, if available);

(c) If the Optionee decides to offer, sell or otherwise transfer any of the Optioned Shares, the Optionee will not offer, sell or otherwise transfer the Option directly or indirectly, unless:

(i) the sale is to the Company;

(ii) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;

(iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or "blue sky" laws; or

(iv) the Optioned Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities,

and, in the case of each of (iii) and (iv) it has prior to such sale, and solely upon the request of the Company, furnished to the Company an opinion of counsel reasonably satisfactory to the Company stating that such transaction is exempt from registration under applicable securities laws;

(d) The Option may not be exercised by or for the account or benefit of a person in the United States or a U.S. person unless registered under the U.S. Securities Act and any applicable state securities laws, unless an exemption from such registration requirements is available;

(e) "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act;

(f) The certificates representing the Optioned Shares will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF

THE CORPORATION, THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION, UPON REQUEST, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."

**provided, that if the Optioned Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Company, in substantially the form set forth as Appendix B attached hereto** (or in such other form as the Company may prescribe from time to time) and, if requested by the Company or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S and that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws; and provided, further, that, if any Shares are being sold otherwise than in accordance with Regulation S and other than to the Company, the legend may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel, of recognized standing reasonably satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

**ABSOLUTE SOFTWARE CORPORATION**

By: \_\_\_\_\_  
Chief Executive Officer

**APPENDIX A**  
**ABSOLUTE SOFTWARE CORPORATION**  
**2000 STOCK OPTION PLAN**

**EXERCISE NOTICE**

To: Absolute Software Corporation (the "Company")

1. The undersigned (the "Optionee"), being the holder of options to purchase \_\_\_\_\_ Optioned Shares at the exercise price of \_\_\_\_\_ per Optioned Share, hereby irrevocably gives notice, pursuant to the 2000 Stock Option Plan of the Company (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for \_\_\_\_\_ of such Optioned Shares.
2. The Optionee tenders herewith a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Subscription Price of the aforesaid Optioned Shares exercised and directs the Company to issue a share certificate evidencing said Optioned Shares in the name of the Optionee to be mailed to the Optionee at the following address:

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3. By executing this Exercise Notice, the Optionee hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Commitment.
4. If the Optionee is resident in the United States or is a U.S. person, the Optionee is a natural person who is either: (i) an officer and/or employee of the Company or of a majority-owned subsidiary of the Company (each, an "Eligible Company Optionee"), (ii) a consultant who is providing bona fide services to the Company or a majority-owned subsidiary of the Company that are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities (an "Eligible Consultant"), or (iii) a former Eligible Company Optionee or Eligible Consultant. "United States" and "U.S. person" are as defined in Regulation S under the United States Securities Act of 1933 as amended (the "U.S. Securities Act").

5. The undersigned Optionee hereby represents, warrants, acknowledges and agrees that:
  - (a) the Optionee has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Optioned Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;
  - (b) the Company has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Company as he or she has considered necessary or appropriate in connection with his or her investment decision to acquire the Shares;

- (c) the undersigned is purchasing the Optioned Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws;
- (d) the undersigned has not exercised the Option as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, television or other form of telecommunications, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (e) funds representing the subscription price for the Shares which will be advanced by the undersigned to the Company upon exercise of the Options will not represent proceeds of crime for the purposes of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the “PATRIOT Act”), and the undersigned acknowledges that the Company may in the future be required by law to disclose the undersigned’s name and other information relating to this exercise form and the undersigned’s subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the subscription price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and it shall promptly notify the Company if the undersigned discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith;
- (f) the financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;
- (g) there may be material tax consequences to the Optionee of an acquisition or disposition of any of the Optioned Shares. The Company gives no opinion and makes no representation with respect to the tax consequences to the Optionee under United States, state, local or foreign tax law of the undersigned’s acquisition or disposition of such securities. In particular, no determination has been made whether the Company will be a “passive foreign investment company” within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended;
- (h) the Company intends to rely on the registration exemption in Rule 701 under the U.S. Securities Act and a state registration exemption, but only if such exemptions are available; in the event such exemptions are determined by the Company to be unavailable, the undersigned may be required to provide a legal opinion of counsel (which will not be sufficient unless it is in form and substance satisfactory to the Company), or such other evidence satisfactory to the Company, to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available with respect to the securities to be delivered upon exercise of the Option;
- (i) the Optioned Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Optioned Shares will

be issued as “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the U.S. Securities Act and applicable state securities laws absent an exemption from such registration requirements; and

- (j) the certificate(s) representing the Shares will be endorsed with a U.S. restrictive legend substantially in the form set forth in the attached Option Commitment until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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\_\_\_\_\_  
Signature of Option Holder

## APPENDIX B

### **FORM OF DECLARATION FOR REMOVAL OF LEGEND**

To: Absolute Software Corporation (the "Company")

And To: The Registrar and Transfer Agent for the Company's Common Shares

The undersigned (A) acknowledges that the sale of \_\_\_\_\_ (the "Securities") of the Company, represented by certificate number \_\_\_\_\_, to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (B) certifies that (1) the undersigned is not (a) an "affiliate" of the Company (as that term is defined in Rule 405 under the U.S. Securities Act), except solely by virtue of being an officer or director of the Company , (b) a "distributor" or (c) an affiliate of a distributor; (2) the offer of such Securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: \_\_\_\_\_, 20\_\_\_\_X

X \_\_\_\_\_

Signature of individual (if Securityholder is an individual)

X \_\_\_\_\_

Authorized signatory (if Securityholder is not an individual)

\_\_\_\_\_  
Name of Securityholder (please print)

\_\_\_\_\_  
Name of authorized signatory (please print)

\_\_\_\_\_  
Official capacity of authorized signatory (please print)

**Affirmation by Seller's Broker-Dealer**  
**(required for sales pursuant to Section (B)(2)(b) above)**

We have read the foregoing representations of our customer, \_\_\_\_\_ (the "Seller") with regard to the sale, for such Seller's account, of \_\_\_\_\_ common shares (the "Shares") of the Company represented by certificate number . We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Shares was made to a person in the United States;
- (2) the sale of the Shares was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Shares as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "United States" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Company shall be entitled to rely upon the representations, warranties and covenants contained in this letter to the same extent as if this letter had been addressed to them.

Yours truly,

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Name of Firm

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_ 20\_\_\_\_\_.

**SCHEDULE II**  
**TO THE ABSOLUTE SOFTWARE CORPORATION**  
**2000 SHARE OPTION PLAN**  
**(FOR CALIFORNIA RESIDENTS ONLY)**

This Appendix A to the Absolute Software Corporation 2000 Share Option Plan (the "Plan") shall have application only to Optionees who are residents of the State of California. Capitalized terms contained herein shall have the same meanings given to them in the Plan, unless otherwise provided in this Appendix. **Notwithstanding any provision contained in the Plan to the contrary and to the extent required by applicable law, the following terms and conditions shall apply to all Options granted to residents of the State of California, until such time as the Common Shares are listed on a national securities exchange within the meaning of Section 25100(o) of the California Corporations Code:**

1. The maximum number of Common Shares that may be allotted for issuance under the Plan is as set out in §2.4 of the Plan, subject to adjustment in accordance with §3.8 of the Plan. If Options are surrendered, terminated or expire without being exercised, new Options may be granted covering Common Shares not purchased under such lapsed Options.
2. Options shall be non-transferrable other than by will or the laws of descent and distribution. Notwithstanding the foregoing, and to the extent permitted by Section 422 of the U.S. Internal Revenue Code of 1986, the Plan Administrator, in its discretion, may permit distribution of an Option to an inter vivos or testamentary trust in which the Option is to be passed to beneficiaries upon the death of the trustor (settlor), or by gift to "immediate family" as that term is defined in Rule 16a-1(e) of the U.S. Securities Exchange Act of 1934, as amended.
3. Unless employment is terminated for Cause, the right to exercise an Option in the event of termination of employment, to the extent that the Optionee is otherwise entitled to exercise an Option on the date employment terminates, shall be
  - (a) at least six months from the date of termination of employment if termination was caused by death or Total Disability; and
  - (b) at least 30 days from the date of termination if termination of employment was caused by other than death or Total Disability;
  - (c) but in no event later than the remaining term of the Option.
4. No Option may be granted to a resident of California more than ten years after the earlier of the date of adoption of the Plan by the Board and the date this Schedule is approved by the shareholders.
5. The Plan or agreement must be approved by a majority of the outstanding securities entitled to vote by the later of (1) within 12 months before or after the date the Plan is adopted or (2) prior to or within 12 months of the granting of any option or issuance of any security under the Plan in the State of California. Any options granted to any person in this state that is exercised before security holder approval is obtained must be rescinded if security holder approval is not obtained in the manner described in the preceding sentence. Such securities shall not be counted in determining whether such approval is obtained.

**Schedule “B” – Blackline of Option Plan to Amended Option Plan**

(see attached)

**ABSOLUTE SOFTWARE CORPORATION  
2000 SHARE OPTION PLAN**

Dated for Reference March 16, 2000  
Last Amended December 16, 2015, 2018

**PART 1**

**DEFINITIONS AND INTERPRETATION**

**Definitions**

1.1 In this Share Option Plan:

- (a) **Accelerated Vesting Event** means Affiliate means any entity that is an “affiliate” for purposes of the Canadian Securities Administrators National Instrument 45-106 Prospectus and Registration Exemptions, as amended from time to time.
- (i) ~~for Options issued on or before December 31, 2012, the occurrence of any one of~~
- (A) ~~a take over bid as defined in the *Securities Act* (British Columbia) is made for Common Shares or Convertible Securities which, if successful would result (assuming the conversion, exchange or exercise of the Convertible Securities, if any, that are the subject of the take over bid) in any person or persons acting jointly or in concert (as such phrase is defined in the *Securities Act* (British Columbia)) or persons associated or affiliated with such person or persons within the meaning of the *Business Corporations Act* (British Columbia) beneficially, directly or indirectly, owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 75% of the votes attaching to all shares in the capital of the Company that may be cast to elect Directors;~~
- (B) ~~the acquisition or continuing ownership by any person or persons acting jointly or in concert (as such phrase is defined in the *Securities Act* (British Columbia)), directly or indirectly, of Common Shares or of Convertible Securities, which, when added to all other securities of the Company at the time held by such person or persons, or persons associated or affiliated with such person or persons within the meaning of the *Business Corporations Act* (British Columbia) (collectively, the “Acquirors”), and assuming the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, results in the Acquirors beneficially owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 75% of the votes attaching to all shares in the capital of the Company that may be cast to elect Directors;~~
- (C) ~~the sale, lease, exchange or other disposition of all or substantially all of the Company’s assets, or~~
- (D) ~~an amalgamation, merger, arrangement or other business combination (a “Business Combination”) involving the Company that results in the securityholders of the parties to the Business Combination other than the Company~~

~~owning, directly or indirectly, shares of the continuing entity that entitle the holders thereof to cast at least 75% of the votes attaching to all shares in the capital of the continuing entity that may be cast to elect Directors; or~~

- (ii) ~~for Options issued after December 31, 2012, the occurrence of any one of~~
  - (A) ~~any accelerated vesting event identified in an employment agreement; or~~
  - (B) ~~the passage of a resolution by the Board of Directors determining that an accelerated vesting event has or is deemed to have occurred, together with the occurrence of any one of:~~
    - (I) ~~pursuant to a take over bid as defined in the *Securities Act* (British Columbia), an offeror under such take over bid has publicly announced that it intends to take up and pay for sufficient Common Shares, on a fully diluted basis, to pass a special resolution under the *Business Corporations Act* (British Columbia);~~
    - (II) ~~the acquisition or continuing ownership by any person or persons acting jointly or in concert (as such phrase is defined in the *Securities Act* (British Columbia)), directly or indirectly, of Common Shares or of Convertible Securities, which, when added to all other securities of the Company at the time held by such person or persons, or persons associated or affiliated with such person or persons within the meaning of the *Business Corporations Act* (British Columbia) (collectively, the "Acquirors"), and assuming the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, results in the Acquirors beneficially owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Company that may be cast to elect Directors;~~
    - (III) ~~the sale, lease, exchange or other disposition of all or substantially all of the Company's assets, or~~
    - (IV) ~~a Business Combination involving the Company that results in the securityholders of the parties to the Business Combination other than the Company owning, directly or indirectly, shares of the continuing entity that entitle the holders thereof to cast at least 50% of the votes attaching to all shares in the capital of the continuing entity that may be cast to elect Directors;~~

- (b) **Associate** has the meaning ascribed thereto in the *Securities Act* (British Columbia);
- (c) **Board** means the board of directors of the Company;
- (d) **Cause** means when used in relation to the termination of employment, includes any matter that would constitute lawful Cause for dismissal from employment at common law and any matter

included as “cause” or “Cause” in an employment agreement between the Company and the dismissed employee.

(e) ~~(d)~~**CFO** means the Chief Financial Officer of the Company from time to time;

(f) **Change of Control** means

(i) The sale of all or substantially all of the assets of the Company other than to an entity which was an Affiliate of the Company prior to the sale;

(ii) A reorganization, amalgamation, merger or plan of arrangement, with respect to which all or substantially all of the persons who were the beneficial owners of the Common Shares immediately prior to such reorganization, amalgamation, merger or plan of arrangement, beneficially own, directly or indirectly, less than 50 percent of the resulting voting shares on a fully-diluted basis;

(iii) A formal bid or tender offer for Common Shares being made, as a result of which the offeror and its Affiliates would, if successful, beneficially own, directly or indirectly, 50 percent or more of the Common Shares then outstanding;

(iv) During any period of two consecutive years, individuals who at the beginning of the period constituted the Board (together with any new directors whose nomination for election was approved by a vote of a majority of the directors of the Company, then still in office, who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board, then in office,

(v) Any transaction determined by the Board to be substantially similar to the above transactions;

(vi) Any proposed Change of Control determined by the Board to be a Change of Control; or

(vii) Any change of control event identified in an Optionee’s employment agreement.

(g) ~~(e)~~**Common Shares** means Common shares without par value in the capital of the Company;

(h) ~~(f)~~**Convertible Securities** means securities convertible into, exchangeable for or representing the right to acquire Common Shares;

(i) ~~(g)~~**Company** means Absolute Software Corporation;

(j) ~~(h)~~**Director** means a director of the Company;

(k) ~~(i)~~**Effective Date** of an Option means the date on which the Option is granted, whether or not the grant is subject to any Regulatory Approval;

(l) ~~(j)~~**Employee** means a bona fide employee of the Company or of a Subsidiary, and includes

(i) a bona fide permanent part-time employee of the Company or a Subsidiary, and

- (ii) a bona fide consultant of the Company or of a Subsidiary who is approved for participation in this Share Option Plan by the Board and in respect of whom the Company has qualified by way of an exemption, or has obtained an order from any securities commission or other regulatory authority having jurisdiction over the granting of options to consultants, permitting granting of the Option provided that if the consultant is located in the United States, the consultant is a natural person and is not providing services in connection with the offer or sale of securities in a capital-raising transaction, and does not directly or indirectly promote or maintain a market for the issuer's securities;
- (m) ~~(k)~~**Expiry Date** of an Option means the day on which an Option lapses;
- (n) ~~(l)~~**Insider** means
- (i) an insider of the Company as defined in the *Securities Act* (British Columbia), other than a person who is an insider solely by virtue of being a director or senior officer of a Subsidiary, and
- (ii) an Associate of a person who is an Insider by virtue of §(i);
- (o) ~~(m)~~**Officer** means an individual who is an officer of the Company;
- (p) ~~(n)~~**Option** means a right to purchase Common Shares granted under this Share Option Plan to an Officer or Employee;
- (q) ~~(o)~~**Outstanding Issue** means the number of Common Shares outstanding on a non-diluted basis;
- (r) ~~(p)~~**Option Commitment** means the notice of grant of an Option delivered by the Company to an Optionee and substantially in the form of the Schedule I hereto;
- (s) ~~(q)~~**Optioned Shares** means Common Shares subject to an Option;
- (t) ~~(r)~~**Optionee** means an individual to whom an Option is granted by the Company under this Share Option Plan;
- (u) ~~(s)~~**Performance and Restricted Share Unit Plan** means the performance and restricted share unit plan dated for reference ~~●, 2015, December 16, 2015 as amended on December \_\_\_, 2018 and as further amended from time to time;~~
- (v) ~~(t)~~**Plan Administrator** means Solium Capital or any other entity appointed to administer the Share Option Plan from time to time;
- (w) ~~(u)~~**Regulatory Approval** means the approval of the Toronto Stock Exchange and every other stock exchange or securities regulatory agency whose approval is required in the circumstances;
- (x) ~~(v)~~**Retired** means ~~with respect to the cessation of the employment of~~ an Officer or Employee, ~~the retirement of~~ ~~with the Company where~~ the Officer or Employee ~~within the meaning of the Canada Pension Plan, after attainment of age 65; is over the age of 63 and the Officer or Employee and the Company agree is a retirement from employment.~~

(v) ~~(w)~~ **Share Compensation Arrangement** means any stock option, stock option plan, share distribution plan or any other compensation or incentive mechanism involving the issuance or potential issuance of shares to any Director, Officer or Employee, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guaranty or otherwise;

(z) ~~(x)~~ **Share Option Plan** means this 2000 Share Option Plan, as amended from time to time;

(aa) ~~(y)~~ **Subscription Price** means the amount payable on an exercise of an Option;

(bb) ~~(z)~~ **Subsidiary** means a subsidiary as determined under the *Business Corporations Act* (British Columbia);

(cc) ~~(aa)~~ **Totally Disabled Total Disability** means that, ~~solely because of disease or injury~~ the Employee or Officer is deemed by a qualified physician selected by the Company ~~to be unable to work at any occupation which the Employee or Officer is reasonably qualified to perform as unable to discharge their employment duties for the Company for the foreseeable future because of disease or injury~~;

(dd) ~~(bb)~~ a reference to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations; and

(ee) ~~(ee)~~ the words “**the last day on which the Officer or Employee worked for the Company or a Subsidiary of the Company**” means, with respect to an Officer or Employee whose employment has been terminated by the Company or a Subsidiary of the Company

(i) other than for ~~cause~~Cause, either

(A) the day specified by the Company or such Subsidiary in writing to the Officer or Employee as being the last day on which the Officer or Employee is to work for the Company or a Subsidiary of the Company, or

(B) if such Officer or Employee is given pay in lieu of advance notice of a pending effective date of termination, the day on which such notice of termination is given in writing by the Company or such Subsidiary to the Officer or Employee,

and in both cases the day shall be determined without giving effect to, and will not be extended or changed by, any reasonable notice period that would otherwise be required under applicable law or wrongful dismissal, and

(ii) for ~~cause~~Cause, the day on which the notice of termination was given.

## PART 2

### SHARE OPTION PLAN

#### Purpose of Share Option Plan

2.1 The purpose of this Share Option Plan is to recognize contributions made by Officers and Employees and to provide for an incentive for their continuing relationship with the Company and its Subsidiaries.

## **Eligibility**

2.2 Options to purchase unissued Common Shares may be granted from time to time under this Share Option Plan by the Board, on the recommendation of the Chief Executive Officer of the Company, to Officers and Employees.

## **Incorporation of Terms of Share Option Plan**

2.3 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of each Option granted under this Share Option Plan.

## **Maximum Shares to be Allotted**

2.4 The maximum aggregate number of Common Shares that may be allotted for issuance under this Share Option Plan, is 12% of the Outstanding Issue at any time on a non-diluted basis, less the aggregate number of Common Shares then reserved for issuance pursuant to any other Share Compensation Arrangement including, without limitation, the Performance and Restricted Share Unit Plan. For greater certainty, if Options granted under this Share Option Plan are exercised for Common Shares or are surrendered, terminated or expire without being exercised, the Common Shares reserved for issuance pursuant to this Share Option Plan will be available for new Options granted under this Share Option Plan, and for, without limitation, Common Shares granted under the Performance and Restricted Share Unit Plan.

# **PART 3**

## **TERMS AND CONDITIONS OF OPTIONS**

### **Subscription Price**

3.1 The Subscription Price per Common Share to be acquired on the exercise of an Option will be the closing price per share for the Common Shares on the Toronto Stock Exchange on the last trading day on such exchange before the Effective Date of the Option.

### **Term of Options**

3.2 The term of an Option will be such period after the Effective Date thereof, not exceeding 7 years, as the Board determines at the time of granting of the Option. Notwithstanding the expiration date applicable to any option, if an option would otherwise expire during or within five business days after the expiration of a Black-out Period applicable to the relevant Optionee, then such option shall expire ten business days following the expiration of the applicable Black-out Period. For the purposes of this §3.2, "Black-out Period" means the period during which the Company has imposed restrictions on its Insiders and certain other persons pursuant to its insider trading and disclosure policies.

### **Vesting of Option Rights**

3.3 Except as otherwise provided pursuant to §3.4, §3.5 or §3.6, an Option may be exercised from time to time

(a) at any time after the first, second, third or fourth year of the term of the Option as to a total number of shares not exceeding one-quarter of the Optioned Shares in each such year, and

(b) in addition, during any year of the term of the Option, as to a total number of shares not exceeding the number of Optioned Shares as to which the Option could have been exercised but was not exercised during the preceding year, whether pursuant to §(a) or this §(b).

### Variation of Vesting Periods

3.4 If the Board determines with respect to an Optionee that it is desirable to grant to the Optionee an Option for which the vesting of rights should be other than as provided in §3.3 or that it is desirable to alter the vesting periods of any particular Option, it may fix the vesting of that Option before or after its grant in such manner as it determines in its discretion; however, the vesting of that Option shall not be changed so as to make the Option exercisable during the first year of the term of the Option.

3.5 ~~If there occurs an Accelerated Vesting Event each Option held by an Optionee may be exercised by the Optionee at any time or from time to time on or before the Expiry Date of the Option provided that with respect to an Option held by an Officer or Employee the Accelerated Vesting Event must have occurred on or before the last day on which the Officer or Employee worked for the Company or a Subsidiary of the Company. Notwithstanding anything herein to the contrary, if the employment of an Optionee is terminated by the Company without Cause or if the Optionee resigns in circumstances constituting constructive termination, in each case, within twelve months following a Change of Control, all of the Optionee's Options shall vest immediately prior to the Optionee's date of termination.~~

### Limitation on Right to Exercise

3.6 No Option may be exercised after 5:00 p.m. Pacific Standard Time on the last day on which the Officer or Employee worked for the Company or a Subsidiary of the Company (being the "particular time"), except as follows:

(i) ~~an Option that would otherwise so cease to be upon the death or Total Disability of an Optionee, all Options shall vest immediately prior to the Optionee's death or Total Disability and become~~ exercisable by ~~reason of the death of the Optionee at the particular time may be exercised by~~ the personal representatives of the Optionee, from time to time no later than the earlier of the Expiry Date of the Option and ~~one year~~six months after the particular time, as to a total number of shares not exceeding the number of shares as to which the Optionee did not exercise the Option before the particular time, including shares as to which pursuant to §3.3 or §3.4 the Optionee was at the particular time not yet entitled to exercise the Option;

(ii) an Option that would otherwise so cease to be exercisable by reason that the particular time is the effective time that the Optionee has Retired ~~or become~~ Totally Disabled may be exercised by the Optionee or, if the Optionee dies after the particular time, the personal representatives of the Optionee, from time to time no later than the earlier of the Expiry Date of the Option and three years after the particular time, as to a total number of shares not exceeding the number of shares as to which the Optionee did not exercise the Option before the particular time, including shares as to which pursuant to §3.3 or §3.4 the Optionee was at the particular time not yet entitled to exercise the Option;

(iii) an Option that would otherwise so cease to be exercisable by reason that, in circumstances in which neither §(i) nor §(ii) applies,

(A) the particular time

- (I) is 5:00 p.m. Pacific Standard Time on the last day on which the Officer or Employee worked for the Company or a Subsidiary of the Company, where the office or employment was terminated for Cause, and
- (II) except where the office or employment was terminated for causeCause, and(II) is not a time immediately before which the office might have been terminated by the Company or a Subsidiary of the Company, ~~or the employment terminated by the Company or a Subsidiary of the Company, for cause, and~~ may be exercised by the Optionee or, if the Optionee dies after the particular time, the personal representatives of the Optionee, from time to time no later than 5:00 p.m. Pacific Standard Time on the earlier of the Expiry Date of the Option and the day that is 30 days after the particular time, as to a total number of shares not exceeding the number of shares as to which the Optionee was entitled to and did not exercise the Option immediately before the particular time.

### **Non Assignability**

3.7 Except as provided in §3.6, an Option may be exercised only by the Optionee to whom it is granted and will not be assignable.

### **Adjustment**

3.8 The number of Common Shares subject to an Option and the price per share payable on exercise of an Option will be subject to adjustment in the events and in the manner following:

(a) if the Common Shares are subdivided or consolidated after the Effective Date of an Option, or the Company pays to holders of Common Shares of record as of a date after the Effective Date of an Option a dividend payable in Common Shares,

(i) the number of Common Shares which would be acquired on any exercise of the Option thereafter will be adjusted to the number of such shares that the Optionee would hold through the combined effect of such exercise and such subdivision, consolidation or stock dividend if the time of the subdivision or consolidation or the record date of such stock dividend had been immediately after the exercise,

(ii) the price per share payable on such an exercise of such an Option will be adjusted in inverse proportion to the adjustment under §(i) in the number of shares that may be acquired or such exercise,

and the number of such shares referred to in §2.4. §5.3 and §~~5.4(e)~~ and considered as previously allotted for the purposes of applying §2.4. §5.3 and §~~5.4(e)~~ will be correspondingly adjusted;

(b) if there is any capital reorganization, reclassification or other change or event affecting the Common Shares to which §(a) does not apply, the Board will determine whether in the circumstances it is just and equitable that there be some alteration in the securities or other

consideration to be acquired by Optionees on the exercise of Options then outstanding and will make such amendments to the Share Option Plan as the Board considers appropriate in the circumstances to ensure a just and equitable result;

(c) the Company will not be required to issue any fractional share in satisfaction of its obligations hereunder or make any payment in lieu thereof.

### **Disputes**

3.9 If any question arises at any time with respect to the Subscription Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in §3.8, such question will be conclusively determined by the Company's auditors, or, if the auditors decline to so act, any other firm of chartered accountants in Vancouver, British Columbia that the Company may designate, and such auditors or other firm will have access to all appropriate records and its determination will be binding upon the Company and each Optionee.

## **PART 4**

### **PROCEDURE**

#### **Option Commitment**

4.1 Upon the granting of an Option hereunder the Chief Executive Officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of the Option and upon such delivery the Optionee will be a participant in this Share Option Plan and have the right to purchase the Optioned Shares at the Subscription Price set out therein, subject to the terms of this Share Option Plan.

4.2 Upon the occurrence of an event to which §3.8 applies, the Chief Executive Officer of the Company may, and if so directed by the Board will, deliver to any Optionee with respect to any Option a revised Option Commitment, identified as such, with respect to shares as to which the Option has not been exercised, reflecting the application of §3.8 by reason of that event.

#### **Manner of Exercise**

4.3 An Optionee being entitled to and wishing to exercise an Option may do so only by delivering to the Company at its head office or to such other place as the Company may direct in writing

(a) a written notice addressed to the Company substantially in the form set forth in Appendix A to Schedule I hereto specifying the number of Optioned Shares being acquired pursuant to the Option, and

(b) a certified cheque or bank draft payable to the Company for the aggregate Subscription Price for the Optioned Shares being acquired;

or to exercise an Option on a cashless basis, the Optionee may do so under any cashless exercise program offered by the Plan Administrator that is approved by the CFO from time to time. The CFO may direct the Plan Administrator to offer, amend, suspend, cease offering or offer again any cashless exercise feature to the Company's Optionees from time to time. Any cashless exercise program authorized under this section shall be available only while offered by the Plan Administrator and while approved by the CFO. Any such cashless exercise program may be revoked, amended or discontinued at any time without prior notice or liability to any Optionee.

4.4 Notwithstanding anything else contained in this Share Option Plan, the Company may, from time to time, implement such other procedures and conditions as it determines appropriate with respect to the payment, funding or withholding of amounts required by law to be withheld on the exercise of Options under this Share Option Plan.

### **Tax Matters and Applicable Withholding Tax**

4.5 The Company does not assume any responsibility for or in respect of the tax consequences of the grant of Options to Optionees, the exercise of Options by Optionees, or the tax consequences otherwise arising to Optionees in respect of participation in this Plan. The Company may, as a condition of exercise of Options or issuance of Optioned Shares or delivery of a share certificate, require the Optionee to deliver cash or certified cheque payable to the Company for the amount of such taxes and other amounts as the Company determines in its discretion should be paid in order to fund, or otherwise permit the Company or any relevant affiliate to comply with, the applicable requirements under the provisions of any federal, provincial, foreign, state or local law relating to the withholding or remittance of tax, social security or similar payment, or other required deductions or remittances (herein, "Applicable Withholding Tax"), or require the Optionee to deliver undertakings to, or indemnities in favour of, the Company and/or any relevant affiliate in this regard in its discretion. Notwithstanding anything else contained in this Plan, the Company may from time to time, implement all such other procedures and conditions as it determines appropriate with respect to the payment, funding or withholding of the Applicable Withholding Tax, including but not limited to the selling of Optioned Shares on such terms and conditions as the Company may determine.

### **Share Certificates**

4.6 Upon an exercise of an Option the Company will direct its transfer agent to issue a share certificate (or, in the case of the issuance of uncertificated shares where permitted, to record an electronic entry in the share register) to an Optionee for the appropriate number of Optioned Shares not later than five days thereafter.

## **PART 5**

### **GENERAL PROVISIONS**

#### **Effective Date of Plan**

5.1 This Share Option Plan will become effective on the later of the receipt of Regulatory Approval for this Share Option Plan and ~~the date of the Company's final prospectus for its initial public offering~~December 1, 2018.

#### **Administration**

5.2 ~~Subject to such limitations as may from time to time be imposed by the Board, the Chief Executive Officer~~The Board will be responsible for the general administration of this Share Option Plan, the proper execution of its provisions, the interpretation of this Share Option Plan and the determination of all questions arising pursuant to this Share Option Plan, and without limiting the generality of the foregoing, the ~~Chief Executive Officer~~Board will have the power to grant Options pursuant to this Share Option Plan and allot Common Shares for issuance on the exercise of Options.

## **Limitations on Issue**

5.3 The number of Common Shares reserved for issue to any person under this Share Option Plan may not exceed 5% of the Outstanding Issue.

5.4 In addition to the limitations set out in §5.3, the number of Common Shares under this Share Option Plan, or when combined with any other Share Compensation Arrangement,

- (a) issued to Insiders within any one-year period may not exceed 10% of the Outstanding Issue at that time, and
- (b) issuable to Insiders at any time may not exceed 10% of the Outstanding Issue at that time.

5.5 For the purposes of §5.4, Common Shares issuable to an Insider pursuant to a stock option or other entitlement that was granted before the person became an Insider will be excluded in determining the number of Common Shares issuable to Insiders.

## **Amendment**

5.6 Subject to Regulatory Approval, and without shareholder approval, the Board may amend, suspend, terminate or discontinue this Share Option Plan, or revoke or alter any action taken pursuant to this Share Option Plan, except that no amendment, suspension, termination or discontinuance of this Share Option Plan will alter or impair any Option without the written consent of the Optionee. Provided, however, that if the Board wishes to: (i) increase the aggregate number of Common Shares reserved under this Share Option Plan, (ii) extend the option period of Options granted ~~to Insiders~~ pursuant to this Share Option Plan, (iii) reduce the Subscription Price of options granted ~~to Insiders~~ pursuant to this Share Option Plan, (iv) cancel and reissue any Option, (v) amend to remove or to exceed the Insider participation limit set out in §5.4, (vi) remove the non-transferability limits set out in §6.7 or to permit the transfer or assignment of Options other than by will or the laws of descent and distribution, ~~or (vi)~~ (vii) expand the categories of eligible Optionees which would have the potential of broadening or increasing insider participation or (viii) amend the amending provisions set out in this §5.6 and §5.7, shareholder approval will be required. Notwithstanding any other provision of this Share Option Plan, no amendment or modification shall provide for a Subscription Price of an Option to be lower than the closing sale price for board lots of common shares on the Toronto Stock Exchange on the business day immediately prior to the date of the grant of any such option.

5.7 Without limiting the generality of the foregoing, the Board may make the following amendments to this Share Option Plan, without obtaining shareholder approval:

- (a) amendments to the terms and conditions of this Share Option Plan necessary to ensure that the Plan complies with the applicable regulatory requirements, including without limitation the rules of the Toronto Stock Exchange or any national securities exchange or system on which the stock is then listed or reported, or by any regulatory body having jurisdiction with respect thereto;
- (b) the addition of a cashless exercise feature, payable in cash or securities, whether or not such feature provides for a full deduction of the number of underlying securities from the Share Option Plan reserve, and the subsequent removal or amendment thereof;
- (c) a change to the termination provisions of a security or this Share Option Plan which does not entail an extension beyond the original expiry date;

- (d) amendments to the provisions of this Share Option Plan respecting administration of this Share Option Plan and eligibility for participation under this Share Option Plan;
- (e) amendments to the provisions of this Share Option Plan respecting the terms and conditions on which options may be granted pursuant to the Share Option Plan, including the provisions relating to the Subscription Price, the option period, and the vesting schedule;
- (f) the addition of any form of financial assistance by the Company for the acquisition by all or certain categories of participants of Common Shares under the Share Option Plan, and the subsequent amendment of any such provision which is more favourable to participants;
- (g) amendments to the Share Option Plan that are of a "housekeeping nature";
- (h) any amendments necessary to suspend or terminate the Share Option Plan; and
- (i) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the policies of the Toronto Stock Exchange).

### **Governing Law**

5.8 This Share Option Plan will be construed in accordance with and the rights of the Company and each Optionee will be governed by the laws of British Columbia and the laws of Canada applicable therein.

### **Notice**

5.9 Each notice, demand or communication required or permitted to be given under this Share Option Plan will be in writing and will be delivered to the person to whom it is addressed, and the date of delivery of such notice, demand or communication will be the date of receipt by the addressee.

### **Employment**

5.10 Nothing contained in this Share Option Plan will confer upon any Optionee or Employee any right with respect to employment or continuance of employment with the Company or a Subsidiary, or interfere in any way with the right of the Company or a Subsidiary to terminate the Optionee's or Employee's employment at any time. Participation in this Share Option Plan by an Optionee or Employee will be voluntary.

### **No Representation or Warranty**

5.11 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of this Share Option Plan. Notwithstanding any other provision of this Share Option Plan, the Company has no obligation to issue or deliver any Common Shares under this Share Option Plan or to make any other distribution of benefits hereunder unless such issuance, delivery or distribution would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity.

### **Prohibition on Price Amendment**

5.12 Subject to §3.8, the Subscription Price per Common Share under an Option that has been issued will not, after the issue of the Option, be amended to lower the price unless the disinterested shareholders of the Company approve such reduction.

### **Compliance with Securities Laws**

5.13 No Shares or other assets shall be issued or delivered under this Share Option Plan unless and until the Company has determined that there has been full and adequate compliance with all Canadian and United States and any other applicable jurisdiction's federal, provincial and state securities laws and regulations. The Board may require the Optionee to make such warranties and representations as are necessary to satisfy the various securities laws.

5.14 Shares issued under the Share Option Plan shall bear such restrictive legends as the Board deems necessary or appropriate.

## **PART 6**

### **INCENTIVE STOCK OPTION PROVISIONS FOR U.S. RESIDENTS**

#### **U.S. Employees**

6.1 The Board is authorised under this Share Option Plan, in its sole discretion, to issue Options to U.S. residents as nonqualified stock options or as incentive stock options, which will be appropriately designated. For purposes of this Share Option Plan, an "incentive stock option" is an Option intended to qualify as such under Section 422 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). To the extent required by Section 422 of the Code, incentive stock options will be subject to the following additional terms and conditions.

#### **Eligible Employees**

6.2 Only individuals who are employees of the Company or one of its subsidiary corporations may be granted incentive stock options. For purposes of this Part, "subsidiary corporation" has the meaning attributed to that term for purposes of Section 422 of the Code.

#### **Maximum Shares to be Issued as Incentive Stock Options**

6.3 The maximum aggregate number of Common Shares that may be issued as incentive stock options under this Share Option Plan, subject to adjustment in accordance with §3.8, is 5,160,000~~4,846,000~~.

#### **Dollar Limitation**

6.4 To the extent the aggregate fair market value (determined as of the Effective Date of an Option) of Common Shares with respect to which incentive stock options are exercisable for the first time during any calendar year (under this Share Option Plan and all other share option plans of the Company) exceeds \$100,000, such portion in excess of \$100,000 will be treated as a nonqualified stock option. In the event an Optionee holds two or more Options that become exercisable for the first time in the same calendar year, this limitation will be applied on the basis of the order in which the Options were granted.

## **More than 10% Shareholders**

6.5 If an individual owns more than 10% of the total voting power of all classes of the Company's securities, then the Subscription Price per share of an incentive stock option will not be less than 110% of the fair market value of the Common Shares on the Effective Date of an Option and the term of the Option will not exceed five years. The determination of more than 10% ownership will be made in accordance with Section 422 of the Code.

## **Exercisability**

6.6 An Option designated as an incentive stock option will cease to qualify for favourable tax treatment as an incentive stock option to the extent it is exercised (if permitted by the terms of the Option) (a) more than three months after termination of employment for reasons other than death or disability (as defined for purposes of Section 422 of the Code), (b) more than one year after termination of employment by reason of disability (as defined for purposes of Section 422 of the Code) or (c) after the Optionee has been on a leave of absence for more than 90 days, unless the Optionee's reemployment rights are guaranteed by statute or contract.

## **Transferability**

6.7 Incentive stock options may not be transferred by an Optionee other than by will or the laws of descent and distribution and, during the Optionee's lifetime, are exercisable only by the Optionee.

## **Taxation of Incentive Stock Options**

6.8 In order to obtain certain U.S. federal tax benefits afforded to incentive stock options under Section 422 of the Code, the Optionee must hold the shares issued upon the exercise of an incentive stock option for two years after the Effective Date of the Option and one year from the date of exercise. An Optionee may be subject to the alternative minimum tax at the time of exercise of an incentive stock option. The Optionee will give the Company prompt notice of any disposition of Common Shares acquired by the exercise of an incentive stock option prior to the expiration of such holding periods.

## **Options in Foreign Countries**

6.9 The Board will have the authority to adopt such modifications, procedures and subplans as may be necessary or desirable to comply with provisions of the laws of foreign countries in which the Company or its Subsidiaries may operate to assure the viability of the benefits from Options grants to Optionees employed in such countries and to meet the objectives of this Share Option Plan.

## **Optionees Resident in the State of California**

6.10 Optionees who are residents of the State of California will be subject to the additional terms and conditions set forth in Schedule II to this Share Option Plan.

## **Effectiveness of Part**

6.11 In the event shareholder approval is required for an amendment to this Share Option Plan, shareholder approval of this Part must be obtained no later than 12 months after adoption of this Share Option Plan by the Board. In the event shareholder approval is not obtained by such time, all incentive stock options granted under this Share Option Plan will be treated as nonqualified stock options.

**Term of Incentive Stock Options**

6.12 Notwithstanding anything in §3.2 to the contrary, unless sooner exercised, all incentive stock options shall expire and no longer be exercisable no later than seven years after the Effective Date, subject to the limitations established in §6.5 for certain individuals.

## SCHEDULE I

### 2000 SHARE OPTION PLAN OPTION COMMITMENT

Notice is hereby given that, effective \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date") Absolute Software Corporation (the "Company"), pursuant to the Company's 2000 Share Option Plan (the "Plan"), as it may have been amended to the Effective Date, granted to \_\_\_\_\_ (the "Optionee"), an option (the "Option") to acquire up to \_\_\_\_\_ Common shares in the capital of the Company (the "Optioned Shares") on or before \_\_\_\_\_, \_\_\_\_\_ at a Subscription Price of Cdn. \$\_\_\_\_\_ per share.

The grant of the Option is made on and subject to the vesting provisions and other terms and conditions of the Plan, which are incorporated by reference herein. The number of Optioned Shares will be adjusted if and to the extent required in accordance with §3.8 of the Plan.

To exercise the Option, the Optionee must deliver to the Company at its head office a written notice addressed to the Company substantially in the form set forth in Appendix A hereto specifying the number of Optioned Shares that the Optionee wishes to acquire, together with a certified cheque or bank draft payable to the Company for the aggregate Subscription Price for such shares. A share certificate evidencing the Optioned Shares thereby acquired will be issued to the Optionee by the Company's transfer agent in accordance with the Plan.

#### [For U.S. Employees]

[IF ISSUING ISOs INCLUDE THE FOLLOWING LANGUAGE: The Option is intended to qualify as an Incentive Stock Option under U.S. federal income tax law, but the Company does not represent or guarantee that the Option qualifies as such. To obtain certain tax benefits afforded to Incentive Stock Options, you must hold the shares issued upon exercise of the Option for two years after the Effective Date and one year from the date of exercise. You may be subject to the alternative minimum tax at the time of exercise.]

[To the extent you are a citizen or resident of the United States, your participation in the Plan could subject you to a filing requirement under the Foreign Account Tax Compliance Act (FATCA) and/or Report of Foreign Bank and Financial Accounts (FBAR). Both FATCA and FBAR require United States citizens and residents to disclose to the government the existence of certain foreign accounts in which the citizen or resident has an interest. In addition, both FATCA and FBAR impose penalties for failure to file the applicable reports. The obligation to file a report under FATCA and/or FBAR depends on the facts and circumstances of your individual situation, and for that reason you are strongly encouraged to discuss your participation in the Plan with your personal tax advisor.]

[IF ISSUING ISOs INCLUDE THE FOLLOWING LANGUAGE: Incentive stock options may not be transferred by an Optionee other than by will or the laws of descent and distribution and, during the Optionee's lifetime, are exercisable only by the Optionee.]

[By accepting the Option, the Optionee hereby acknowledges reading and understanding of Part 6 of the Plan.]

If the Optionee is a U.S. person or is located in the United States, the Optionee also hereby acknowledges and agrees as follows:

(a) The Option and the Optioned Shares (collectively, the "Securities") have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States, and the Option is being granted to the Optionee in reliance on an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws;

(b) The Securities will be "restricted securities", as defined in Rule 144 under the U.S. Securities Act, and the rules of the United States Securities and Exchange Commission provide in substance that the Optionee may dispose of the Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and the Company has no obligation to register any of the Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder, if available);

(c) If the Optionee decides to offer, sell or otherwise transfer any of the Optioned Shares, the Optionee will not offer, sell or otherwise transfer the Option directly or indirectly, unless:

(i) the sale is to the Company;

(ii) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;

(iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or "blue sky" laws; or

(iv) the Optioned Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities,

and, in the case of each of (iii) and (iv) it has prior to such sale, and solely upon the request of the Company, furnished to the Company an opinion of counsel reasonably satisfactory to the Company stating that such transaction is exempt from registration under applicable securities laws;

(d) The Option may not be exercised by or for the account or benefit of a person in the United States or a U.S. person unless registered under the U.S. Securities Act and any applicable state securities laws, unless an exemption from such registration requirements is available;

(e) "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act;

(f) The certificates representing the Optioned Shares will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION, THAT SUCH SECURITIES MAY BE OFFERED, SOLD

OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION, UPON REQUEST, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."

provided, that if the Optioned Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Company, in substantially the form set forth as Appendix B attached hereto (or in such other form as the Company may prescribe from time to time) and, if requested by the Company or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S and that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws; and provided, further, that, if any Shares are being sold otherwise than in accordance with Regulation S and other than to the Company, the legend may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel, of recognized standing reasonably satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

**ABSOLUTE SOFTWARE CORPORATION**

By: \_\_\_\_\_  
Chief Executive Officer

**APPENDIX A**  
**ABSOLUTE SOFTWARE CORPORATION**  
**2000 STOCK OPTION PLAN**

**EXERCISE NOTICE**

To: Absolute Software Corporation (the "Company")

1. The undersigned (the "Optionee"), being the holder of options to purchase \_\_\_\_\_ Optioned Shares at the exercise price of \_\_\_\_\_ per Optioned Share, hereby irrevocably gives notice, pursuant to the 2000 Stock Option Plan of the Company (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for \_\_\_\_\_ of such Optioned Shares.

2. The Optionee tenders herewith a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Subscription Price of the aforesaid Optioned Shares exercised and directs the Company to issue a share certificate evidencing said Optioned Shares in the name of the Optionee to be mailed to the Optionee at the following address:

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3. By executing this Exercise Notice, the Optionee hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Commitment.

4. If the Optionee is resident in the United States or is a U.S. person, the Optionee is a natural person who is either: (i) an officer and/or employee of the Company or of a majority-owned subsidiary of the Company (each, an "Eligible Company Optionee"), (ii) a consultant who is providing bona fide services to the Company or a majority-owned subsidiary of the Company that are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities (an "Eligible Consultant"), or (iii) a former Eligible Company Optionee or Eligible Consultant. "United States" and "U.S. person" are as defined in Regulation S under the United States Securities Act of 1933 as amended (the "U.S. Securities Act").

5. The undersigned Optionee hereby represents, warrants, acknowledges and agrees that:

- (a) the Optionee has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Optioned Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;
- (b) the Company has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Company as he or she has considered necessary or appropriate in connection with his or her investment decision to acquire the Shares;
- (c) the undersigned is purchasing the Optioned Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws;

- (d) the undersigned has not exercised the Option as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, television or other form of telecommunications, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (e) funds representing the subscription price for the Shares which will be advanced by the undersigned to the Company upon exercise of the Options will not represent proceeds of crime for the purposes of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the “PATRIOT Act”), and the undersigned acknowledges that the Company may in the future be required by law to disclose the undersigned’s name and other information relating to this exercise form and the undersigned’s subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the subscription price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and it shall promptly notify the Company if the undersigned discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith;
- (f) the financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;
- (g) there may be material tax consequences to the Optionee of an acquisition or disposition of any of the Optioned Shares. The Company gives no opinion and makes no representation with respect to the tax consequences to the Optionee under United States, state, local or foreign tax law of the undersigned’s acquisition or disposition of such securities. In particular, no determination has been made whether the Company will be a “passive foreign investment company” within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended;
- (h) the Company intends to rely on the registration exemption in Rule 701 under the U.S. Securities Act and a state registration exemption, but only if such exemptions are available; in the event such exemptions are determined by the Company to be unavailable, the undersigned may be required to provide a legal opinion of counsel (which will not be sufficient unless it is in form and substance satisfactory to the Company), or such other evidence satisfactory to the Company, to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available with respect to the securities to be delivered upon exercise of the Option;
- (i) the Optioned Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Optioned Shares will be issued as “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the U.S. Securities Act and applicable state securities laws absent an exemption from such registration requirements; and

- (j) the certificate(s) representing the Shares will be endorsed with a U.S. restrictive legend substantially in the form set forth in the attached Option Commitment until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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\_\_\_\_\_  
Signature of Option Holder

**APPENDIX B**

**FORM OF DECLARATION FOR REMOVAL OF LEGEND**

To: Absolute Software Corporation (the "Company")

And To: The Registrar and Transfer Agent for the Company's Common Shares

The undersigned (A) acknowledges that the sale of \_\_\_\_\_ (the "Securities") of the Company, represented by certificate number \_\_\_\_\_, to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (B) certifies that (1) the undersigned is not (a) an "affiliate" of the Company (as that term is defined in Rule 405 under the U.S. Securities Act), except solely by virtue of being an officer or director of the Company , (b) a "distributor" or (c) an affiliate of a distributor; (2) the offer of such Securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: \_\_\_\_\_, 20\_\_ X

X \_\_\_\_\_

Signature of individual (if Securityholder is an individual)

X \_\_\_\_\_

Authorized signatory (if Securityholder is not an individual)

\_\_\_\_\_  
Name of Securityholder (please print)

\_\_\_\_\_  
Name of authorized signatory (please print)

\_\_\_\_\_  
Official capacity of authorized signatory (please print)

**Affirmation by Seller's Broker-Dealer**  
**(required for sales pursuant to Section (B)(2)(b) above)**

We have read the foregoing representations of our customer, \_\_\_\_\_ (the "Seller") with regard to the sale, for such Seller's account, of \_\_\_\_\_ common shares (the "Shares") of the Company represented by certificate number . We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Shares was made to a person in the United States;
- (2) the sale of the Shares was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Shares as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "United States" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Company shall be entitled to rely upon the representations, warranties and covenants contained in this letter to the same extent as if this letter had been addressed to them.

Yours truly,

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Name of Firm

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_ 20 \_\_\_\_\_.

**SCHEDULE II**  
**TO THE ABSOLUTE SOFTWARE CORPORATION**  
**2000 SHARE OPTION PLAN**  
**(FOR CALIFORNIA RESIDENTS ONLY)**

This Appendix A to the Absolute Software Corporation 2000 Share Option Plan (the "Plan") shall have application only to Optionees who are residents of the State of California. Capitalized terms contained herein shall have the same meanings given to them in the Plan, unless otherwise provided in this Appendix. **Notwithstanding any provision contained in the Plan to the contrary and to the extent required by applicable law, the following terms and conditions shall apply to all Options granted to residents of the State of California, until such time as the Common Shares are listed on a national securities exchange within the meaning of Section 25100(o) of the California Corporations Code:**

1. The maximum number of Common Shares that may be allotted for issuance under the Plan is as set out in §2.4 of the Plan, subject to adjustment in accordance with §3.8 of the Plan. If Options are surrendered, terminated or expire without being exercised, new Options may be granted covering Common Shares not purchased under such lapsed Options.
2. Options shall be non-transferrable other than by will or the laws of descent and distribution. Notwithstanding the foregoing, and to the extent permitted by Section 422 of the U.S. Internal Revenue Code of 1986, the Plan Administrator, in its discretion, may permit distribution of an Option to an inter vivos or testamentary trust in which the Option is to be passed to beneficiaries upon the death of the trustor (settlor), or by gift to "immediate family" as that term is defined in Rule 16a-1(e) of the U.S. Securities Exchange Act of 1934, as amended.
3. Unless employment is terminated for causeCause, the right to exercise an Option in the event of termination of employment, to the extent that the Optionee is otherwise entitled to exercise an Option on the date employment terminates, shall be
  - (a) at least six months from the date of termination of employment if termination was caused by death or Total Disability; and
  - (b) at least 30 days from the date of termination if termination of employment was caused by other than death or Total Disability;
  - (c) but in no event later than the remaining term of the Option.
4. No Option may be granted to a resident of California more than ten years after the earlier of the date of adoption of the Plan by the Board and the date this Schedule is approved by the shareholders.
5. The Plan or agreement must be approved by a majority of the outstanding securities entitled to vote by the later of (1) within 12 months before or after the date the Plan is adopted or (2) prior to or within 12 months of the granting of any option or issuance of any security under the Plan in the State of California. Any options granted to any person in this state that is exercised before security holder approval is obtained must be rescinded if security holder approval is not obtained in the manner described in the preceding sentence. Such securities shall not be counted in determining whether such approval is obtained.

**Schedule “C” – Amended PRSU Plan**

(see attached)

**ABSOLUTE SOFTWARE CORPORATION**  
**PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**

**Dated for Reference: December 16, 2015**

**Last Amended: December\_\_\_\_, 2018**

# **ABSOLUTE SOFTWARE CORPORATION PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**

## **Section 1. Interpretation and Administrative Provisions**

### **1.1 Purpose**

The purposes of the Plan are to: (i) support the achievement of the Corporation's performance objectives; (ii) ensure that interests of key persons are aligned with the long term success of the Corporation and the creation of value for its shareholders; (iii) provide compensation opportunities to attract, retain and motivate key employees, officers and others, required for the long-term success of the Corporation and its subsidiaries; and (iv) mitigate excessive risk taking by the Corporation's key employees.

### **1.2 Definitions**

For the purposes of the Plan, the following terms have the following meanings:

**“Adjustment Factor”** means the Adjustment Factor set out in the Grant Agreement for an award of Performance Share Units, which shall not exceed a multiple of 2.0.

**“Affiliate”** means any entity that is an “affiliate” for purposes of the Canadian Securities Administrators National Instrument 45-106 Prospectus and Registration Exemptions, as amended from time to time.

**“Applicable Withholdings”** means all income taxes and statutory amounts required to be withheld.

**“Award Date”** means the date that incentive compensation is paid to a Participant under the Corporation's annual incentive plan.

**“Board”** means the board of directors of the Corporation.

**“Canadian Participant”** means any Participant who is not a U.S. Participant and who is a Canadian resident for tax purposes.

**“Cause”** when used in relation to the termination of employment, includes any matter that would constitute lawful cause for dismissal from employment at common law and any matter included as “cause” or “Cause” in an employment agreement between the Corporation and the dismissed employee.

**“Change of Control”** means:

- (a) The sale of all or substantially all of the assets of the Company other than to an entity which was an Affiliate of the Company prior to the sale;
- (b) A reorganization, amalgamation, merger or plan of arrangement, with respect to which all or substantially all of the persons who were the beneficial owners of the

- Common Shares immediately prior to such reorganization, amalgamation, merger or plan of arrangement, beneficially own, directly or indirectly, less than 50 percent of the resulting voting shares on a fully-diluted basis;
- (c) A formal bid or tender offer for Common Shares being made, as a result of which the offeror and its Affiliates would, if successful, beneficially own, directly or indirectly, 50 percent or more of the Common Shares then outstanding;
  - (d) During any period of two consecutive years, individuals who at the beginning of the period constituted the Board of Directors (together with any new directors whose nomination for election was approved by a vote of a majority of the directors of the Company, then still in office, who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors, then in office,
  - (e) Any transaction determined by the Committee to be substantially similar to the above transactions;
  - (f) Any proposed Change of Control determined by the Committee to be a Change of Control; or
  - (g) Any change of control event identified in a Participant's employment agreement.

**“Code”** means the U.S. Internal Revenue Code of 1986, as amended from time to time and the Treasury Regulations promulgated thereunder.

**“Committee”** means the Compensation Committee of the Board and in the absence of such a delegation means the Board.

**“Common Share”** means a common share of the Corporation.

**“Corporation”** means Absolute Software Corporation.

**“Disability”** means that the Participant is deemed by a qualified physician selected by the Corporation as unable to discharge the Participant's employment duties for the Corporation for the foreseeable future because of disease or injury.

**“Dividend Performance Share Unit”** has the meaning set out in Section 3.3.

**“Dividend Restricted Share Unit”** has the meaning set out in Section 3.3.

**“Dividend Share Unit”** means a Dividend Performance Share Unit or a Dividend Restricted Share Unit.

**“Election Notice”** means a notice substantially in the form set out as Schedule C, as amended by the Committee from time to time.

**“Eligible Person”** means any employee or officer of a Participating Company and includes any such person who is on a leave of absence authorized by a Participating Company (which shall include all statutory leaves of absence).

**“Expiry Date”** means the Expiry Date set out in the Grant Agreement.

**“Fair Market Value”** means the volume weighted average trading price of a Common Share on the principal stock exchange on which the Common Shares are traded for the 5 trading days immediately preceding the applicable day (calculated as the total value of Common Shares traded over the 5 day period divided by the total number of Common Shares traded over the 5 day period).

**“Grant Agreement”** means an agreement substantially in the form set out as Schedule A, in the case of Performance Share Units and substantially in the form set out as Schedule B, in the case of Restricted Share Units, each as amended by the Committee from time to time.

**“Grant Date”** means the date the Board completes all requisite actions required to approve the grant of a Share Unit.

**“Grant Term”** has the meaning set out in the Grant Agreement for Restricted Share Units.

**“Participant”** means any Eligible Person to whom a Share Unit is granted.

**“Participating Company”** means the Corporation, and such of its Affiliates as are designated by the Board from time to time.

**“Performance Period”** has the meaning set out in the Grant Agreement for Performance Share Units.

**“Performance Share Unit”** means a right granted to an Eligible Person to receive, as set out in the Plan, a Common Share or, at the election of the Participant and subject to the Corporation’s consent, the Share Unit Amount, based on the achievement of the performance criteria set out in the applicable Grant Agreement.

**“Plan”** means this Absolute Software Corporation Performance and Restricted Share Unit Plan, as amended from time to time.

**“Redemption Date”** means the date elected by a Canadian Participant pursuant to Section 3.4(a) or, as applicable, the date elected by a U.S. Participant pursuant to section 3.4(b).

**“Redemption Notice”** means a notice substantially in the form set out as Schedule D, as amended by the Committee from time to time.

**“Regulation S”** means Regulation S promulgated under the U.S. Securities Act.

**“Restricted Share Unit”** means a right granted to an Eligible Person to receive, as set out in the Plan, a Common Share or, at the election of the Participant and subject to the Corporation’s consent, the Share Unit Amount.

**“Retirement”** means the cessation of the employment of a Participant with the Participating Company where the Participant is over the age of 63 and the Participant and the Participating Company agree is a retirement from employment.

**“Separation from Service”** means, with respect to a U.S. Participant, the first date on or after the U.S. Participant’s Termination Date on which the Participant has a separation from service under Treasury Regulation Section 1.409A-1(h).

**“Share Unit”** means a Performance Share Unit or a Restricted Share Unit.

**“Share Unit Account”** means the notional account maintained for each Participant to which Share Units are credited.

**“Share Unit Amount”** has the meaning set out in Section 3.5.

**“Termination Date”** means the date a Participant ceases to be an Eligible Person and does not include any period of statutory, contractual or reasonable notice of termination of employment or any period of salary continuance or deemed employment.

**“Treasury Regulations”** means the Treasury Regulations promulgated under the Code.

**“United States”** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

**“U.S. Participant”** means, any Participant who is a United States citizen or United States resident alien as defined for purposes of Code Section 7701(b)(1)(A) or a U.S. Person.

**“U.S. Person”** has the meaning ascribed thereto in Rule 902(k) of Regulation S.

**“U.S. Securities Act”** means the United States Securities Act of 1933, as amended.

**“Vested Performance Share Unit”** has the meaning set out in Section 4.2.

**“Vested Restricted Share Unit”** has the meaning set out in Section 5.1.

**“Vested Share Unit”** means a Vested Performance Share Unit or a Vested Restricted Share Unit.

**“Vesting Date”** means the date or dates designated in the Grant Agreement, or such earlier date as is provided for in the Plan or is determined by the Committee.

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

### **1.3 Effective Date of Plan**

The effective date of the Plan is December \_\_\_, 2018.

### **1.4 Common Shares Reserved for Issuance**

- (a) The aggregate number of Common Shares available for issuance under this Plan and all other security based compensation arrangements of the Corporation shall not exceed 12% of the issued and outstanding Common Shares, provided that Common Shares reserved for issuance pursuant to Share Units which are redeemed or surrendered, cancelled or terminated without having been redeemed will again be available for issuance under this Plan and also provided that the Common Shares underlying Share Units which are redeemed for cash, Common Shares or a combination of cash and Common Shares will again be available for issuance under this Plan.
- (b) Under no circumstances may the Plan, together with all of the Corporation's other previously established or proposed security-based compensation arrangements result, at any time, in the number of Common Shares reserved for issuance pursuant to Share Units and/or other units or stock options to any one person exceeding 5% of the issued and outstanding Common Shares.
- (c) Under no circumstances may the Plan, together with all of the Corporation's other previously established or proposed security-based compensation arrangements, result, within any 12-month period, in the number of Common Shares issued to insiders exceeding 10% of the issued and outstanding Common Shares.
- (d) Under no circumstances may the Plan, together with all of the Corporation's other previously established or proposed security-based compensation arrangements, result, at any time, in the number of Common Shares issued to or issuable to insiders exceeding 10% of the issued and outstanding Common Shares.
- (e) The terms "security-based compensation arrangement", "outstanding issue", "insider" and "insider's associates" have the meanings attributed thereto in the Toronto Stock Exchange Company Manual.

## **Section 2. Administration**

### **2.1 Administration of the Plan**

Subject to the Committee reporting to the Board on all matters relating to this Plan and obtaining approval of the Board for those matters required by the Committee's mandate, this Plan will be administered by the Committee which has the sole and absolute discretion to: (i) recommend to the Board grants of Share Units to Eligible Persons; (ii) interpret and administer the Plan; (iii) establish, amend and rescind any rules and regulations relating to the Plan; (iv) determine which Participating Company will grant Share Units; (v) establish conditions to the vesting of Share Units; (vi) set, waive and amend performance targets; and (vii) make any other determinations that the Committee deems necessary or desirable for the administration of the Plan. The

Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan, in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Participants.

To the extent that any Share Unit granted to a U.S. Participant is determined to constitute “nonqualified deferred compensation” within the meaning of Code Section 409A, such Share Unit shall be subject to such additional rules and requirements as specified by the Committee from time to time in order to comply with Code Section 409A. If any provision of the Plan contravenes Code Section 409A or could cause the U.S. Participant to incur any tax, interest or penalties under Code Section 409A, the Committee may, in its sole discretion and without the U.S. Participant’s consent, modify such provision to (i) comply with, or avoid being subject to, Code Section 409A, or to avoid incurring taxes, interest or penalties under Code Section 409A, and otherwise (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to any Participating Company or contravening Code Section 409A. However, the Corporation shall have no obligation to modify the Plan or any Share Unit and does not guarantee that Share Units will not be subject to taxes, interest and penalties under Code Section 409A.

## **2.2 Governing Law**

The Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

## **2.3 Determination of Value if Common Shares Not Publicly Traded**

Should Common Shares no longer be publicly traded at the relevant time such that the Fair Market Value cannot be determined in accordance with the formula set out in the definition of that term, the Fair Market Value of a Common Share shall be determined by the Board in its sole discretion.

## **2.4 Taxes and Other Source Deductions**

A Participating Company shall be authorized to deduct from any amount to be paid or credited hereunder any Applicable Withholdings in such manner as the Corporation determines, to the extent such Applicable Withholdings are not satisfied through the sale of Shares as provided in Section 3.5.

## **2.5 U.S. Participant**

Notwithstanding any other provision of the Plan to the contrary:

- (a) If at the time of Separation from Service the Company’s stock is publicly traded on an established securities market or otherwise, each U.S. Participant who is a “specified employee” of a Participating Company within the meaning of Section 409A(a)(2)(B)(i) of the Code and Treasury Regulation Section 1.409A-1(i), shall not receive any payment under the Plan until the first day of the seventh month

following the date of such Participant's Separation from Service (or, if earlier, the date of death).

- (b) The acceleration of the time of any payment under the Plan is prohibited except as provided in Treasury Regulation Section 1.409A-3(j)(4) and administrative guidance promulgated under Section 409A of the Code.
- (c) With respect to U.S. Participants, references to a "termination of employment" or similar phrases will be construed to mean a Separation from Service.

### **Section 3. Share Units**

#### **3.1 Awards of Share Units**

The Board may grant Share Units to Eligible Persons in its sole discretion. The award of a Share Unit to an Eligible Person at any time shall neither entitle such Eligible Person to receive nor preclude such Eligible Person from receiving a subsequent grant of Share Units.

#### **3.2 Election to Defer Annual Incentive Compensation**

Subject to the approval by the Board or the Committee, as applicable, an Eligible Person may elect to defer all or a portion of compensation to be received under the Corporation's annual incentive program by electing to receive such compensation in the form of Restricted Share Units, by delivering to the Corporation an Election Notice not later than December 31 of the year preceding the first date of any period of services over which any compensation to be received under the annual incentive program would be earned. An Eligible Person who elects to defer incentive compensation by electing to receive such compensation in the form of Restricted Share Units will be awarded the number of Restricted Share Units determined by dividing the dollar amount of incentive compensation to be deferred by the Fair Market Value of a Common Share as at the Award Date. Elections pursuant to this section, when made, shall be irrevocable and may not be made during a period when the Eligible Person is prohibited from trading in securities of the Corporation by the Corporation's disclosure and insider trading policy.

#### **3.3 Crediting of Share Units and Dividend Share Units**

Share Units granted to a Participant shall be credited to the Participant's Share Unit Account on the Grant Date. Each grant of Share Units must be confirmed by a Grant Agreement that may be acknowledged electronically by the Participant. From time to time, a Participant's Share Unit Account shall be credited with Dividend Share Units in the form of additional Performance Share Units ("Dividend Performance Share Units") in respect of outstanding Performance Share Units or Restricted Share Units ("Dividend Restricted Share Units") in respect of outstanding Restricted Share Units on each dividend payment date in respect of which normal cash dividends are paid on Shares. Such Dividend Share Units shall be computed as:

- (a) the amount of the dividend declared and paid per Common Share multiplied by the number of Performance Share Units and Restricted Share Units, as applicable, recorded in the Participant's Share Unit Account on the date for the payment of such dividend, divided by

- (b) the Fair Market Value of a Common Share as at the dividend payment date.

### **3.4      Redemption Date Notice**

Participants shall elect a Redemption Date for Share Units as follows:

- (a) Canadian Participants may elect at any time to redeem Vested Share Units on any date or dates after the date the Share Units become Vested Share Units and on or before the Expiry Date (the “**Redemption Date**”) by delivering to the Corporation a Redemption Notice; and
- (b) U.S. Participants shall elect to redeem Vested Share Units on a fixed date or dates after the date the Share Units become Vested Share Units and on or before the Redemption Date provided that such election must be irrevocably made by delivering to the Corporation a Redemption Notice prior to the earlier of: (i) receipt by the U.S. Participant of each award of Share Units; and (ii) the first day of the taxable year of the U.S. Participant in which the Performance Period, or other period over which the awards is to be earned and vests, begins. For this purpose a “fixed date” may include any permissible payment event under Section 409A of the Code, for example, Separation from Service or a Change of Control (if also a change of control for purposes of Section 409A of the Code).

Provided that the Participant will continue to meet any share ownership requirements applicable to the Participant following the redemption or will hold the Common Shares received on the redemption, and provided also that if the Participant does not elect a Redemption Date in respect of an award of Share Units, the Share Units shall be redeemed on the Expiry Date.

### **3.5      Redemption of Share Units**

The Corporation shall redeem the Vested Share Units elected or required to be redeemed by the Participant on the earlier of the elected Redemption Date and the date set out in Section 4, in the case of Performance Share Units and Section 5, in the case of Restricted Share Units, by: (i) issuing to the Participant the number of Common Shares equal to one Common Share for each whole Vested Share Unit elected to be redeemed and delivering to the Participant (A) such number of Common Shares; less (B) the number of Common Shares with a Fair Market Value equal to the Applicable Withholdings; or (ii) at the election of the Participant and subject to the consent of the Corporation, the Corporation paying to the Participant an amount (the “**Share Unit Amount**”) equal to: (A) the number of Vested Share Units elected to be redeemed multiplied by (B) the Fair Market Value minus (C) Applicable Withholdings; or (iii) at the election of the Participant, a combination of (i) and, subject to the consent of the Corporation, (ii). In the case of a redemption under section (i), the Participant shall be obligated to ensure that a number of Common Shares with a Fair Market Value equal to the Applicable Withholdings be sold by a third party on behalf of the Participant and the net proceeds of such sale remitted to the Corporation for further remittance by the Corporation to the appropriate taxation authorities. The Common Shares shall be issued and/or the Share Unit Amount shall be paid as a lump-sum by the Corporation within ten business days of the Redemption Date. Any partial Common Share will be forfeited with no payment.

Notwithstanding anything to the contrary in this Section, the Corporation shall redeem each U.S. Participant's Vested Performance Share Units and make a lump-sum payment or transfer Common Shares to the U.S. Participant no later than the earlier of the Redemption Date and the date the U.S. Participant has a Separation from Service.

### **3.6 Effect of Redemption of Share Units.**

A Participant shall have no further rights respecting any Share Unit which has been redeemed.

### **3.7 Reporting of Share Units**

Statements of the Share Unit Accounts will be made available to Participants periodically.

## **Section 4. Performance Share Units**

### **4.1 Vesting Date**

Each Performance Share Unit shall vest on the Vesting Date, conditional on the satisfaction of any additional vesting conditions established by the Committee from time to time. Dividend Performance Share Units shall vest at the same time and in the same proportion as the associated Performance Share Units.

### **4.2 Performance Vesting.**

The number of Performance Share Units which vest on a Vesting Date (each, a "**Vested Performance Share Unit**") is the number of Performance Share Units and Dividend Performance Share Units scheduled to vest on such Vesting Date multiplied by the Adjustment Factor.

### **4.3 Resignation, Retirement and Termination for Cause**

If the employment of a Participant is terminated due to resignation or Retirement of the Participant, the Participant shall forfeit all rights, title and interest with respect to Performance Share Units and the related Dividend Share Units which are not Vested Performance Share Units at the Participant's Termination Date. In the case of termination due to resignation or Retirement of the Participant, all Vested Performance Share Units will be redeemed as at the Participant's Termination Date. In the case of termination by the Corporation for Cause, all Performance Share Units, whether vested or unvested, and the related Dividend Performance Share Units will immediately be cancelled as at the Participant's Termination Date and the Participant shall forfeit all rights, title and interest with respect to Performance Share Units and the related Dividend Performance Share Units.

### **4.4 Termination Without Cause**

If the employment of a Participant is terminated by the Corporation without Cause, all of the Participant's unvested Performance Share Units and related Dividend Share Units shall immediately be cancelled as at the Participant's Termination Date. The Participant's Vested Performance Share Units shall be redeemed as at the Participant's Termination Date. The

Participant shall forfeit all rights, title and interest with respect to Performance Share Units and Dividend Share Units which are not Vested Performance Share Units at the Participant's Termination Date.

#### **4.5 Death or Disability of Participant**

If the employment of a Participant is terminated by the death or Disability of the Participant, all of the Participant's Performance Share Units and related Dividend Share Units shall vest immediately prior to the date of the Participant's death or Disability using an Adjustment Factor of 1.0 and shall be redeemed as at the date of death or Disability.

#### **4.6 Termination following a Change of Control**

Notwithstanding anything in this Section to the contrary, if the employment of a Participant is terminated by the Corporation without Cause or if the Participant resigns in circumstances constituting constructive termination, in each case, within twelve months following a Change of Control, all of the Participant's Performance Share Units and related Dividend Share Units shall vest immediately prior to the Participant's Termination Date using an Adjustment Factor of 1.0 and shall be redeemed as at the Termination Date.

### **Section 5. Restricted Share Units**

#### **5.1 Vesting Date**

Each Restricted Share Unit shall vest (become a "**Vested Restricted Share Unit**") on the Vesting Date, conditional on the satisfaction of any additional vesting conditions established by the Committee from time to time. Dividend Restricted Share Units shall vest at the same time and in the same proportion as the associated Restricted Share Units.

#### **5.2 Resignation, Retirement and Termination for Cause**

If the employment of a Participant is terminated due to resignation or Retirement of the Participant, the Participant shall forfeit all rights, title and interest with respect to Restricted Share Units and Dividend Restricted Share Units which are not Vested Restricted Share Units at the Participant's Termination Date. In the case of termination due to resignation or Retirement of the Participant, all Vested Restricted Share Units will be redeemed as at the Participant's Termination Date. In the case of termination by the Corporation for Cause, all Restricted Share Units, whether vested or unvested, and the related Dividend Restricted Share Units will immediately be cancelled as at the Participant's Termination Date and the Participant shall forfeit all rights, title and interest with respect to Restricted Share Units and the related Dividend Restricted Share Units.

#### **5.3 Termination Without Cause**

If the employment of a Participant is terminated by the Corporation without Cause, all of the Participant's unvested Restricted Share Units and related Dividend Share Units shall immediately be cancelled as at the Participant's Termination Date. The Participant's Vested Restricted Share Units shall be redeemed as at the Participant's Termination Date. The

Participant shall forfeit all rights, title and interest with respect to Restricted Share Units and Dividend Share Units which are not Vested Restricted Share Units at the Participant's Termination Date.

#### **5.4 Death or Disability of Participant**

If the employment of a Participant is terminated by the death or Disability of the Participant, all of the Participant's Restricted Share Units and related Dividend Share Units shall vest immediately prior to the date of the Participant's death or Disability and shall be redeemed as at the date of death or Disability.

#### **5.5 Termination Following a Change of Control**

Notwithstanding anything in this Section to the contrary, if the employment of a Participant is terminated by the Corporation without Cause or if the Participant resigns in circumstances constituting constructive termination, in each case, within twelve months following a Change of Control, all of the Participant's Restricted Share Units and related Dividend Share Units shall vest immediately prior to the Participant's Termination Date and shall be redeemed as at the Termination Date.

### **Section 6. Eligible Persons in the United States**

#### **6.1 No Registration**

The Share Units and the underlying Common Shares have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state of the United States.

#### **6.2 Registration Exemptions to be Relied On**

Until such time as the Common Shares are listed on a national securities exchange in the United States, the Corporation intends to rely on the registration exemption provided by Rule 701 under the U.S. Securities Act and available state registration exemptions to facilitate the participation in this Plan of Eligible Persons who are U.S. Participants or persons in the United States. If such exemptions from U.S. federal and state registration requirements are not available, the Corporation may require a legal opinion of counsel or such other evidence satisfactory to the Corporation, to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available before allowing the participation in the Plan of any Eligible Person who is a U.S. Participant or a person in the United States.

#### **6.3 Restricted Securities**

Share Units and Common Shares that are offered under the Plan to or for the account or benefit of any Eligible Person who is a U.S. Participant or a person in the United States will be issued as "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the U.S. Securities Act and applicable state securities laws absent an exemption from such registration requirements.

#### **6.4 U.S. Legend**

Certificates representing Common Shares that are restricted securities will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE “ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION, THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B)

OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION, IF REQUESTED BY THE CORPORATION, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT “GOOD DELIVERY” OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.”

provided, that if the Common Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation, in substantially the form set forth as Appendix A attached hereto (or in such other form as the Corporation may prescribe from time to time) and, if requested by the Corporation or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S and that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws; and provided, further, that, if any Common Shares are being sold otherwise than in accordance with Regulation S and other than to the Corporation, the legend may be removed by delivery to the registrar and transfer agent and the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

## **6.5 Eligible Persons Resident in The State of California**

Eligible Persons who are residents of the State of California will be subject to the additional terms and conditions set forth in Appendix B to this Plan.

## **Section 7. General**

### **7.1 Capital Adjustments**

In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders, or any other change in the capital of the Corporation affecting Common Shares, the Committee will make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change (for the purpose of preserving the value of the Share Units), with respect to (i) the number or kind of shares or other securities on which the Share Units and Dividend Share Units are based; and (ii) the number of Share Units and Dividend Share Units; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional shares.

### **7.2 Amendment, Suspension, or Termination of Plan**

No new awards may be made under the Plan after the 10<sup>th</sup> anniversary of the Effective Date. The Committee may amend, suspend or terminate the Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange), if any, that require the approval of shareholders or any governmental or regulatory body.

The Board may from time to time, in its absolute discretion and without the approval of the shareholders of the Corporation, make the following amendments to the Plan or any Share Unit:

- (a) any amendment to the vesting provisions of the Plan and any Grant Agreement, including to accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of a Share Unit provided that with respect to any U.S. Participant, the acceleration will not accelerate the Redemption Date;
- (b) any amendment to the Plan or a Share Unit as necessary to comply with applicable law or the requirements of the applicable stock exchange or any other regulatory body having authority over the Corporation, the Plan or the shareholders of the Corporation;
- (c) any amendment to the Plan and any Grant Agreement to permit the conditional redemption of any Share Unit;
- (d) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan;

- (e) any amendment respecting the administration of the Plan; and
- (f) any other amendment that does not require the approval of the shareholders of the Corporation including, for greater certainty, an amendment in connection with a Change of Control to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential event or to obtain the advantage of holding the underlying Common Shares during such event; and to terminate, following the successful completion of such event, on such terms as it sees fit, the Share Units not redeemed prior to the successful completion of such event.

Shareholder approval will be required for the following amendments:

- (g) amendments to the percentage of Common Shares issuable under the Plan, including an increase to a fixed maximum percentage of Common Shares, or a change from a fixed maximum percentage of Common Shares to a fixed maximum number;
- (h) any amendment expanding the categories of Eligible Person which would have the potential of broadening or increasing insider participation;
- (i) any amendment extending the term of a Share Unit or any rights pursuant thereto held by an insider beyond its original expiry date;
- (j) the addition of any other provision which results in participants receiving Common Shares, while no cash consideration is received by the Company;
- (k) any amendments which would permit the rights respecting Share Units or Dividend Share Units to be transferred or assigned other than by will or the laws of descent and distribution;
- (l) amendments to this Section 7.2; and
- (m) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange).

If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Board and in force at the time of this Plan, will continue in effect as long as a Share Unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Board may make any amendments to the Plan or the Share Units it would be entitled to make if the Plan were still in effect.

The Board may amend or modify any outstanding Share Unit in any manner to the extent that the Board would have had the authority to initially grant the award as so modified or amended; provided that, where such amendment or modification is materially adverse to the holder, the consent of the holder is required to effect such amendment or modification.

### **7.3 Non-Exclusivity**

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Participant, subject to any required regulatory or shareholder approval.

### **7.4 Unfunded Plan**

To the extent any individual holds any rights under the Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured general creditor of the Corporation.

### **7.5 Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Participating Companies and each Participant, including without limitation, the legal representative of a Participant, or any receiver or trustee in bankruptcy or representative of the creditors of a Participating Company or a Participant.

### **7.6 Transferability of Awards**

Rights respecting Share Units and Dividend Share Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

### **7.7 Effect of Change of Control**

Notwithstanding any other provision of this Plan, in the event of a Change of Control, any surviving, successor or acquiring entity shall assume any outstanding Share Units or shall substitute similar share units for the outstanding Share Units. If the surviving, successor or acquiring entity does not assume the outstanding Share Units or substitute similar share units for the outstanding Share Units, or if the Committee otherwise determines in its sole discretion, the Corporation shall give written notice to all Participants advising that the Plan shall be terminated effective immediately prior to the Change of Control and all Restricted Share Units shall be deemed to be Vested Restricted Share Units and a specified number of outstanding Performance Share Units shall be deemed to be Vested Performance Share Units and shall be redeemed as of the termination date of the Plan. The number of Performance Share Units which are deemed to be Vested Performance Share Units shall be determined in the Committee's discretion using an Adjustment Factor of not less than 1.0 and not more than the maximum payout level. Solely for purposes of this Section 7.7, with respect to an outstanding Share Unit that is considered a deferral of compensation under Code Section 409A and Treas. Reg. Section 1.409A-1(b), the term Change of Control shall have the meaning ascribed to the term "change in control event" under Treas. Reg. Section 1.409A-3(i)(5).

### **7.8 No Special Rights**

Nothing contained in the Plan or in any Share Unit or Dividend Share Unit will confer upon any Participant any right to the continuation of the Participant's employment by a Participating Company or interfere in any way with the right of any Participating Company at any time to

terminate that employment or to increase or decrease the compensation of the Participant. Share Units and Dividend Share Units shall not be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares, nor shall any Participant be considered the owner of Common Shares by virtue of his or her ownership of Share Units or Dividend Share Units.

### **7.9 Other Employee Benefits**

The amount of any compensation deemed to be received by a Participant as a result of the redemption of any Share Unit will not constitute compensation with respect to which any other employee benefits of that Participant are determined, including, without limitation, benefits under any bonus, pension, profit-sharing, insurance or salary continuation plan, except as otherwise specifically determined by the Committee.

### **7.10 Tax Consequences**

It is the responsibility of the Participant to complete and file any tax returns which may be required under Canadian, U.S. or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. No Participating Company shall be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan. With respect to any U.S. Participant, if withholding tax liabilities arise on Share Units prior to the time the Share Units are due to be redeemed, a Participating Company may withhold amounts from the Participant's other compensation to the extent necessary to cover the withholding taxes, or the Participant may be required to otherwise cover his or her portion of the withholding taxes.

### **7.11 No Liability**

No Participating Company shall be liable to any Participant for any loss resulting from a decline in the market value of any Common Shares.

## SCHEDULE A

### ABSOLUTE SOFTWARE CORPORATION PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

#### GRANT AGREEMENT FOR PERFORMANCE SHARE UNITS

[Name of Employee] (the "Participant")

Pursuant to the Absolute Software Corporation Performance and Restricted Share Unit Plan effective December \_\_\_, 2018 (the "Plan") and in consideration of services provided to any Participating Company by the Participant, Absolute Software Corporation hereby grants to the Participant Performance Share Units under the Plan.

All capitalized terms not defined in this Grant Agreement have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan.

The Adjustment Factor for the Performance Share Units is determined as follows:

[Performance Criteria]	Adjustment Factor
Less than \$XX	0
\$XX	50% (Threshold)
\$YY	100% (Target)
\$ZZ or more	200% (Maximum)

The Adjustment Factor for performance between the numbers set out above is interpolated on a straight line basis.

[ ] is defined as •

The Committee may make such adjustments as it deems reasonable and appropriate in determining [ ] and the Adjustment Factor to be applied for the Performance Period.

The Vesting Date for this award is \_\_\_\_\_, 20\_\_. The Performance Period for the award is \_\_\_\_\_, 20\_\_ to \_\_\_\_\_, 20\_\_. The Expiry Date of the award is \_\_\_\_\_, 20\_\_.

Absolute Software Corporation and the Participant understand and agree that the granting and redemption of these Performance Share Units and any related Dividend Performance Share

Units are subject to the terms and conditions of the Plan, a copy of which has been provided to the Participant all of which are incorporated into and form a part of this Grant Agreement. For greater certainty, the Participant authorizes the sale of a sufficient number of Common Shares to pay Applicable Withholdings on the redemption of any Performance Share Units.

**ABSOLUTE SOFTWARE  
CORPORATION**

DATED \_\_\_\_\_ Per \_\_\_\_\_

I agree to the terms and conditions set out herein and confirm and acknowledge that I have not been induced to enter into this agreement or acquire any Performance Share Units by expectation of employment or continued employment with any Participating Company.

\_\_\_\_\_  
Name:

## SCHEDULE B

### ABSOLUTE SOFTWARE CORPORATION PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

#### GRANT AGREEMENT FOR RESTRICTED SHARE UNITS

[Name of Employee] (the "Participant")

Pursuant to the Absolute Software Corporation Performance and Restricted Share Unit Plan effective, December \_\_\_, 2018 (the "Plan"), and in consideration of services provided to any Participating Company by the Participant Absolute Software Corporation hereby grants to the Participant Restricted Share Units under the Plan.

All capitalized terms not defined in this Grant Agreement have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan.

The Vesting Dates for this award are \_\_\_\_\_, 20\_\_, as to one third (1/3), \_\_\_\_\_, 20\_\_, as to an additional one third (1/3) and \_\_\_\_\_, 20\_\_, as to the final one third (1/3). The Expiry Date of the award is \_\_\_\_\_. The Grant Term for this award is \_\_\_\_\_, 20\_\_, to \_\_\_\_\_, 20\_\_. Subject to any provisions to the contrary in an Election Notice, Absolute Software Corporation and the Participant understand and agree that the granting and redemption of these Restricted Share Units and any related Dividend Restricted Share Units are subject to the terms and conditions of the Plan, a copy of which has been provided to the Participant, all of which are incorporated into and form a part of this Grant Agreement. For greater certainty, the Participant authorizes the sale of a sufficient number of Common Shares to pay Applicable Withholdings on the redemption of any Restricted Share Units.

**ABSOLUTE SOFTWARE  
CORPORATION**

DATED \_\_\_\_\_ Per \_\_\_\_\_

I agree to the terms and conditions set out herein and confirm and acknowledge that I have not been induced to enter into this agreement or acquire any Restricted Share Units by expectation of employment or continued employment with any Participating Company.

\_\_\_\_\_  
Name:

## SCHEDULE C

### ABSOLUTE SOFTWARE CORPORATION PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

#### ELECTION NOTICE FOR RESTRICTED SHARE UNITS

To: Absolute Software Corporation

Pursuant to the Absolute Software Corporation Performance and Restricted Share Unit Plan December \_\_\_, 2018 (the "Plan"), the undersigned hereby elects to receive

- \_\_\_\_\_ %;
- \$\_\_\_\_\_ ; or
- All of the Participant's incentive award in excess of \$\_\_\_\_\_

of the undersigned's annual incentive award in respect of the year ending \_\_\_\_\_, 20\_\_\_, in the form of Restricted Share Units under the Plan. This election is irrevocable for such annual incentive award.

Notwithstanding any other provision of the Plan or the Grant Agreement, the Restricted Share Units awarded pursuant to this Election Notice will vest immediately.

All capitalized terms not defined in this Election Notice have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan.

Subject to any provisions to the contrary in this Election Notice, Absolute Software Corporation and the Participant understand and agree that the granting and redemption of these Restricted Share Units are subject to the terms and conditions of the Plan, a copy of which has been provided to the Participant, all of which are incorporated into and form a part of this Election Notice.

DATED \_\_\_\_\_  
\_\_\_\_\_  
Name:

## SCHEDULE D

### ABSOLUTE SOFTWARE CORPORATION PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

#### REDEMPTION NOTICE

To: Absolute Software Corporation

Pursuant to Absolute Software Corporation Performance and Restricted Share Unit Plan December \_\_\_, 2018 (the "Plan"), the undersigned hereby elects to redeem:

- \_\_\_\_\_ of the undersigned's Vested Performance Share Units and related Dividend Performance Share Units; and
- \_\_\_\_\_ of the undersigned's Vested Restricted Share Units and related Dividend Performance Share Units

on \_\_\_\_\_.  
[date]

The undersigned elects to redeem:

- \_\_\_\_\_ % of the Vested Share Units and related Dividend Share Units by receiving the Share Unit Amount, subject to the consent of the Corporation

All capitalized terms not defined in this Redemption Notice have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan.

The undersigned understands and agrees that the granting and redemption of these Share Units are subject to the terms and conditions of the Plan which are incorporated into and form a part of this Redemption Notice.

DATED \_\_\_\_\_  
\_\_\_\_\_  
Name:

**APPENDIX A**

**ABSOLUTE SOFTWARE CORPORATION**  
**PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**

**FORM OF DECLARATION FOR REMOVAL OF LEGEND**

To: Absolute Software Corporation (the “Corporation”)

And To: The Registrar and Transfer Agent for the Corporation’s Common Shares

The undersigned (A) acknowledges that the sale of \_\_\_\_\_ (the “Securities”) of the Corporation, represented by certificate number \_\_\_\_\_, to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), and (B) certifies that (1) the undersigned is not (a) an “affiliate” of the Corporation (as that term is defined in Rule 405 under the U.S. Securities Act), except solely by virtue of being an officer or director of the Corporation, (b) a “distributor” or (c) an affiliate of a distributor; (2) the offer of such Securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another “designated offshore securities market”, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the Securities are “restricted securities” (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of individual (if Securityholder is  
an individual)

\_\_\_\_\_  
Authorized signatory (if Securityholder is  
not an individual)

\_\_\_\_\_  
Name of Securityholder (please print)

---

Name of authorized signatory (please print)

---

Official capacity of authorized signatory  
(please print)

**Affirmation by Seller's Broker-Dealer**  
**(required for sales pursuant to Section (B)(2)(b) above)**

We have read the foregoing representations of our customer, \_\_\_\_\_ (the "Seller") with regard to the sale, for such Seller's account, of \_\_\_\_\_ common shares (the "Shares") of the Corporation represented by certificate number. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Shares was made to a person in the United States;
- (2) the sale of the Shares was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Shares as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "United States" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Company shall be entitled to rely upon the representations, warranties and covenants contained in this letter to the same extent as if this letter had been addressed to them.

Yours truly,

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Name of Firm

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_

**APPENDIX B**  
**ABSOLUTE SOFTWARE CORPORATION**  
**PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**

**PROVISIONS APPLICABLE TO CALIFORNIA RESIDENTS**

This Appendix B to the Absolute Software Corporation Performance and Restricted Share Unit Plan December \_\_\_, 2018 (the "Plan") shall have application only to Eligible Person who are residents of the State of California. Capitalized terms contained herein shall have the same meanings given to them in the Plan, unless otherwise provided in this Appendix B. **Notwithstanding any provision contained in the Plan to the contrary and to the extent required by applicable law, the following terms and conditions shall apply to all purchases of Common Shares under the Plan by residents of the State of California, until such time as the Common Shares are listed on a national securities exchange within the meaning of Section 25100(o) of the California Corporations Code:**

The maximum number of Common Shares that may be allotted for issuance under Plan is as set out in §1.8 of the Plan.

Share Units and the underlying Common Shares shall be non-transferrable other than by will or the laws of descent and distribution, to a revocable trust, or as permitted by Rule 701 under the U.S. Securities Act.

No Shares may be issued under the Plan to a resident of California more than ten years after the earlier of the date of adoption of the Plan by the Board and the date this Appendix B is approved by the shareholders.

The Plan or agreement must be approved by a majority of the outstanding securities entitled to vote by the later of (1) within 12 months before or after the date the Plan is adopted or (2) prior to or within 12 months of the granting of any option or issuance of any security under the Plan in the State of California. Any right of participation under the Plan granted to any person in the State of California that is exercised before security holder approval is obtained must be rescinded if security holder approval is not obtained in the manner described in the preceding sentence. Such securities shall not be counted in determining whether such approval is obtained.

**Schedule “D” – Blackline of PRSU Plan to Amended PRSU Plan**

(see attached)

**ABSOLUTE SOFTWARE CORPORATION**  
**PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**

**Effective Date for Reference:** December 16, 2015

**Last Amended:** December \_\_\_, 2018

# ABSOLUTE SOFTWARE CORPORATION PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

## **Section 1.****Section 1.** Interpretation and Administrative Provisions

### **1.1 Purpose**

The purposes of the Plan are to: (i) support the achievement of the Corporation's performance objectives; (ii) ensure that interests of key persons are aligned with the long term success of the Corporation and the creation of value for its shareholders; (iii) provide compensation opportunities to attract, retain and motivate key employees, officers and others, required for the long-term success of the Corporation and its subsidiaries; and (iv) mitigate excessive risk taking by the Corporation's key employees.

### **1.2 Definitions**

For the purposes of the Plan, the following terms have the following meanings:

**“Adjustment Factor”** means the Adjustment Factor set out in the Grant Agreement for an award of Performance Share Units, [which shall not exceed a multiple of 2.0.](#)

**“Affiliate”** means any entity that is an “affiliate” for purposes of the Canadian Securities Administrators National Instrument 45-106 Prospectus and Registration Exemptions, as amended from time to time.

**“Applicable Withholdings”** means all income taxes and statutory amounts required to be withheld.

**“Award Date”** means the date that incentive compensation is paid to a Participant under the Corporation’s annual incentive plan.

**“Board”** means the board of directors of the Corporation.

**“Canadian Participant”** means any Participant who is not a U.S. Participant and who is a Canadian resident for tax purposes.

**“Cause”** when used in relation to the termination of employment, includes any matter that would constitute lawful cause for dismissal from employment at common law and any matter included as “cause” or “Cause” in an employment agreement between the Corporation and the dismissed employee.

**“Change of Control”** means:

(a) [\*\*\(a\)\*\*](#)—The sale of all or substantially all of the assets of the Company other than to an entity which was an Affiliate of the Company prior to the sale;

(b) [\*\*\(b\)\*\*](#)—A reorganization, amalgamation, merger or plan of arrangement, with respect to which all or substantially all of the persons who were the beneficial

owners of the Common Shares immediately prior to such reorganization, amalgamation, merger or plan of arrangement, beneficially own, directly or indirectly, less than 50 percent of the resulting voting shares on a fully-diluted basis;

- (c) (e) A formal bid or tender offer for Common Shares being made, as a result of which the offeror and its Affiliates would, if successful, beneficially own, directly or indirectly, 50 percent or more of the Common Shares then outstanding;
- (d) (d) During any period of two consecutive years, individuals who at the beginning of the period constituted the Board of Directors (together with any new directors whose nomination for election was approved by a vote of a majority of the directors of the Company, then still in office, who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors, then in office,
- (e) (e) Any transaction determined by the Committee to be substantially similar to the above transactions; ~~or~~
- (f) (f) Any proposed Change of Control determined by the Committee to be a Change of Control; ~~or~~
- (g) Any change of control event identified in a Participant's employment agreement.

**“Code”** means the U.S. Internal Revenue Code of 1986, as amended from time to time and the Treasury Regulations promulgated thereunder.

**“Committee”** means the Compensation Committee of the Board and in the absence of such a delegation means the Board.

**“Common Share”** means a common share of the Corporation.

**“Corporation”** means Absolute Software Corporation.[\\_](#)

**“Disability”** means ~~the termination of that the Participant is deemed by a qualified physician selected by the Corporation as unable to discharge the Participant’s employment at a time when the Participant is eligible for long term disability benefits under duties for the Corporation’s long term disability program for the foreseeable future because of disease or injury.~~

**“Dividend Performance Share Unit”** has the meaning set out in Section 3.3.

**“Dividend Restricted Share Unit”** has the meaning set out in Section 3.3.

**“Dividend Share Unit”** means a Dividend Performance Share Unit or a Dividend Restricted Share Unit.

**“Election Notice”** means a notice substantially in the form set out as Schedule C, as amended by the Committee from time to time.

**“Eligible Person”** means any employee or officer of a Participating Company and includes any such person who is on a leave of absence authorized by a Participating Company (which shall include all statutory leaves of absence).

**“Expiry Date”** means the Expiry Date set out in the Grant Agreement.

**“Fair Market Value”** means the volume weighted average trading price of a Common Share on the principal stock exchange on which the Common Shares are traded for the 5 trading days immediately preceding the applicable day (calculated as the total value of Common Shares traded over the 5 day period divided by the total number of Common Shares traded over the 5 day period).

**“Grant Agreement”** means an agreement substantially in the form set out as Schedule A, in the case of Performance Share Units and substantially in the form set out as Schedule B, in the case of Restricted Share Units, each as amended by the Committee from time to time.

**“Grant Date”** means the date the Board completes all requisite actions required to approve the grant of a Share Unit.

**“Grant Term”** has the meaning set out in the Grant Agreement for Restricted Share Units.

**“Participant”** means any Eligible Person to whom a Share Unit is granted.

**“Participating Company”** means the Corporation, and such of its Affiliates as are designated by the Board from time to time.

**“Performance Period”** has the meaning set out in the Grant Agreement for Performance Share Units.

**“Performance Share Unit”** means a right granted to an Eligible Person to receive, as set out in the Plan, a Common Share or, at the election of the Participant and subject to the Corporation’s consent, the Share Unit Amount, based on the achievement of the performance criteria set out in the applicable Grant Agreement.

**“Plan”** means this Absolute Software Corporation Performance and Restricted Share Unit Plan, as amended from time to time.

**“Redemption Date”** means the date elected by a Canadian Participant pursuant to Section 3.4(a) or, as applicable, the date elected by a U.S. Participant pursuant to section 3.4(b).

**“Redemption Notice”** means a notice substantially in the form set out as Schedule D, as amended by the Committee from time to time.

**“Regulation S”** means Regulation S promulgated under the U.S. Securities Act.

**“Restricted Share Unit”** means a right granted to an Eligible Person to receive, as set out in the Plan, a Common Share or, at the election of the Participant and subject to the Corporation’s consent, the Share Unit Amount.

**“Retirement”** means the cessation of the employment of a Participant with the Participating Company ~~which is deemed to be a retirement by a resolution of the Committee in its sole discretion where the Participant is over the age of 63 and the Participant and the Participating Company agree is a retirement from employment.~~

**“Separation from Service”** means, with respect to a U.S. Participant, the first date on or after the U.S. Participant’s Termination Date on which the Participant has a separation from service under Treasury Regulation Section 1.409A-1(h).

**“Share Unit”** means a Performance Share Unit or a Restricted Share Unit.

**“Share Unit Account”** means the notional account maintained for each Participant to which Share Units are credited.

**“Share Unit Amount”** has the meaning set out in Section 3.5.

**“Termination Date”** means the date a Participant ceases to be an Eligible Person and does not include any period of statutory, contractual or reasonable notice of termination of employment or any period of salary continuance or deemed employment.

**“Treasury Regulations”** means the Treasury Regulations promulgated under the Code.

**“United States”** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

**“U.S. Participant”** means, any Participant who is a United States citizen or United States resident alien as defined for purposes of Code Section 7701(b)(1)(A) or a U.S. Person.

**“U.S. Person”** has the meaning ascribed thereto in Rule 902(k) of Regulation S.

**“U.S. Securities Act”** means the United States Securities Act of 1933, as amended.

**“Vested Performance Share Unit”** has the meaning set out in Section [4.2.4.2.](#)

**“Vested Restricted Share Unit”** has the meaning set out in Section 5.1.

**“Vested Share Unit”** means a Vested Performance Share Unit or a Vested Restricted Share Unit.

**“Vesting Date”** means the date or dates designated in the Grant Agreement, or such earlier date as is provided for in the Plan or is determined by the Committee.

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

### **1.3 Effective Date of Plan**

The effective date of the Plan is December ~~16, 2015~~\_\_\_\_\_, 2018.

### **1.4 Common Shares Reserved for Issuance**

- (a) The aggregate number of Common Shares available for issuance under this Plan and all other security based compensation arrangements of the Corporation shall not exceed 12% of the issued and outstanding Common Shares, provided that Common Shares reserved for issuance pursuant to Share Units which are redeemed or surrendered, cancelled or terminated without having been redeemed will again be available for issuance under this Plan and also provided that the Common Shares underlying Share Units which are redeemed for cash, Common Shares or a combination of cash and Common Shares will again be available for issuance under this Plan.
- (b) Under no circumstances may the Plan, together with all of the Corporation's other previously established or proposed security-based compensation arrangements result, at any time, in the number of Common Shares reserved for issuance pursuant to Share Units and/or other units or stock options to any one person exceeding 5% of the issued and outstanding Common Shares.
- (c) Under no circumstances may the Plan, together with all of the Corporation's other previously established or proposed security-based compensation arrangements, result, within any 12-month period, in the number of Common Shares issued to insiders exceeding 10% of the issued and outstanding Common Shares.
- (d) Under no circumstances may the Plan, together with all of the Corporation's other previously established or proposed security-based compensation arrangements, result, at any time, in the number of Common Shares issued to or issuable to insiders exceeding 10% of the issued and outstanding Common Shares.
- (e) The terms "security-based compensation arrangement", "outstanding issue", "insider" and "insider's associates" have the meanings attributed thereto in the Toronto Stock Exchange Company Manual.

## **Section 2. Section 2**

### **Administration**

#### **2.1 Administration of the Plan**

Subject to the Committee reporting to the Board on all matters relating to this Plan and obtaining approval of the Board for those matters required by the Committee's mandate, this Plan will be administered by the Committee which has the sole and absolute discretion to: (i) recommend to the Board grants of Share Units to Eligible Persons; (ii) interpret and administer the Plan; (iii) establish, amend and rescind any rules and regulations relating to the Plan; (iv) determine which

Participating Company will grant Share Units; (v) establish conditions to the vesting of Share Units; (vi) set, waive and amend performance targets; and (vii) make any other determinations that the Committee deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan, in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Participants.

To the extent that any Share Unit granted to a U.S. Participant is determined to constitute “nonqualified deferred compensation” within the meaning of Code Section 409A, such Share Unit shall be subject to such additional rules and requirements as specified by the Committee from time to time in order to comply with Code Section 409A. If any provision of the Plan contravenes Code Section 409A or could cause the U.S. Participant to incur any tax, interest or penalties under Code Section 409A, the Committee may, in its sole discretion and without the U.S. Participant’s consent, modify such provision to (i) comply with, or avoid being subject to, Code Section 409A, or to avoid incurring taxes, interest or penalties under Code Section 409A, and otherwise (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to any Participating Company or contravening Code Section 409A. However, the Corporation shall have no obligation to modify the Plan or any Share Unit and does not guarantee that Share Units will not be subject to taxes, interest and penalties under Code Section 409A.

## **2.2 Governing Law**

The Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

## **2.3 Determination of Value if Common Shares Not Publicly Traded**

Should Common Shares no longer be publicly traded at the relevant time such that the Fair Market Value cannot be determined in accordance with the formula set out in the definition of that term, the Fair Market Value of a Common Share shall be determined by the Board in its sole discretion.

## **2.4 Taxes and Other Source Deductions**

A Participating Company shall be authorized to deduct from any amount to be paid or credited hereunder any Applicable Withholdings in such manner as the Corporation determines, to the extent such Applicable Withholdings are not satisfied through the sale of Shares as provided in Section 3.5.

## **2.5 U.S. Participant**

Notwithstanding any other provision of the Plan to the contrary:

- (a) If at the time of Separation from Service the Company’s stock is publicly traded on an established securities market or otherwise, each U.S. Participant who is a “specified employee” of a Participating Company within the meaning of Section

409A(a)(2)(B)(i) of the Code and Treasury Regulation Section 1.409A-1(i), shall not receive any payment under the Plan until the first day of the seventh month following the date of such Participant's Separation from Service (or, if earlier, the date of death).

- (b) The acceleration of the time of any payment under the Plan is prohibited except as provided in Treasury Regulation Section 1.409A-3(j)(4) and administrative guidance promulgated under Section 409A of the Code.
- (c) ~~e)~~—With respect to U.S. Participants, references to a “termination of employment” or similar phrases will be construed to mean a Separation from Service.

### Section 3.**Section 3.** Share Units

#### **3.1 Awards of Share Units**

The Board may grant Share Units to Eligible Persons in its sole discretion. The award of a Share Unit to an Eligible Person at any time shall neither entitle such Eligible Person to receive nor preclude such Eligible Person from receiving a subsequent grant of Share Units.

#### **3.2 Election to Defer Annual Incentive Compensation**

Subject to the approval by the Board or the Committee, as applicable, an Eligible Person may elect to defer all or a portion of compensation to be received under the Corporation’s annual incentive program by electing to receive such compensation in the form of Restricted Share Units, by delivering to the Corporation an Election Notice not later than December 31 of the year preceding the first date of any period of services over which any compensation to be received under the annual incentive program would be earned. An Eligible Person who elects to defer incentive compensation by electing to receive such compensation in the form of Restricted Share Units will be awarded the number of Restricted Share Units determined by dividing the dollar amount of incentive compensation to be deferred by the Fair Market Value of a Common Share as at the Award Date. Elections pursuant to this section, when made, shall be irrevocable and may not be made during a period when the Eligible Person is prohibited from trading in securities of the Corporation by the Corporation’s disclosure and insider trading policy.

#### **3.3 Crediting of Share Units and Dividend Share Units**

Share Units granted to a Participant shall be credited to the Participant’s Share Unit Account on the Grant Date. Each grant of Share Units must be confirmed by a Grant Agreement that may be acknowledged electronically by the Participant. From time to time, a Participant’s Share Unit Account shall be credited with Dividend Share Units in the form of additional Performance Share Units (“**Dividend Performance Share Units**”) in respect of outstanding Performance Share Units or Restricted Share Units (“**Dividend Restricted Share Units**”) in respect of outstanding Restricted Share Units on each dividend payment date in respect of which normal cash dividends are paid on Shares. Such Dividend Share Units shall be computed as:

- (a) the amount of the dividend declared and paid per Common Share multiplied by the number of Performance Share Units and Restricted Share Units, as applicable, recorded in the Participant's Share Unit Account on the date for the payment of such dividend, divided by
- (b) the Fair Market Value of a Common Share as at the dividend payment date.

### **3.4      Redemption Date Notice**

Participants shall elect a Redemption Date for Share Units as follows:

- (a) **a)**—Canadian Participants may elect at any time to redeem Vested Share Units on any date or dates after the date the Share Units become Vested Share Units and on or before the Expiry Date (the “**Redemption Date**”) by delivering to the Corporation a Redemption Notice; and
- (b) **b)**—U.S. Participants shall elect to redeem Vested Share Units on a fixed date or dates after the date the Share Units become Vested Share Units and on or before the **Expiry Date** (the “**Redemption Date**”) provided that such election must be irrevocably made by delivering to the Corporation a Redemption Notice prior to the earlier of: (i) receipt by the U.S. Participant of each award of Share Units; and (ii) the first day of the taxable year of the U.S. Participant in which the Performance Period, or other period over which the awards is to be earned and vests, begins. For this purpose a “fixed date” may include any permissible payment event under Section 409A of the Code, for example, Separation from Service or a Change of Control (if also a change of control for purposes of Section 409A of the Code).

Provided that the Participant will continue to meet any share ownership requirements applicable to the Participant following the redemption or will hold the Common Shares received on the redemption, and provided also that if the Participant does not elect a Redemption Date in respect of an award of Share Units, the Share Units shall be redeemed on the Expiry Date.

### **3.5      Redemption of Share Units**

The Corporation shall redeem the Vested Share Units elected or required to be redeemed by the Participant on the earlier of the elected Redemption Date and the date set out in Section 4, in the case of Performance Share Units and Section 5, in the case of Restricted Share Units, by: (i) issuing to the Participant the number of Common Shares equal to one Common Share for each whole Vested Share Unit elected to be redeemed and delivering to the Participant (A) such number of Common Shares; less (B) the number of Common Shares with a Fair Market Value equal to the Applicable Withholdings; or (ii) at the election of the Participant and subject to the consent of the Corporation, the Corporation paying to the Participant an amount (the “**Share Unit Amount**”) equal to: (A) the number of Vested Share Units elected to be redeemed multiplied by (B) the Fair Market Value minus (C) Applicable Withholdings; or (iii) at the election of the Participant, a combination of (i) and, subject to the consent of the Corporation, (ii). In the case of a redemption under section (i), the Participant shall be obligated to ensure that a number of Common Shares with a Fair Market Value equal to the Applicable Withholdings be sold by a third party on behalf

of the Participant and the net proceeds of such sale remitted to the Corporation for further remittance by the Corporation to the appropriate taxation authorities. The Common Shares shall be issued and/or the Share Unit Amount shall be paid as a lump-sum by the Corporation within ten business days of the Redemption Date. Any partial Common Share will be forfeited with no payment.

Notwithstanding anything to the contrary in this Section, the Corporation shall redeem each U.S. Participant's Vested Performance Share Units and make a lump-sum payment or transfer Common Shares to the U.S. Participant no later than the earlier of the Redemption Date and the date the U.S. Participant has a Separation from Service.

### **3.6 Effect of Redemption of Share Units.**

A Participant shall have no further rights respecting any Share Unit which has been redeemed.

### **3.7 Reporting of Share Units**

Statements of the Share Unit Accounts will be made available to Participants periodically.

## **Section 4. Section 4                      Performance Share Units**

### **4.1 Vesting Date**

Each Performance Share Unit shall vest on the Vesting Date, conditional on the satisfaction of any additional vesting conditions established by the Committee from time to time. Dividend Performance Share Units shall vest at the same time and in the same proportion as the associated Performance Share Units.

### **4.2 Performance Vesting.**

The number of Performance Share Units which vest on a Vesting Date (each, a "Vested Performance Share Unit") is the number of Performance Share Units and Dividend Performance Share Units scheduled to vest on such Vesting Date multiplied by the Adjustment Factor.

### **4.3 Resignation, Retirement and Termination for Cause**

If the employment of a Participant is terminated due to resignation ~~by or Retirement of~~ the Participant ~~or by the Corporation for Cause~~, the Participant shall forfeit all rights, title and interest with respect to Performance Share Units and the related Dividend Share Units which are not Vested Performance Share Units at the Participant's Termination Date. ~~All~~In the case of termination due to resignation or Retirement of the Participant, all Vested Performance Share Units will be redeemed as at the Participant's Termination Date. In the case of termination by the Corporation for Cause, all Performance Share Units, whether vested or unvested, and the related Dividend Performance Share Units will immediately be cancelled as at the Participant's Termination Date and the Participant shall forfeit all rights, title and interest with respect to Performance Share Units and the related Dividend Performance Share Units.

#### **4.4 Termination Without Cause**

If the employment of a Participant is terminated by the Corporation without Cause, ~~a pro rata portion all of the Participant's unvested Performance Share Units and related Dividend Share Units shall vest immediately prior to be cancelled as at the Participant's Termination Date, based on the number of complete months from the first day of the Performance Period to the Termination Date divided by the number of months in the Performance Period and using an Adjustment Factor of 1.0.~~ The Participant's Vested Performance Share Units shall be redeemed as at the Participant's Termination Date. The Participant shall forfeit all rights, title and interest with respect to Performance Share Units and Dividend Share Units which are not Vested Performance Share Units at the Participant's Termination Date.

#### **4.5 Death, or Disability or Retirement of Participant**

If the employment of a Participant is terminated by the death or Disability of the Participant ~~or the Participant has a Retirement~~, all of the Participant's Performance Share Units and related Dividend Share Units shall vest immediately prior to the date of the Participant's death, ~~or~~ Disability ~~or Retirement~~ using an Adjustment Factor of 1.0 and shall be redeemed as at the date of death, ~~or~~ Disability ~~or Retirement~~.

#### **4.6 Termination following a Change of Control**

Notwithstanding anything in this Section to the contrary, if the employment of a Participant is terminated by the Corporation without Cause or if the Participant resigns in circumstances constituting constructive termination, in each case, within twelve months following a Change of Control, all of the Participant's Performance Share Units and related Dividend Share Units shall vest immediately prior to the Participant's Termination Date using an Adjustment Factor of 1.0 and shall be redeemed as at the Termination Date.

### **Section 5. Section 5. Restricted Share Units**

#### **5.1 5.5 Vesting Date**

Each Restricted Share Unit shall vest (become a “**Vested Restricted Share Unit**”) on the Vesting Date, conditional on the satisfaction of any additional vesting conditions established by the Committee from time to time. Dividend Restricted Share Units shall vest at the same time and in the same proportion as the associated Restricted Share Units.

#### **5.2 5.6 Resignation, Retirement and Termination for Cause**

If the employment of a Participant is terminated due to resignation ~~by or Retirement of~~ the Participant ~~or by the Corporation for Cause~~, the Participant shall forfeit all rights, title and interest with respect to Restricted Share Units and Dividend Restricted Share Units which are not Vested Restricted Share Units at the Participant's Termination Date. ~~All~~In the case of termination due to resignation or Retirement of the Participant, all Vested Restricted Share Units will be redeemed as at the Participant's Termination Date. ~~In the case of termination by the Corporation for Cause, all Restricted Share Units, whether vested or unvested, and the related Dividend Restricted Share Units will immediately be cancelled as at the Participant's Termination Date and the Participant~~

shall forfeit all rights, title and interest with respect to Restricted Share Units and the related Dividend Restricted Share Units.

**5.3    5.7 Termination Without Cause**

If the employment of a Participant is terminated by the Corporation without Cause, ~~a pro rata portion all~~ of the Participant's unvested Restricted Share Units and related Dividend Share Units shall ~~vest immediately prior to be cancelled as at~~ the Participant's Termination Date, ~~based on the number of months from the first day of the Grant Term to the Termination Date divided by the number of months in the Grant Term~~. The Participant's Vested Restricted Share Units shall be redeemed as at the Participant's Termination Date. The Participant shall forfeit all rights, title and interest with respect to Restricted Share Units and Dividend Share Units which are not Vested Restricted Share Units at the Participant's Termination Date.

**5.4    5.8 Death, ~~or~~ Disability or Retirement of Participant**

If the employment of a Participant is terminated by the death or Disability of the Participant ~~or the Participant has a Retirement~~, all of the Participant's Restricted Share Units and related Dividend Share Units shall vest immediately prior to the date of the Participant's death, ~~or~~ Disability ~~or Retirement~~ and shall be redeemed as at the date of death, ~~or~~ Disability ~~or Retirement~~.

**5.5    5.9 Termination Following a Change of Control**

Notwithstanding anything in this Section to the contrary, if the employment of a Participant is terminated by the Corporation without Cause or if the Participant resigns in circumstances constituting constructive termination, in each case, within twelve months following a Change of Control, all of the Participant's Restricted Share Units and related Dividend Share Units shall vest immediately prior to the Participant's Termination Date and shall be redeemed as at the Termination Date.

**Section 6. Section 6. Eligible Persons in the United States**

**6.1    No Registration**

The Share Units and the underlying Common Shares have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state of the United States.

**6.2    Registration Exemptions to be Relied On**

Until such time as the Common Shares are listed on a national securities exchange in the United States, the Corporation intends to rely on the registration exemption provided by Rule 701 under the U.S. Securities Act and available state registration exemptions to facilitate the participation in this Plan of Eligible Persons who are U.S. Participants or persons in the United States. If such exemptions from U.S. federal and state registration requirements are not available, the Corporation may require a legal opinion of counsel or such other evidence satisfactory to the Corporation, to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available before allowing the participation in the Plan of any Eligible Person who is a U.S. Participant or a person in the United States.

### **6.3      Restricted Securities**

Share Units and Common Shares that are offered under the Plan to or for the account or benefit of any Eligible Person who is a U.S. Participant or a person in the United States will be issued as “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the U.S. Securities Act and applicable state securities laws absent an exemption from such registration requirements.

### **6.4      U.S. Legend**

Certificates representing Common Shares that are restricted securities will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE “ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION, THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B)

OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION, IF REQUESTED BY THE CORPORATION, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT “GOOD DELIVERY” OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.”

provided, that if the Common Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation, in substantially the form set forth as Appendix A attached hereto (or in such other form as the Corporation may prescribe from time to time) and, if requested by the Corporation or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S and that such legend is no longer

required under applicable requirements of the U.S. Securities Act or state securities laws; and provided, further, that, if any Common Shares are being sold otherwise than in accordance with Regulation S and other than to the Corporation, the legend may be removed by delivery to the registrar and transfer agent and the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

## **6.5 Eligible Persons Resident in The State of California**

Eligible Persons who are residents of the State of California will be subject to the additional terms and conditions set forth in Appendix B to this Plan.

## **Section 7.~~Section 7~~ General**

### **7.1 ~~7.5~~ Capital Adjustments**

In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders, or any other change in the capital of the Corporation affecting Common Shares, the Committee will make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change (for the purpose of preserving the value of the Share Units), with respect to (i) the number or kind of shares or other securities on which the Share Units and Dividend Share Units are based; and (ii) the number of Share Units and Dividend Share Units; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional shares.

### **7.2 ~~7.6~~Amendment, Suspension, or Termination of Plan**

No new awards may be made under the Plan after the 10<sup>th</sup> anniversary of the Effective Date. The Committee may amend, suspend or terminate the Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange), if any, that require the approval of shareholders or any governmental or regulatory body.

The Board may from time to time, in its absolute discretion and without the approval of the shareholders of the Corporation, make the following amendments to the Plan or any Share Unit:

- (a) any amendment to the vesting provisions of the Plan and any Grant Agreement, including to accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of a Share Unit provided that with respect to any U.S. Participant, the acceleration will not accelerate the Redemption Date;
- (b) any amendment to the Plan or a Share Unit as necessary to comply with applicable law or the requirements of the applicable stock exchange or any other regulatory body having authority over the Corporation, the Plan or the shareholders of the Corporation;

- (c) any amendment to the Plan and any Grant Agreement to permit the conditional redemption of any Share Unit;
- (d) any amendment of a “housekeeping” nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan;
- (e) any amendment respecting the administration of the Plan; and
- (f) any other amendment that does not require the approval of the shareholders of the Corporation including, for greater certainty, an amendment in connection with a Change of Control to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential event or to obtain the advantage of holding the underlying Common Shares during such event; and to terminate, following the successful completion of such event, on such terms as it sees fit, the Share Units not redeemed prior to the successful completion of such event.

Shareholder approval will be required for the following amendments:

- (g) ~~(a)~~ amendments to the percentage of Common Shares issuable under the Plan, including an increase to a fixed maximum percentage of Common Shares, or a change from a fixed maximum percentage of Common Shares to a fixed maximum number;
- (h) ~~(b)~~ any amendment expanding the categories of Eligible Person which would have the potential of broadening or increasing insider participation;
- (i) ~~(c)~~ any amendment extending the term of a Share Unit or any rights pursuant thereto held by an insider beyond its original expiry date;
- (j) ~~(d)~~ the addition of any other provision which results in participants receiving Common Shares ~~(other than performance warrants issued prior to the completion of the initial public offering of the Corporation)~~, while no cash consideration is received by the Company;
- (k) ~~(e)~~ any amendments which would permit the rights respecting Share Units or Dividend Share Units to be transferred or assigned other than by will or the laws of descent and distribution;
- (l) ~~(f)~~ amendments to this Section 7.2; and
- (m) ~~(g)~~ amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange).

If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Board and in force at the time of this Plan, will continue in effect as long as a Share Unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Board may make any amendments to the Plan or the Share Units it would be entitled to make if the Plan were still in effect.

The Board may amend or modify any outstanding Share Unit in any manner to the extent that the Board would have had the authority to initially grant the award as so modified or amended; provided that, where such amendment or modification is materially adverse to the holder, the consent of the holder is required to effect such amendment or modification.

#### 7.3 **7.7 Non-Exclusivity**

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Participant, subject to any required regulatory or shareholder approval.

#### 7.4 **7.8 Unfunded Plan**

To the extent any individual holds any rights under the Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured general creditor of the Corporation.

#### 7.5 **7.9 Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Participating Companies and each Participant, including without limitation, the legal representative of a Participant, or any receiver or trustee in bankruptcy or representative of the creditors of a Participating Company or a Participant.

#### 7.6 **7.10 Transferability of Awards**

Rights respecting Share Units and Dividend Share Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

#### 7.7 **7.11 Effect of Change of Control**

Notwithstanding any other provision of this Plan, in the event of a Change of Control, any surviving, successor or acquiring entity shall assume any outstanding Share Units or shall substitute similar share units for the outstanding Share Units. If the surviving, successor or acquiring entity does not assume the outstanding Share Units or substitute similar share units for the outstanding Share Units, or if the Committee otherwise determines in its sole discretion, the Corporation shall give written notice to all Participants advising that the Plan shall be terminated effective immediately prior to the Change of Control and all Restricted Share Units shall be deemed to be Vested Restricted Share Units and a specified number of outstanding Performance Share Units shall be deemed to be Vested Performance Share Units and shall be redeemed as of the

termination date of the Plan. The number of Performance Share Units which are deemed to be Vested Performance Share Units shall be determined in the Committee's discretion using an Adjustment Factor of not less than 1.0 and not more than the maximum payout level. Solely for purposes of this Section 7.7, with respect to an outstanding Share Unit that is considered a deferral of compensation under Code Section 409A and Treas. Reg. Section 1.409A-1(b), the term Change of Control shall have the meaning ascribed to the term "change in control event" under Treas. Reg. Section 1.409A-3(i)(5).

#### **7.8    ~~7.12~~-No Special Rights**

Nothing contained in the Plan or in any Share Unit or Dividend Share Unit will confer upon any Participant any right to the continuation of the Participant's employment by a Participating Company or interfere in any way with the right of any Participating Company at any time to terminate that employment or to increase or decrease the compensation of the Participant. Share Units and Dividend Share Units shall not be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares, nor shall any Participant be considered the owner of Common Shares by virtue of his or her ownership of Share Units or Dividend Share Units.

#### **7.9    ~~7.13~~-Other Employee Benefits**

The amount of any compensation deemed to be received by a Participant as a result of the redemption of any Share Unit will not constitute compensation with respect to which any other employee benefits of that Participant are determined, including, without limitation, benefits under any bonus, pension, profit-sharing, insurance or salary continuation plan, except as otherwise specifically determined by the Committee.

#### **7.10    ~~7.14~~-Tax Consequences**

It is the responsibility of the Participant to complete and file any tax returns which may be required under Canadian, U.S. or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. No Participating Company shall be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan. With respect to any U.S. Participant, if withholding tax liabilities arise on Share Units prior to the time the Share Units are due to be redeemed, a Participating Company may withhold amounts from the Participant's other compensation to the extent necessary to cover the withholding taxes, or the Participant may be required to otherwise cover his or her portion of the withholding taxes.

#### **7.11    ~~7.15~~-No Liability**

No Participating Company shall be liable to any Participant for any loss resulting from a decline in the market value of any Common Shares.

## SCHEDULE A

### ABSOLUTE SOFTWARE CORPORATION PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

#### GRANT AGREEMENT FOR PERFORMANCE SHARE UNITS

[Name of Employee] (the "Participant")

Pursuant to the Absolute Software Corporation Performance and Restricted Share Unit Plan effective December ~~•~~, 20152018 (the "Plan") and in consideration of services provided to any Participating Company by the Participant, Absolute Software Corporation hereby grants to the Participant Performance Share Units under the Plan.

All capitalized terms not defined in this Grant Agreement have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan.

The Adjustment Factor for the Performance Share Units is determined as follows:

[Performance Criteria]	Adjustment Factor
Less than \$XX	0
\$XX	50% (Threshold)
\$YY	100% (Target)
\$ZZ or more	<del>1200</del> % (Maximum <sup>②</sup> )

The Adjustment Factor for performance between the numbers set out above is interpolated on a straight line basis.

[ ] is defined as •

The Committee may make such adjustments as it deems reasonable and appropriate in determining [ ] and the Adjustment Factor to be applied for the Performance Period.

The Vesting Date for this award is \_\_\_\_\_, 20\_\_. The Performance Period for the award is \_\_\_\_\_, 20\_\_ to \_\_\_\_\_, 20\_\_. The Expiry Date of the award is \_\_\_\_\_, 20\_\_.

Absolute Software Corporation and the Participant understand and agree that the granting and redemption of these Performance Share Units and any related Dividend Performance Share

Units are subject to the terms and conditions of the Plan, a copy of which has been provided to the Participant all of which are incorporated into and form a part of this Grant Agreement. For greater certainty, the Participant authorizes the sale of a sufficient number of Common Shares to pay Applicable Withholdings on the redemption of any Performance Share Units.

**ABSOLUTE SOFTWARE  
CORPORATION**

DATED \_\_\_\_\_ Per \_\_\_\_\_

I agree to the terms and conditions set out herein and confirm and acknowledge that I have not been induced to enter into this agreement or acquire any Performance Share Units by expectation of employment or continued employment with any Participating Company.

  
Name:

  
Name:

## SCHEDULE B

### ABSOLUTE SOFTWARE CORPORATION PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

#### GRANT AGREEMENT FOR RESTRICTED SHARE UNITS

[Name of Employee] (the "Participant")

Pursuant to the Absolute Software Corporation Performance and Restricted Share Unit Plan effective, December □, 20152018 (the "Plan"), and in consideration of services provided to any Participating Company by the Participant Absolute Software Corporation hereby grants to the Participant Restricted Share Units under the Plan.

All capitalized terms not defined in this Grant Agreement have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan.

The Vesting Dates for this award are \_\_\_\_\_, 20\_\_, as to one third (1/3),  
20\_\_, as to an additional one third (1/3) and \_\_\_\_\_, 20\_\_, as to the final one third (1/3).  
The Expiry Date of the award is \_\_\_\_\_, 20\_\_. The Grant Term for this award is  
\_\_\_\_\_, 20\_\_, to \_\_\_\_\_, 20\_\_. Subject to any provisions to the contrary in an  
Election Notice, Absolute Software Corporation and the Participant understand and agree that  
the granting and redemption of these Restricted Share Units and any related Dividend  
Restricted Share Units are subject to the terms and conditions of the Plan, a copy of which has  
been provided to the Participant, all of which are incorporated into and form a part of this Grant  
Agreement. For greater certainty, the Participant authorizes the sale of a sufficient number of  
Common Shares to pay Applicable Withholdings on the redemption of any Restricted Share  
Units.

**ABSOLUTE SOFTWARE  
CORPORATION**

DATED \_\_\_\_\_ Per \_\_\_\_\_

I agree to the terms and conditions set out herein and confirm and acknowledge that I have not  
been induced to enter into this agreement or acquire any Restricted Share Units by expectation  
of employment or continued employment with any Participating Company.

\_\_\_\_\_  
Name:

## SCHEDULE C

### ABSOLUTE SOFTWARE CORPORATION PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

#### ELECTION NOTICE FOR RESTRICTED SHARE UNITS

To: Absolute Software Corporation

Pursuant to the Absolute Software Corporation Performance and Restricted Share Unit Plan December □, 20152018 (the "Plan"), the undersigned hereby elects to receive

eO \_\_\_\_\_ %; O \_\_\_\_\_ %;

eO \$ \_\_\_\_\_ ; or

eO All of the Participant's incentive award in excess of \$ \_\_\_\_\_

of the undersigned's annual incentive award in respect of the year ending \_\_\_\_\_, 20\_\_\_\_\_, in the form of Restricted Share Units under the Plan. This election is irrevocable for such annual incentive award.

Notwithstanding any other provision of the Plan or the Grant Agreement, the Restricted Share Units awarded pursuant to this Election Notice will vest immediately.

All capitalized terms not defined in this Election Notice have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan.

Subject to any provisions to the contrary in this Election Notice, Absolute Software Corporation and the Participant understand and agree that the granting and redemption of these Restricted Share Units are subject to the terms and conditions of the Plan, a copy of which has been provided to the Participant, all of which are incorporated into and form a part of this Election Notice.

DATED \_\_\_\_\_ Name: \_\_\_\_\_

## SCHEDULE D

### ABSOLUTE SOFTWARE CORPORATION PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

#### REDEMPTION NOTICE

To: Absolute Software Corporation

Pursuant to Absolute Software Corporation Performance and Restricted Share Unit Plan December □, 20152018 (the “Plan”), the undersigned hereby elects to redeem:

0 \_\_\_\_\_ of the undersigned’s Vested Performance Share Units and related Dividend Performance Share Units; and  
0 \_\_\_\_\_ of the undersigned’s Vested Restricted Share Units and related Dividend Performance Share Units

on                         .  
[date]

The undersigned elects to redeem:

0 \_\_\_\_\_ % of the Vested Share Units and related Dividend Share Units by receiving the Share Unit Amount, subject to the consent of the Corporation

All capitalized terms not defined in this Redemption Notice have the meaning set out in the Plan. No cash or other compensation shall at any time be paid in respect of any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Share Units or Dividend Share Units which have been forfeited or terminated under the Plan.

The undersigned understands and agrees that the granting and redemption of these Share Units are subject to the terms and conditions of the Plan which are incorporated into and form a part of this Redemption Notice.

DATED                          Name:

**APPENDIX A**

**ABSOLUTE SOFTWARE CORPORATION**  
**PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**

**FORM OF DECLARATION FOR REMOVAL OF LEGEND**

To: Absolute Software Corporation (the “Corporation”)

And To: The Registrar and Transfer Agent for the Corporation’s Common Shares

The undersigned (A) acknowledges that the sale of \_\_\_\_\_ (the “Securities”) of the Corporation, represented by certificate number \_\_\_\_\_, to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), and (B) certifies that (1) the undersigned is not (a) an “affiliate” of the Corporation (as that term is defined in Rule 405 under the U.S. Securities Act), except solely by virtue of being an officer or director of the Corporation, (b) a “distributor” or (c) an affiliate of a distributor; (2) the offer of such Securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another “designated offshore securities market”, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the Securities are “restricted securities” (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of individual (if Securityholder is  
an individual)

\_\_\_\_\_  
Authorized signatory (if Securityholder is  
not an individual)

\_\_\_\_\_  
Name of Securityholder (please print)

---

Name of authorized signatory (please print)

---

Official capacity of authorized signatory  
(please print)

**Affirmation by Seller's Broker-Dealer**  
**(required for sales pursuant to Section (B)(2)(b) above)**

We have read the foregoing representations of our customer, \_\_\_\_\_ (the "Seller") with regard to the sale, for such Seller's account, of \_\_\_\_\_ common shares (the "Shares") of the Corporation represented by certificate number \_\_\_\_\_. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Shares was made to a person in the United States;
- (2) the sale of the Shares was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Shares as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "United States" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Company shall be entitled to rely upon the representations, warranties and covenants contained in this letter to the same extent as if this letter had been addressed to them.

Yours truly,

---

Name of Firm

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_

**APPENDIX B**  
**ABSOLUTE SOFTWARE CORPORATION**  
**PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**

**PROVISIONS APPLICABLE TO CALIFORNIA RESIDENTS**

This Appendix B to the Absolute Software Corporation Performance and Restricted Share Unit Plan December □, 20152018 (the "Plan") shall have application only to Eligible Person who are residents of the State of California. Capitalized terms contained herein shall have the same meanings given to them in the Plan, unless otherwise provided in this Appendix B. **Notwithstanding any provision contained in the Plan to the contrary and to the extent required by applicable law, the following terms and conditions shall apply to all purchases of Common Shares under the Plan by residents of the State of California, until such time as the Common Shares are listed on a national securities exchange within the meaning of Section 25100(o) of the California Corporations Code:**

The maximum number of Common Shares that may be allotted for issuance under Plan is as set out in §1.8 of the Plan.

Share Units and the underlying Common Shares shall be non-transferrable other than by will or the laws of descent and distribution, to a revocable trust, or as permitted by Rule 701 under the U.S. Securities Act.

No Shares may be issued under the Plan to a resident of California more than ten years after the earlier of the date of adoption of the Plan by the Board and the date this Appendix B is approved by the shareholders.

The Plan or agreement must be approved by a majority of the outstanding securities entitled to vote by the later of (1) within 12 months before or after the date the Plan is adopted or (2) prior to or within 12 months of the granting of any option or issuance of any security under the Plan in the State of California. Any right of participation under the Plan granted to any person in the State of California that is exercised before security holder approval is obtained must be rescinded if security holder approval is not obtained in the manner described in the preceding sentence. Such securities shall not be counted in determining whether such approval is obtained.

## **Questions? Need Help Voting?**

Please Contact Our Strategic Shareholder Advisor and Proxy Solicitation Agent:



**KINGSDALE** Advisors

The Exchange Tower  
130 King Street West, Suite 2950, P.O. Box 361  
Toronto, Ontario  
M5X 1E2  
[www.kingsdaleadvisors.com](http://www.kingsdaleadvisors.com)

**North American Toll-Free Phone:**

**1-866-851-3215**

Email: [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com)