



ABSOLUTE SOFTWARE CORPORATION

Annual Information Form

For the Year Ended June 30, 2019

Dated August 13, 2019

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PRELIMINARY NOTES

Introduction

This Annual Information Form (“AIF”) has been prepared in accordance with Form 51-102F2 and should be read in conjunction with the Company’s Fiscal 2019 and Fourth Quarter Fiscal 2019 Consolidated Financial Statements and accompanying notes and related Management’s Discussion and Analysis (“MD&A”). These documents, along with additional information about Absolute, are available at www.absolute.com and under Absolute’s profile on SEDAR at www.sedar.com.

The words “we”, “our”, “us”, “Company” and “Absolute” refer to Absolute Software Corporation together with its subsidiaries and/or the management and employees of the Company (as the context may require).

The Company’s fiscal year ends on June 30 of each year.

All information in this AIF is given as of June 30, 2019 unless otherwise indicated.

All dollar figures are stated in U.S. dollars unless otherwise indicated.

Forward-Looking Statements

This AIF contains certain forward-looking statements and forward-looking information (collectively, “**forward-looking statements**”) which relate to future events or Absolute’s future business, operations, and financial performance and condition. Forward-looking statements normally contain words like “will”, “intend”, “anticipate”, “could”, “should”, “may”, “might”, “expect”, “estimate”, “forecast”, “plan”, “potential”, “project”, “assume”, “contemplate”, “believe”, “shall”, “scheduled”, and similar terms and, within this AIF, include and any statements (express or implied) respecting: Absolute’s future plans, strategies, and objectives; projected revenues, expenses, margins, and profitability; future trends, opportunities, challenges, and growth in Absolute’s industry; Absolute’s ability to maintain and enhance its competitive advantages within its industry and in certain markets; Absolute’s ability to remain compatible with existing and new operating systems; the maintenance and development of Absolute’s partner and reseller network; existing and new product functionality and suitability; Absolute’s product and research and development strategies and plans; Absolute’s data security controls; the seasonality of future revenues and expenses; the future availability of working capital and any required additional financing; future share buybacks; future dividend issuances or increases; future fluctuations in applicable tax rates, foreign exchange rates, and/or interest rates; the future availability of tax credits; the addition and retention of key personnel; increases to brand awareness and market penetration; future corporate, asset, or technology acquisitions; strategies respecting intellectual property protection and licensing; potential future litigation or product liability; and Absolute’s foreign operations. Forward-looking statements are provided for the purpose of presenting information about management’s current expectations and plans relating to the future and allowing investors and others to get a better understanding of our anticipated financial position, results of operations, and operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Forward-looking statements are not guarantees of future performance, actions, or developments and are based on expectations, assumptions and other factors that management currently believes are relevant, reasonable, and appropriate in the circumstances. The material expectations, assumptions, and other factors used in developing the forward-looking statements set out herein include or relate to the following, without limitation: Absolute will be able to successfully execute its plans, strategies, and objectives; Absolute will be able to successfully manage cash flow, operating expenses, interest expenses, capital expenditures, and working capital and credit, liquidity, and market risks; Absolute will be able to leverage its past investments to support growth and increase profitability; Absolute will maintain and enhance its competitive advantages within its industry and certain markets; Absolute will keep pace with or outpace the growth, direction, and technological advancement in its industry; industry data and projections are accurate and reliable; Absolute will be able to adapt its technology to be compatible with changes to existing and new operating systems such as Microsoft Windows; Absolute will be able to maintain and develop its partner and reseller network; Absolute’s current and future (if any) PC OEM partners will continue to provide embedded firmware and distribution and resale support; Absolute’s existing and new products will function as intended and will be suitable for the intended end users; Absolute will be able to design, develop, and release new products, features, and services and enhance its existing products and services; Absolute will be able to protect against the improper disclosure of data it may process, store, and/or manage; Absolute’s revenues will not become subject to increased seasonality; future financing will be available to Absolute on favourable terms if and when required; Absolute will be in a financial position to buy back some of its shares and/or issue dividends in the future; fluctuations in applicable tax rates, foreign exchange rates,

and interest rates will not have a material impact on Absolute; certain tax credits will remain or become available to Absolute; Absolute will be able to attract and retain key personnel; Absolute will be successful in its brand awareness and other marketing initiatives; Absolute will be able to successfully integrate businesses, intellectual property, products, personnel, and/or technologies that it may acquire (if any); Absolute will be able to maintain and enhance its intellectual property portfolio; Absolute's protection of its intellectual property will be sufficient and its technology does not and will not materially infringe third party intellectual property rights; Absolute will be able to obtain any necessary third party licenses on favourable terms; Absolute will not become involved in material litigation; Absolute will not face any material unexpected costs related to product liability or warranties; foreign jurisdictions will not impose unexpected risks; and Absolute will maintain or enhance its accounting policies and standards and internal controls over financial reporting.

Although management believes that the forward-looking statements herein are reasonable, actual results could be substantially different due to the risks and uncertainties associated with and inherent to Absolute's business, as more particularly referred to in the "Risk Factors" section of this AIF. Additional material risks and uncertainties applicable to the forward-looking statements herein include, without limitation, unforeseen events, developments, or factors causing any of the aforesaid expectations, assumptions, and other factors ultimately being inaccurate or irrelevant. Many of these factors are beyond the control of Absolute.

All forward-looking statements included in this AIF are expressly qualified in their entirety by these cautionary statements. The forward-looking statements contained in this AIF are made as at the date hereof and Absolute undertakes no obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by applicable securities laws.

Industry and Market Data

Information contained in this AIF concerning the industry and the markets in which Absolute operates, including Absolute's perceived trends, market position, market opportunity, market share, and competitive advantages within the markets in which it operates, is based on information from independent industry analysts and third party sources (including industry publications, surveys, and forecasts), Absolute's internal research, and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third party sources, as well as data from Absolute's internal research, and are based on assumptions made by Absolute based on such data and its knowledge of its industry and markets, which management believes to be reasonable. Certain of the sources utilized in this AIF have not consented to the inclusion of any data from their reports, nor has Absolute sought their consent. Absolute's internal research has not been verified by any independent source and Absolute has not independently verified any third-party information. While Absolute believes the market opportunity and market share information included in this AIF is generally reliable, such information is inherently imprecise. In addition, projections, assumptions, and estimates of Absolute's future performance and the future performance of the industry and the markets in which Absolute operates constitute forward-looking statements herein and are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those referred to in the "Risk Factors" and other sections of this AIF.

Trademarks

ABSOLUTE, the ABSOLUTE logo, PERSISTENCE, ABSOLUTE REACH, ABSOLUTE RESILIENCE, SELF-HEALING ENDPOINT, and DARK ENDPOINT are trademarks of Absolute. Other names or logos mentioned herein may be the trademarks of Absolute or their respective owners. The absence of the symbols ™ and ® in proximity to each trademark, or at all, herein is not a disclaimer of ownership of the related trademark.

CORPORATE STRUCTURE

Absolute Software Corporation was incorporated in 1993 under the predecessor statute of the British Columbia *Business Corporations Act*. At the Company's annual general meeting held on December 12, 2017, the shareholders approved the adoption of the current Articles of the Company.

Our head office is located at Suite 1400, Four Bentall Centre, 1055 Dunsmuir Street, PO Box 49211, Vancouver, British Columbia, V7X 1K8. Our registered office is located at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3.

Absolute Software Corporation has the following material directly or indirectly wholly-owned subsidiaries:

- 1) *Absolute Software, Inc.*, a Washington, U.S.A. corporation;
- 2) *Absolute Software (2015) Inc.*, a British Columbia, Canada corporation;
- 3) *Absolute Software EMEA Limited*, a United Kingdom corporation;
- 4) *Absolute Software (Asia) Pte. Ltd.*, a Singapore corporation; and
- 5) *Absolute Software (Vietnam) Company Limited*, a Vietnam corporation.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Absolute® was founded in 1993 with the vision of enabling businesses to track and secure their mobile computing devices, regardless of user or location. Our solutions have evolved over time in response to market opportunities, particularly in relation to the rise of mobile computing and the imperative for enterprises and institutions to maintain data security. Today, we provide a cloud-based endpoint visibility and control platform that enables the management and security of computing devices, applications, and data for enterprise and public sector organizations. We enable more than 12,000 enterprise and public sector customers with self-healing endpoint security and always-connected visibility into their devices, data, users, and applications, whether endpoints are on or off the corporate network.

Over the past three fiscal years (covering the period July 1, 2016 to June 30, 2019), we have continued to develop our business through sales expansion, product enhancements, and expansion of our partner ecosystem.

2019 Fiscal Year

In the 2019 fiscal year ("F2019") the Company had the following major product and operational achievements:

- During F2019 we made significant progress on our platform migration and delivered multiple key product enhancements around usability and extensibility to our enterprise customers. One of the key priorities included delivering new user interface components that enable customers to more seamlessly manage their users and licenses.
- During F2019 we continued to extend our Resilience capabilities, delivering significant updates to our Enterprise Resilience edition and simplifying security policy deployments and remote management of device fleets. As a part of this milestone, we added 84 new commands to the Absolute Reach Library, enabling customers to further automate their endpoint management, hygiene, and vulnerability remediation across their computing endpoints.
- During F2019 we made a significant investment in our Customer Success initiative, growing our supported Customer Success community and integrating direct customer chat into our platform to enable better accessibility for our customers.
- Absolute also achieved several milestones through its PC OEM (see "Partner Ecosystem" below) partnerships in F2019:
 - In September 2018 Lenovo announced Absolute as a strategic partner for its ThinkShield endpoint security suite. Lenovo has long embedded Absolute's Persistence® technology in its laptop products, and now offers Absolute as a core component of its endpoint security suite to provide IT asset management, automated endpoint hygiene, and continuous compliance.

- In November 2018 we announced a new strategic partnership with VAIO Corporation to enhance endpoint security capabilities by integrating our Persistence technology within the new VAIO Pro PA and VAIO A12 models.
- In December 2018 we completed Application Persistence for Dell Data Guardian and Dell Endpoint Security Suite Enterprise (“**ESSE**”), enabling Dell endpoint applications with data protection, advanced threat prevention, and encryption to remain present and resilient. Application Persistence, which uses Absolute’s Persistence technology, monitors the health of applications across a device ecosystem and remediates those that have been compromised.
- In December 2018 we entered into a site license agreement with one of the largest K-12 school districts in the U.S., to help it enforce safe and secure desktop, laptop, and tablet usage amongst its students and staff.
- In December 2018 we completed a new General Data Protection Regulation (“**GDPR**”) Compliance report, identifying sensitive GDPR endpoint data that automatically scans for identifiers from all 31 European Economic Area countries – providing last mile assurance for any lost or stolen devices where proving absence of a breach is critical in the first 72 hours.
- In February 2019 Absolute was again selected for British Columbia’s Top Employers of the Year list. The B.C.’s Top Employers of the Year annual ranking recognizes those organizations that serve as an example within their industry, offering exceptional benefits and professional development opportunities for staff, while achieving and sustaining business growth. Absolute was also selected as a B.C. Top Employer in 2018.
- In February 2019 Absolute was recognized as a leader in the G2 Crowd Grid® Winter 2019 Report for Endpoint Management. The report spotlights top-reviewed endpoint management solutions that enable companies to manage and secure endpoint infrastructure and ensure their endpoint protection software is present and healthy. The report recognized Absolute for ‘Best Overall Endpoint Management Software’, ‘Best Mid-Market Endpoint Management Software’, and ‘Best Customer Relationships’.
- In April 2019 we released the 2019 Global Endpoint Security Trends Report, revealing that endpoint security tools and agents fail reliably and predictably. The study analyzed data from six million devices and one billion change events over the course of a year. The findings from the report demonstrate that the complexity of endpoint device controls creates a false sense of security among organizations while, in reality, causing security gaps and significant risks due to regular and reliable tool failure. This initiative marked the first step towards our Intelligence strategy and platform (see “Growth Strategy” below).
- In June 2019 we expanded our North American footprint, opening an office in San Jose, California to support our go-to-market functions and increase our brand awareness in the U.S.
- In June 2019 Forbes included Absolute as one of the ‘Top 10 Cybersecurity Companies to Watch in 2019’.
- Over the course of F2019 we announced several key leadership appointments:
 - In November 2018 Christy Wyatt was appointed as Chief Executive Officer and subsequently joined the Board of Directors (the “**Board**”).
 - In March 2019 Dr. Nicko van Someren was appointed as Chief Technology Officer.
 - In April 2019 Karen Reynolds was appointed as Chief Communications Officer.
 - In May 2019 John Robinson was appointed as Chief Human Resources Officer.
 - In June 2019 Sandra Toms was appointed as Chief Marketing Officer.

2018 Fiscal Year

In the 2018 fiscal year the Company had the following major product and operational achievements:

- In August 2017 we released the new Absolute 7 platform, which introduced the Absolute Reach endpoint security hygiene feature. Absolute Reach provides our customers with the ability to perform custom query and remediation actions across individual remote devices or across entire device populations, thereby enabling them to respond rapidly to emerging vulnerabilities and to execute configuration or change scripts that are unique to their device profiles.
- In January 2018 we added new scripts to our Absolute Reach Library to automate the cleanup of Meltdown/Spectre vulnerabilities.
- In January 2018 we appointed former Absolute advisor Steve Munford as Interim Chief Executive Officer.
- In February 2018 we expanded our K-12 Education offering with the addition of Student Technology Analytics, which enable school administrators to track and analyze device usage. With Student Technology Analytics, educational administrators are

better able to understand the returns on device investments and to understand differences in device usage amongst schools and classrooms.

- In April 2018 the Absolute platform was recognized by three award programs: Cyber Defense Magazine’s 2018 InfoSec Awards recognized the Absolute platform at RSA Conference 2018 as a winner in Endpoint Security; the Absolute platform was named a Bronze winner in the 14th Annual 2018 Info Security Products Guide’s Global Excellence Awards in the endpoint security category; and the Absolute platform was recognized as a finalist in endpoint security by the 2018 Cybersecurity Excellence Awards.
- In April 2018 we announced the GDPR Data Risk and Endpoint Readiness Assessments, which helped global organizations identify and secure their sensitive data and devices in order prepare for the commencement of GDPR.

2017 Fiscal Year

In the 2017 fiscal year the Company had the following major product and operational achievements:

- We delivered market-defining product enhancements including Security Posture and Data Risk dashboards for at-a-glance measures of endpoint health, risk, and compliance — both on and off the corporate network. This enables customers to assess their endpoint security posture, calculate and mitigate data risk, prove compliance, and strengthen resiliency.
- We strengthened our technology partnership with Microsoft by integrating Absolute’s endpoint and data visibility with Microsoft Azure Information Protection’s (AIP) ability to control and secure files and to provide advanced user-based access control of proprietary data without impacting end user productivity.
- We debuted Application Persistence, which extends our patented embedded self-healing Persistence technology to third-party endpoint management and security applications. This enables IT security professionals to ensure that critical applications can be instantly and automatically repaired to be resilient to malicious attacks or insider threats.
- We provided faster endpoint data remediation capabilities so that customers can take immediate action when at-risk data is detected on a device. This includes the ability to promptly freeze multiple devices or covertly delete multiple data files before they are accessed.
- We delivered the first version of Device Usage Reporting, which allows customers to log device usage rates and user activity on each device to properly assess device configuration by users and improve performance.
- We completed integration with Hewlett Packard Enterprise (HPE) Security ArcSight security information and event management (“SIEM”), Splunk Enterprise SIEM, and IBM Security QRadar SIEM products to provide seamless endpoint visibility and contextual insights to the majority of the Gartner SIEM Magic Quadrant Leaders.
- We announced an enterprise-wide deployment of Absolute Data and Device Security (DDS) on more than 100,000 endpoint devices at one of the largest hospital systems in the U.S.
- We expanded our research and development capacity in Vietnam and Vancouver, including the opening of a new Vietnam development center and incorporation of our Vietnamese subsidiary.

DESCRIPTION OF THE BUSINESS

Company Overview

Absolute provides a cloud-based endpoint visibility and control platform that enables the management and security of computing devices, applications, and data for enterprise and public sector organizations. Our unique platform enables IT and security professionals to enforce asset management, security hygiene, and data compliance for computing endpoints, both on and off the corporate network. Our unique solutions are anchored to endpoint devices by our patented Persistence technology, which is embedded in the firmware of laptop, desktop, and tablet devices (collectively, “**endpoint devices**”) by the majority of the world’s largest global computer manufacturers (“**PC OEMs**”). We currently serve approximately 12,000 commercial customers worldwide.

Solutions and Technology

Absolute Platform

The Absolute Resilience platform is our endpoint security and management solution that leverages Persistence for uncompromised visibility and control over endpoint devices, applications, and data. The platform features a cloud-based dashboard that enables users to easily view the security posture and other attributes of their endpoint devices. Our platform is delivered to customers through our product versions called Visibility, Control, and Resilience, as well as through our Partner Ecosystem via custom integrations or our Persistence-as-a-Service offering.

The Absolute Resilience platform enables customers to monitor the health of their activated devices, including the health of critical third-party security and management applications and the presence of sensitive data. In addition, customers can run reports and queries based on device, application, or data attributes; set custom alerts based on changes in device states; and launch custom scripts to detect and remediate emerging vulnerabilities across their endpoint devices. The platform also enables customers to perform automated remote actions to remediate security threats (examples include device freeze, data delete, and end-user messaging) and (in certain cases) to engage our Investigations team to perform remote investigations on the device.

Absolute customers and partners can also subscribe to Application Persistence, which enables third-party security and management applications to become resilient on the endpoint by leveraging the capabilities of our Persistence technology. Application Persistence provides a solution to one of the most pervasive information security challenges that organizations face: the endpoint security and management tools that they rely on are commonly broken, disabled, uninstalled, or outdated, leaving endpoints – and the organizations to which they belong – increasingly vulnerable to security threats. The unique self-healing capability provided by Application Persistence enables the automatic repair or re-installation of third-party endpoint agents such as encryption, anti-malware, software patching, virtual private network (“VPN”), client management tools, and other installations. Application Persistence allows our customers to be confident and compliant in providing consistent security coverage across all enabled devices, on and off the corporate network.

Our solution also incorporates Absolute Reach, a powerful custom query and remediation feature. Absolute Reach provides customers with the ability to launch custom commands to detect and remediate emerging vulnerabilities across their endpoint devices on-demand. This feature enables customers to gather precise contextual insights, execute custom workflows, and deploy automation commands to remediate Dark Endpoints, ransomware attacks, and other endpoint vulnerabilities. With the ability for customers to write custom commands, Absolute Reach enables asset managers and security professionals to proactively address an endless number of use cases.

The Absolute Resilience platform can be integrated into third-party SIEM systems in order to correlate endpoint risk data with other sources of security intelligence, thereby improving the returns our customers realize on pre-existing technology investments and their overall enterprise resiliency.

Persistence Technology

Our patented Persistence technology is embedded into the firmware of endpoint devices at the point of manufacture by 25 of the world’s leading PC OEMs. Once activated, Persistence provides a reliable, highly tamper-resistant, constant connection between the device and our cloud-based monitoring center, even when the device is off the corporate network and beyond the reach of traditional IT management and security tools. Persistence is a key differentiator for us as it enables a high degree of resilience for our software agent as well as for other critical third-party software agents that leverage the self-healing capabilities of Persistence. If the software agent is removed or disabled, an automatic reinstallation will occur, even if the firmware is overwritten or flashed, the device is reimaged, the hard drive is replaced, or if the device is restored to its factory settings.

Deployment Model

Our solutions are delivered in a SaaS business model. An Absolute software agent is installed on the device hard drive (or flash memory) at the factory by our PC OEM partners or it can be installed by the end customer. Once the Absolute agent software is installed onto the drive memory, it activates the Persistence module embedded in the device firmware and maintains regular contact with the cloud-based Absolute Monitoring Center (hosted by Absolute). Customers interact with the Absolute Resilience platform by logging into the Absolute Customer Center, where they can receive detailed data from each device, set alert parameters, and initiate security actions.

Market Opportunity

The market opportunity for Absolute is driven by a growing problem referred to as the Dark Endpoint™: enterprise computing devices that are not connected to the corporate network or are missing critical IT management applications. Dark Endpoints pose a considerable operational challenge and security threat to organizations because these devices may be missing or have outdated security or other applications, they may contain sensitive data, or the devices may be in the hands of unauthorized users. The issue of Dark Endpoints is a growing concern for organizations as employees are increasingly working from remote locations, outside the view and control provided by the traditional network-based management and security tools. Absolute provides a solution to the Dark Endpoint problem by leveraging our unique self-healing agent and resilient cloud connection capabilities, which provide a consistent connection to devices both on and off the corporate network.

The broader market opportunity for Absolute is driven by the growing incidence of data breaches and cyber-attacks on organizations, together with the increased prevalence of mobile workforces and the increasing regulatory and corporate emphasis on information security and data privacy. Based on industry analyst research, worldwide spending on security-related IT solutions is forecast to reach \$134 billion in 2022¹, with 24% of security spend currently directed to endpoint security²; however 70% of data breaches continue to originate on endpoint devices³. As reported in Absolute's 2019 Endpoint Security Trends Report, a significant portion of this endpoint security spend fails to achieve its objectives because security agents are often not installed or are not operating due to malfunction, misconfiguration, lack of patching, or end user interference. Absolute provides a unique solution to this challenge by leveraging our self-healing Persistence technology, which gives IT organizations visibility into agent health and enables rapid remediation of missing or non-functional third-party software agents.

Business Model

Our solutions are delivered in a software-as-a-service (“SaaS”) business model, where customers access our service through the cloud-based Absolute console. Absolute solutions are offered in specific versions for (i) the Enterprise and Government, and (ii) the Education verticals. All versions are available in three editions: Visibility (Standard), Control (Professional), and Resilience (Premium), each of which provides a different subset of product features and functionality. In addition, our solutions are offered through our Partner Ecosystem via custom integrations or our Persistence-as-a-Service offering.

We operate a direct sales force with responsibility for solution selling and relationship management with our end customers, as well as a channel support team with responsibility for cultivating go-to-market initiatives with our channel partners. Commonly, a customer's initial purchase of our solutions will be made in conjunction with the purchase of new endpoint devices and will represent a small portion of the overall license opportunity within that customer's environment. Most customer deployments expand over time, either as a result of customer purchases of incremental licenses on new device purchases or, alternatively, through the purchase of an enterprise or site license covering all devices in their environment. As a result, our sales efforts focus on both sales to new customers and expansion opportunities within our existing customer base.

During the selling process, we typically co-engage with our PC OEM partners, value-added resellers (“VARs”), and distribution partners (see “Partner Ecosystem” below). Customer orders generally flow from our customers to our partners, who then place orders directly with Absolute. We generate approximately 75-80% of our total revenues in conjunction with our PC OEM partners.

We have offices in Vancouver, Canada; Austin, U.S.A.; San Jose, U.S.A.; Des Moines, U.S.A.; Ho Chi Minh City, Vietnam; and Reading, England. We also service additional geographies through our remote sales force and through our partner network. Our products and customer support services are available in 10 languages. We have sales distribution agreements with global PC OEMs and a number of other in-country resellers in Europe, the Asia-Pacific region, and Latin America.

¹ IDC Worldwide Security Spending Guide October, 2018.

² Gartner, IT Key Metrics Data 2019: Key IT Security Measures.

³ IDC Infographic, March 2016.

Growth Strategy

Our growth strategy is divided into four pillars:

Persistence

Our ecosystem of PC OEMs is the foundation of our core capabilities. We are focused on continuing to enhance and expand these PC OEM relationships from both a technology and a go-to-market perspective. This includes working with our PC OEM partners to deliver unique solutions that utilize our Persistence capabilities that align with their individual strategic objectives. Our strategy also includes expanding our Persistence ecosystem over time to include additional partners and device types, such as exploring business development opportunities with independent software vendors (“ISVs”).

Resilience

The Absolute Resilience platform is our endpoint security and management solution that leverages Persistence for uncompromised visibility and control over endpoint devices, applications, and data. We are continuing to strengthen the capabilities of the platform to solve the Dark Endpoint challenge and grow our customer base.

We believe that our opportunity for growth is strongest in the Enterprise and Government sectors, and particularly within the healthcare, financial services, professional services, and state, local, and federal government verticals, where there are high proportions of mobile employees who possess sensitive data on their devices and where the regulatory, financial, and reputational consequences of a data breach are high. We are therefore concentrating our product, sales, and marketing investments to drive growth in these verticals.

Intelligence

Our Intelligence initiative is focused on enabling our customers to receive valuable insights from their endpoint data, such as the efficacy of their endpoint controls, and the true state of their devices and software. During our fiscal 2020 year we intend to enhance our capabilities around capturing, analyzing, and delivering actionable insights that enable our customers to optimize the security and efficiency of their endpoint devices.

Education

Our Education initiative is to continue to support and grow our Education customers, which currently represent 33% of our annual contract value (“ACV”) base and who have unique product and market requirements.

Our recent trend toward sales declines in this vertical have reflected a secular trend specific to the Education sector. While customers in the Enterprise sector generally associate the value of our solutions with the protection of information, many of our customers within the Education sector have historically associated the value of our solutions with the protection and recovery of devices. As a result, we have seen a correlation between declining device prices and our average selling prices in the Education sector.

We believe that recent and upcoming enhancements to our Education offering, such as Student Technology Analytics and the offering of site licensing alternatives, will broaden the appeal of our solutions and will provide a value proposition distinct from device recovery. We believe that the recent improvements in our sales performance in the Education sector are a direct result of these enhancements; however, these enhancements have only recently been, or are still being, introduced to the market and therefore their continuing impact on our Education business remains to be proven.

Product development is a key element of our growth strategy across all four strategic pillars. Our product development efforts are centered on leveraging our existing product solution and our unique Persistence technology to deliver increasing value to our customers and partners. These product development investments are focused on a number of initiatives, including extending Application Persistence to self-heal additional third-party applications and evolving our cloud-based platform in order to continue to increase the scalability, extensibility, and features of our platform, as well as to enable the offering of a private cloud version of our solution.

For our existing customers, ongoing product development promotes customer retention and provides a compelling upsell and expansion opportunity on which we have begun to capitalize. With our new customers, particularly those in the Enterprise and Government verticals, we have observed a trend towards purchases of product tiers that include higher levels of functionality and a corresponding higher per unit ACV. In conjunction with our internal product development efforts, we regularly evaluate potential acquisition candidates.

We also continuously invest in marketing activities to drive brand awareness within our target markets and with our channel partners with an objective to position Absolute as the leader in endpoint resilience within key markets in North America and internationally.

From a geographic perspective, our near-term focus is on growing our North American business and, as a result, we are approaching our international sales expansion efforts in a limited and focused manner. Currently, we generate approximately 88% of our revenue within North America; however, international markets account for roughly half of the total global IT security market. As a result, we believe that there is a significant opportunity to further expand sales internationally, particularly within Europe as a result of the increased data protection and privacy requirements imposed by the GDPR.

Partner Ecosystem

Our partner ecosystem is an essential component of our business strategy. Our primary partners are PC OEMs who are both key collaborative technology partners and key distribution and reseller partners.

Our PC OEM partners have adopted Absolute Persistence technology as a standard and have embedded it in the firmware of laptop, desktop, and/or tablet devices. This is an important collaboration for us, as the embedded support enhances the persistence (ability to survive unauthorized or unintentional removal attempts) of our software, which is a key differentiator for us. Our Persistence technology is normally shipped in a dormant state and is activated after the customer purchases and installs the Absolute software agent.

The following table lists PC OEMs who currently provide embedded support for our Persistence technology:

| | |
|--|--------------------------------------|
| Aava Mobile (since 2015) | MPS Mayorista (since 2015) |
| Acer (since 2009) | Mustek Systems (since 2015) |
| ASUS (since 2009) | NCS Technologies, Inc. (since 2007) |
| DDM Brands (since 2014) | Panasonic (since 2006) |
| Dell (since 2005) | PC Smart SA (since 2013) |
| Fujitsu (since 2006) | Pinnacle Africa (since 2015) |
| Fujitsu Client Computing Ltd. (since 2019) | Positivo Informatica SA (since 2014) |
| Getac (since 2008) | Prestigio (since 2015) |
| HP (since 2005) | Samsung (since 2011) |
| Inforlandia LDA (since 2013) | Toshiba (since 2006) |
| Intel (Classmate Computer) (since 2009) | VAIO (since 2017) |
| Lenovo (since 2005) | Yezz (since 2015) |
| Microsoft (since 2014) | |

Competition

We have historically had few direct competitors for our solutions, which we believe are unique in the market. On occasion, we encounter companies offering a competitive subset of our technology, such as IT asset management, device tracking, and remote locking and wiping. Examples include enterprise IT asset management companies such as Tanium and Microsoft Intune, education market computer tracking software vendors such as GoGuardian and Prey, and various enterprise mobility management vendors that provide management solutions for smartphones and tablets. Based on our patented self-healing Persistence technology and accompanying off-network capabilities, unique feature and services offerings, broad device and platform coverage, extensive PC OEM relationships, and strong patent portfolio, we believe that we maintain a unique position in the market.

In the information security market, we also compete indirectly with, but also complement, companies that offer other forms of endpoint security solutions, such as encryption and data loss prevention solutions. However, Absolute is more often purchased as a complement

to these solutions and enhances these solutions by providing status reporting on their presence and activity on the endpoint, as well as the ability to self-heal these applications through Application Persistence.

Subscription Billings

We sell our solutions under a term license model in which customers acquire subscriptions to our software-based services for a specified term typically ranging from one to five years. The majority of these subscriptions are fully invoiced up-front for the entire licensed term on ordinary payment terms and are non-refundable. We refer to our total invoiced sales in a period as our total “**Billings**”. Over the past twelve months, the prepaid term of our Billings has averaged approximately 24 months (based on the ratio of the total amount invoiced over the annualized contract value of the associated Billings).

We also offer enterprise license (“**EL**”) and site license (“**SL**”) models, which provide customers with the option to license our software for multiple years with an annual payment at the start of each contract year. The EL and SL models were introduced in order to match the buying preferences of some of our Enterprise and Education customers and generally result in a positive impact to ACV compared to prepaid multi-year licenses. While only a small percentage of our customer base has licensed our software through the EL and SL models, we do expect it to become a larger percentage of our new customer license sales over time and that, as a result, our average prepaid license term is expected to decrease over time.

From a financial reporting perspective, the amount invoiced by us is recorded at the foreign exchange rate in effect at the time of sale in deferred revenue on the statement of financial position and is recognized as revenue ratably over the contract term. Due to the fact that the majority of our Billings are for terms longer than one year, in general only 15-25% of total Billings reported for any given fiscal year are also recognized as revenue in the same fiscal year.

Seasonality

Our quarterly cash from operating activities is affected by the timing of our customer Billings, with cash collections in one quarter having a high correlation to Billings in the previous quarter. Historically, a higher concentration of Billings have occurred in the fourth quarter of each fiscal year. This has been primarily due to higher activity in the North American Education sector during this quarter. As we increase the proportion of our sales into the Enterprise and Government sectors, we expect the seasonal correlation of our overall Billings to the Education market buying season to become less pronounced.

Sales and Marketing

Our primary go-to-market strategy is to generate sales opportunities through our PC OEM partners. See “Partner Ecosystem” above. In addition, our distribution channels include VARs, system integrators, distributors, and retailers. Absolute supports these channels via direct sales, channel development, business development, and marketing teams. We believe that such teams are essential for maximizing sales through our distribution channels.

Our sales and marketing teams work closely with our channel partners to identify and close opportunities in an effort to expand the Company’s market penetration and opportunity pipeline. These teams’ responsibilities include strategic technology and sales program development with PC OEM partners and other software vendors, logistics management, training, event coordination, advertising and special promotions, and day-to-day in-field sales cycle management with end customers as subject matter experts.

In F2019, we sold approximately 80% of our total sales through our PC OEM partners using various sales and marketing programs and our direct sales force to help identify and close the sales opportunities. We have sold approximately 26% of our total Billings through our largest PC OEM partner over the last three fiscal years. Other go-to-market channels provide channel diversification. Billings through our non-PC OEM partners’ comprised approximately 20% of total Billings in F2019.

Research and Development and Operations

We recognize that continually enhancing and expanding the capabilities of our core technology and services is essential for carrying out our business strategy. To that extent, we have assembled a team of developers, engineers, and other high-skilled staff that we believe is capable of executing on the Company's product roadmap. This team is complemented by third-party development resources as required. These teams are primarily based in our Vancouver, Canada, Ho Chi Minh City, Vietnam, and Des Moines, U.S.A. offices.

We also have teams of operational staff responsible for customer success and technical support, investigations and recovery services, customer training and implementation, and operating the Company's hosted service infrastructure. These teams also play key roles in the maintenance and development of our solutions and customer satisfaction.

Customers

We have a diversified commercial customer base, with more than 12,000 enterprise and public sector customers and more than eight million computing endpoints actively managed by our endpoint visibility and control solutions. Our end customers include corporations, healthcare organizations, educational institutions, governmental agencies, and individual consumers. Currently, educational institutions and healthcare organizations constitute our two largest vertical customer markets. We do not have economic dependence on any single end customer.

Intellectual Property

We rely on a combination of patents, trademarks, copyright, trade secrets, confidentiality procedures, contractual provisions, and other measures to protect our proprietary information and technology. At June 30, 2019, we have a global portfolio of 135 issued patents and 24 patent applications in process. These patents cover a broad range of software and communication technologies and have varying expiry dates.

As part of our confidentiality procedures, we have a policy of entering into confidentiality agreements with our employees, consultants, customers, and partners.

We continue to develop and maintain our brand through copyright and trademarks. We have several trademarks in use in the U.S.A., Canada, and other jurisdictions worldwide (including the trademarks listed under "Preliminary Notes - Trademarks" above).

As we continue to innovate and expand beyond our current product offerings, we expect to continue to expand our portfolio of intellectual property (including patents and trademarks).

Facilities

At June 30, 2019, Absolute had the following leased office space:

| Location | Approximate Square Feet | Expiry Date |
|---------------------------|-------------------------|----------------|
| Vancouver, Canada | 46,000 | November 2021 |
| Austin, U.S.A. | 11,000 | April 2026 |
| San Jose, U.S.A. | 3,100 | July 2022 |
| Des Moines, U.S.A. | 2,900 | July 2019 |
| Ho Chi Minh City, Vietnam | 6,800 | September 2020 |
| Reading, England | 3,700 | May 2023 |

Employees

At June 30, 2019, Absolute had a total of 477 employees, (compared to 495 at June 30, 2018 and 517 at June 30, 2017), excluding independent contractors and temporary employees. None of Absolute's employees are represented by a labour union, nor are they subject to a collective bargaining agreement. Absolute has never experienced a labour-related work stoppage.

At June 30, 2019, our 477 employees were comprised as follows:

| Function | Number of Employees |
|--|---------------------|
| Customer Support and Professional Services | 72 |
| Sales and Marketing | 142 |
| Research and Development | 212 |
| General, Administration, and IT | 51 |

RISK FACTORS

Due to the nature of the Company's business and operations, the Company faces a number of risks and uncertainties. These risks and uncertainties are described in detail in the Company's MD&A for the period ended June 30, 2019, which is available under the Company's profile on SEDAR at www.sedar.com and at www.absolute.com and which is incorporated herein by reference.

DIVIDEND POLICY

Absolute commenced paying dividends on its common shares (the "Common Shares") in January 2013. The Company has paid the following quarterly dividends over the past three fiscal years:

| Quarters | Dividend Paid (CAD) |
|-------------|---------------------|
| Q1-Q4 F2017 | \$0.08 |
| Q1-Q4 F2018 | \$0.08 |
| Q1-Q4 F2019 | \$0.08 |

Although the Company expects to continue paying a quarterly cash dividend, the actual payment, timing, and amount of dividends to be paid by the Company is determined by the Board on a quarterly basis. The Board makes these determinations after considering all relevant factors including cash flow, the results of operations, financial condition, the need for funds to finance ongoing operations, and other relevant business considerations.

CAPITAL STRUCTURE

The authorized capital of the Company consists of 100,000,000 Common Shares. At June 30, 2019, 41,645,552 Common Shares were issued and outstanding.

The holders of Common Shares are entitled to one vote for each share held on all matters to be voted on by the shareholders and are entitled to receive such dividends as may be declared by the Board. In the event of the dissolution, liquidation, winding-up, or other distribution of the assets of Absolute, the shareholders are entitled to receive on a pro-rata basis all of the assets of Absolute remaining after payment of all of Absolute's liabilities. The Common Shares carry no pre-emptive or conversion rights.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the ticker symbol *ABT*. A total of 22,505,419 Common Shares were traded from July 1, 2018 to June 30, 2019, (representing an average daily trading volume of 90,022), at daily closing prices ranging from CAD\$6.93 per share to CAD\$9.24 per share.

The monthly share prices and share trading data for F2019 are as follows:

| Month | High (CAD) | Low (CAD) | Volume |
|----------------|------------|-----------|-----------|
| July 2018 | \$7.49 | \$6.90 | 585,178 |
| August 2018 | \$8.00 | \$7.27 | 846,322 |
| September 2018 | \$7.90 | \$7.22 | 568,486 |
| October 2018 | \$8.13 | \$7.18 | 1,695,483 |
| November 2018 | \$8.65 | \$7.68 | 1,786,196 |
| December 2018 | \$8.53 | \$7.50 | 1,278,049 |
| January 2019 | \$8.36 | \$7.67 | 2,973,978 |
| February 2019 | \$9.25 | \$8.18 | 3,060,033 |
| March 2019 | \$9.28 | \$9.01 | 3,495,662 |
| April 2019 | \$9.25 | \$8.81 | 1,509,053 |
| May 2019 | \$9.20 | \$8.39 | 2,940,781 |
| June 2019 | \$8.41 | \$7.84 | 1,766,198 |

Prior Sales

Options

During F2019, the Company issued 385,000 options with an underlying right to acquire an equal number of Common Shares at a weighted average exercise price of CAD\$8.89 per Common Share. The foregoing options were granted under the Company's 2000 Share Option Plan.

Restricted Share Units

During F2019, the Company issued 1,012,598 restricted share units with an underlying right to acquire an equal number of Common Shares. The foregoing restricted share units were granted under the Company's Performance and Restricted Share Unit Plan.

Performance Share Units

During F2019, the Company issued 297,178 performance share units with an underlying right to acquire up to two times the number of Common Shares based on specified performance criteria. The foregoing performance share units were granted under the Company's Performance and Restricted Share Unit Plan.

Employee Share Ownership Plan

During F2019, the Company issued 90,254 Common Shares at a weighted average price of CAD\$6.20 per Common Share pursuant to the Company's 2005 Employee Share Ownership Plan. The issuance price of Common Shares under this Plan is 85% of the lower of the closing Common Share price on the first and last day of the relevant offering period, and therefore can result in an issuance price that is below the market price of the Common Shares.

Normal Course Issuer Bids

On September 25, 2018, the Company received approval from the TSX to commence a Normal Course Issuer Bid (the “2019 Bid”) on September 28, 2018 that enables the Company to purchase up to 1,933,375 of its Common Shares for cancellation or return to treasury until September 27, 2019. The 2019 Bid allows for the purchase of up to 12,224 Common Shares on a daily basis, except where purchases are made in accordance with “block purchase” exemptions under applicable TSX policies. Prior to September 28, 2018, the Company purchased and cancelled shares under previously approved Normal Course Issuer Bids. During F2019, the Company did not repurchase and cancel any Common Shares under the Normal Course Issuer Bids.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the knowledge of the Company, none of its securities are in escrow or subject to a contractual restriction on transfer.

DIRECTORS AND OFFICERS

Directors

The Directors of the Company are set out below. The Directors are elected by the shareholders at each annual meeting of shareholders and typically hold office until the next annual meeting of shareholders, at which time they may be re-elected or replaced.

The Board has three committees, each comprised entirely of independent Directors: the Audit Committee; the Compensation Committee; and the Governance and Nominating Committee.

Daniel Ryan, Chairman

Mr. Ryan joined Absolute as a Director in June 2011, was appointed Chairman of the Board in December 2013, and is a member of the Audit Committee and the Governance and Nominating Committee. Mr. Ryan, a resident of Greenwood, Minnesota, is a software and technology executive with over 30 years of experience and a background in product and market strategy, business development, and mergers and acquisitions. Mr. Ryan is currently the CEO and a director of CiBO Technologies, a science-driven software company that models and simulates agricultural ecosystems. From 2011 to 2018 (until its acquisition by Marlin Equity Partners), Mr. Ryan was the President and CEO of RedBrick Health, which grew into an acknowledged industry leader in SaaS-powered employee well-being and health engagement. Before RedBrick, Mr. Ryan was President and CEO at Secure Computing, a \$250M leader in enterprise security solutions, prior to it being acquired by McAfee, where he served as EVP and General Manager of their \$500M Network Security Business Unit. Prior to Secure Computing, Mr. Ryan served as President and Chief Operating Officer at Stellent, a leading enterprise content management software company that grew revenues from \$2M to \$130M during his tenure before being acquired by Oracle, where he became Senior Vice President of Enterprise Content Management Products. Mr. Ryan joined Stellent from Foglight Software, an innovator in e-commerce and application performance management that was acquired by Quest Software, where he headed marketing, product management, and business development. Mr. Ryan is also a director of LogicStream Health, a clinical process improvement company, and was previously a director of Secure Computing. Mr. Ryan earned his Bachelor of Science in Math and Economics from the University of Minnesota.

Lynn Atchison

Ms. Atchison was appointed to the Board on August 7, 2019 and is a member of the Audit Committee. Ms. Atchison is a resident of Austin, Texas and currently serves on the boards of Q2 Technologies, Convey, and RealMassive. Ms. Atchison is also a member of original steering committee for Women@Austin and an Advisory Board Member of Philanthropitch. Most recently, Ms. Atchison was the CFO of Spredfast, Inc., a provider of enterprise social media management software. Prior to that, she served as the CFO of the online vacation rental marketplace HomeAway, Inc. from August 2006 until March 2016. During her tenure at HomeAway the business grew from \$10 million to over \$500 million in revenue and Ms. Atchison oversaw over 20 acquisitions, expansion into Europe, South America, and Australia, and an IPO on the NASDAQ in June 2011. Ms. Atchison was also instrumental in the sale of HomeAway to Expedia in December 2015 for \$3.9B.

Gregory Monahan

Mr. Monahan joined Absolute as a Director in December 2012 and is the Chair of the Governance and Nominating Committee and a member of the Audit 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 previously co-founded Bind Network Solutions, a consulting firm focused on network infrastructure and security. Mr. Monahan also serves on the board of directors of Cott Corporation, a leading North American and European water, coffee and coffee extracts, tea, and filtration solutions service company. He was formerly a director of: BSM Technologies, a commercial fleet telematics provider; COM DEV International, a designer and manufacturer of space hardware; ENTREC Corporation, a crane and heavy haul transportation company; SAExploration 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.

Eric Rosenfeld

Mr. Rosenfeld joined Absolute as a Director in December 2012 and is the Chair of the Audit Committee and a member of the Compensation Committee. Mr. Rosenfeld is a resident of New York, New York 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 has 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 also currently serves as: lead director for Cott Corporation; Chairman Emeritus of CPI Aero, a company engaged in the contract production of structural aircraft parts; a director of Aecon Group, a Canadian leader in construction and infrastructure development; a director of Pangaea Logistics Solutions, a shipping logistics company; a director of NextDecade Corp., a development stage liquefied natural gas company; and CEO of Allegro Merger Corp., a blank check company. He served as Chairman and CEO of a number of blank check companies prior to their respective mergers with NextDecade Corp., Pangaea Logistics Solutions, Hill International, Primoris Services Corporation, and SAExploration Holdings. He was also previously 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. (as Chairman), an IT services company; Primoris Services Corporation, a specialty construction company; and SAExploration Holdings.

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 e-commerce 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, Mr. Visca 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 to 2006. Mr. Visca also served as a director of DDS Wireless International 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 Honours 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 the Chair of the Compensation Committee and a member of the Governance and Nominating Committee. Mr. Watzinger, a resident of Naples, Florida, is the Chairman of CrowdStrike, a cloud-based security and endpoint protection company, and a member of the board of directors at Mastech Digital. Mr. Watzinger previously served as the chief strategy officer and an 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. Mr. Watzinger was also the architect of McAfee's acquisition by Intel, a \$7.7B transaction which is one of the largest deals in the security industry. Mr. Watzinger holds a Bachelor's degree in Computer Science from the University of Applied Sciences in Munich, Germany.

Christy Wyatt

Ms. Wyatt is Absolute's Chief Executive Officer. Ms. Wyatt, a resident of San Jose, California, joined Absolute as CEO in November 2018 and became a Director in December 2018. Previously, Ms. Wyatt served as CEO of Dtex Systems, a leader in enterprise user intelligence and insider threat detection. Ms. Wyatt has held a variety of executive leadership roles at globally-recognized business and technology brands including Good Technology (now Blackberry), Citigroup, Motorola, Apple, and Sun Microsystems. Ms. Wyatt currently serves as a member of the boards of directors of Silicon Labs and Quotient Technology. She has been named one of Inc. Magazine's Top 50 Women Entrepreneurs of America, Information Security's CEO of the Year, and one of the Fierce Wireless 'Most Influential Women in Wireless'.

Executive Officers

The executive officer of the Company are:

Christy Wyatt, Chief Executive Officer

See Ms. Wyatt's biography above.

Errol Olsen, Chief Financial Officer

Mr. Olsen, a resident of North Vancouver, British Columbia, joined Absolute as Chief Financial Officer in July 2010. Mr. Olsen served as the interim Chief Executive Officer at Absolute from December 2013 to June 2014. He previously served as Chief Financial Officer at INETCO Systems Limited and Explorer Software Inc. Mr. Olsen's technology experience also includes senior finance roles at Pivotal Corporation and Infowave Software Inc. Mr. Olsen obtained his Chartered Professional Accountant designation in 1994 while at KPMG LLP, where he worked with a portfolio of private and public companies as a manager in the audit and advisory services group. Mr. Olsen holds a Bachelor of Business Administration degree from Simon Fraser University.

Sean Maxwell, Chief Commercial Officer

Mr. Maxwell, a resident of Danville, California, joined Absolute as Chief Commercial Officer in January 2016. Mr. Maxwell provides broad leadership of all commercial activities for Absolute's global operating markets. This includes global sales, PC OEM and channel, and field marketing. Prior to Absolute, Mr. Maxwell was Vice President, Global Sales Strategy & Field Enablement at Symantec. In this role, he was responsible for global sales and go-to-market planning – from defining the sales strategy to delivering quarterly results. Prior to his work at Symantec, Mr. Maxwell held sales leadership roles with Virtual Instruments and EMC.

Dr. Nicko van Someren, Chief Technology Officer

Dr. van Someren, a resident of Boulder, Colorado, joined Absolute in March 2019. Dr. van Someren oversees the direction and strategic vision of Absolute's product architecture and security roadmap. Dr. van Someren has more than two decades of experience leading, developing, and bringing to market disruptive security technologies. Prior to his role at Absolute, Dr. van Someren served as Chief Security Officer and Chief Information Officer at nanopay, Inc., a financial services technology company. Dr. van Someren has also served as Chief Technology Officer at the Linux Foundation, Good Technology (now a part of BlackBerry), and nCipher (now a part of Entrust Datacard), as well as the Chief Security Architect at Juniper Networks. Dr. van Someren also serves as a board member and advisor for numerous start-ups and is a mentor for the Techstars accelerator program in Boulder, Colorado. Dr. van Someren has a PhD from Trinity College and fellowships from the Royal Academy of Engineering and British Computer Society.

Todd Wakerley, Executive Vice President, Product Development

Mr. Wakerley, a resident of Spring Lake, Michigan, joined Absolute in 2015. Mr. Wakerley leads Absolute's global product development initiatives to advance the Company's technology strategy in alignment with the Company's strategic objectives. Mr. Wakerley has more than 20 years' experience in the information security industry. Before joining Absolute, Mr. Wakerley served as senior director of Symantec's Enterprise Mobility Suite, helping develop mobile device management (MDM), mobile application management (MAM), and application security for iOS and Android devices. Mr. Wakerley's other previous roles include software development and IT management for a variety of technology and consulting organizations, including Arlington Group, Wise Solutions, and Altiris. Mr. Wakerley holds a Bachelor of Science in Chemical Engineering from the University of Michigan.

Security Holding

At June 30, 2019, the Directors and executive officers of the Company collectively owned or controlled 2,554,405 Common Shares of the Company, representing approximately 6.1% of the Company's outstanding Common Shares at June 30, 2019.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

None of our Directors or executive officers has, within the 10 years prior to the date of this AIF, 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 Directors or executive officers or, to our knowledge, shareholders holding a sufficient number of securities to materially affect control of Absolute has within the 10 years prior to the date of this AIF: (i) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise 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 compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

None of our Directors or executive officers or, to our knowledge, 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.

Conflicts of Interest

The Company is not aware of any existing or potential material conflicts of interest between the Company or a subsidiary of the Company and any Director or officer of the Company or of a subsidiary of the Company.

AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee's Charter is attached to this AIF as Schedule "A".

Composition of the Audit Committee

As of the date of this AIF, the Audit Committee is composed of Eric Rosenfeld (Chair), Daniel Ryan, Gregory Monahan, and Lynn Atchison, each of whom is financially literate and independent of the Company as such terms are defined in National Instrument 52-110 – Audit Committees.

Relevant Education and Experience

See "Directors and Officers" above for a description of the education and experience of each Audit Committee member that is relevant to the performance of his/her responsibilities as an Audit Committee member.

Audit Committee Oversight

During F2019, all recommendations of the Audit Committee with respect to nomination or compensation of the Company's external auditor were adopted by the Board.

Pre-Approval Policies and Procedures

During F2019, the Audit Committee pre-approved a number of specific non-audit services, namely, tax advisory and information security services. In addition, the Audit Committee pre-approved the Chair of the Audit Committee to authorize other non-audit services up to a maximum of \$15,000 per quarter.

External Auditor Service Fees

Fees billed or to be billed by the Company's external auditor for the fiscal years ended June 30, 2019 and 2018 are expected to be as follows:

| | Amount billed during | |
|-----------------------------------|----------------------|-------------|
| | Fiscal 2019 | Fiscal 2018 |
| Audit Fees ⁽¹⁾ | \$226,153 | \$238,255 |
| Audit-Related Fees ⁽²⁾ | \$46,275 | \$45,098 |
| Tax Fees ⁽³⁾ | \$89,467 | \$67,642 |
| Other Fees | \$33,996 | \$34,275 |
| Total fees | \$395,891 | \$385,270 |

(1) "Audit Fees" include fees necessary to perform the annual audit of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of security filings, and statutory audits and quarterly reviews.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include quarterly financial statement reviews, employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews, and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning, and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Company is not aware of any existing or contemplated legal proceedings that it is or was a party to, or that any of its property is or was the subject of, during F2019 that involves a claim for damages which, exclusive of interest and costs, would exceed 10% of the current assets of the Company.

Regulatory Actions

There were no: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during its most recently completed fiscal year; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (c) settlement agreements that the Company entered into before a court relating to securities legislation or with a securities regulatory authority during its most recently completed financial year.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Company is not aware of any material interest, direct or indirect, of (i) a Director or executive officer of the Company, (ii) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares of the Company, or (iii) any associate or affiliate of any of the foregoing, in any transaction within the three most recently completed fiscal years or during the current fiscal year, that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent for the Company's Common Shares is AST Trust Company (Canada).

MATERIAL CONTRACTS

The Company is not party to any material contract (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) entered into during F2019 or previously that is still in effect.

INTERESTS OF EXPERTS

Names of Experts

The financial statements of the Company for the year ended June 30, 2019 have been audited by Deloitte LLP.

Interests of Experts

Deloitte LLP are the external auditors for the Company and have confirmed that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com.

Additional information, including additional information with respect to the Directors and officers of the Company and their remuneration and indebtedness, options to purchase securities, interests in material transactions, and securities authorized for issuance under equity compensation plans (as applicable) is and will be contained in the Company's management information circulars for its prior and upcoming annual general meetings, which are and will be available under the Company's profile on SEDAR at www.sedar.com.

Additional financial information, including information with respect to risks and uncertainties, is provided in the Company's audited consolidated financial statements and MD&A for the years ended June 30, 2019 and 2018. Copies of the financial statements and MD&A are available under the Company's profile on SEDAR at www.sedar.com.

SCHEDULE "A"

ABSOLUTE SOFTWARE CORPORATION

AUDIT COMMITTEE CHARTER

I. MANDATE

The mandate of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Absolute Software Corporation (the "**Company**") is to assist the Board to fulfill its oversight responsibilities relating to:

- (a) the integrity of the Company's financial reporting and financial statements;
- (b) the effectiveness of the Company's internal controls and risk management processes;
- (c) the Company's compliance with applicable legal and regulatory requirements; and
- (d) the appointment and performance of the Company's internal and external auditors.

The Company's management is responsible for: (i) adopting and applying sound accounting principles; (ii) designing, implementing and maintaining effective processes related to internal control over financial reporting; and (iii) preparing the annual and interim financial statements, associated Management's Discussion & Analysis ("**MD&A**") and other relevant continuous disclosure documents. The external auditor is responsible for conducting an independent audit in accordance with professional standards and for forming an opinion on the annual financial statements. The Committee is responsible for overseeing these financial reporting activities.

In performing its duties, the Committee will maintain effective working relationships and provide an avenue for effective and open communication among the Board, management, the external auditor and any internal audit function.

II. LIMITATION ON THE ROLE OF THE COMMITTEE

The Committee's role is one of oversight. While the Committee has the responsibilities and powers set forth in this Charter, it is not the responsibility of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with international financial reporting standards and applicable laws, rules and regulations. These are the explicit responsibilities of management and the external auditor. As such, in executing its oversight role, the Committee does not provide any expert or special assurances or guarantees regarding the Company's financial statements, nor does it provide any professional certification as to the external auditor's work.

III. MEMBERSHIP

The Committee will consist of at least three Directors, but not more than five Directors, appointed by the Board annually. Each member of the Committee shall serve at the pleasure of the Board until the member resigns from the Committee, is removed from the Committee by the Board or ceases to be a member of the Board. The membership of the Committee will be guided by applicable legal, stock exchange and corporate governance requirements and recommendations, including *National Instrument 52-110 - Audit Committees* ("**NI 52-110**").

Chair

At the time of the annual appointment of the Committee, the Board will appoint one of the members of the Committee as Chair, and the Chair will be in charge of overseeing and managing the affairs of the Committee, including by presiding over all Committee meetings, coordinating the Committee's compliance with this Charter,

working with management to develop the Committee's annual work-plan, and delivering reports of the Committee to the Board.

Independence

All members of the Committee must be independent Directors⁴ (subject to any exemptions or relief that may be granted from such requirements).

Expertise of Committee Members

Each member of the Committee must be, or will become within a reasonable period of time after appointment, financially literate (as such term is defined in NI 52-110). At least one member of the Committee should be a financial expert and have accounting or related financial management expertise, for example as a certified public accountant, chief financial officer or corporate controller. The Board will interpret the qualifications of financial literacy and financial management expertise in its business judgement within the requirements of NI 52-110 and other applicable laws and regulations and will determine whether a Director meets these qualifications.

No member of the Committee may serve on the audit committees of more than three other public companies at the same time as being a member of the Committee, unless the Board has determined that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.

IV. MEETINGS

The Committee will meet at least four times annually according to a schedule established each year, and at such other times as determined necessary or desirable by the Committee.

The Committee Chair (or his or her designate) will prepare an agenda in advance of each meeting, in consultation with management, other Committee members and, where appropriate, the external auditor and/or any internal audit function. The agenda and supporting materials will be circulated to the members in advance of the meeting to allow members an appropriate period of time to prepare for the meeting. The Committee Chair will chair all Committee meetings that he or she attends, and, in the absence of the Chair, a designate of the Chair who is a member of the Committee will chair the Committee meeting at which the Chair is not present.

The Committee will, where appropriate, invite members of management, the external auditor, and/or any internal audit function to attend meetings. In addition, the Committee may invite to any of its meetings external legal counsel or other external advisors or other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

The Committee will meet at least quarterly with the Company's management and at least annually with the external auditor. In addition, the Committee may meet *in camera* from time to time to discuss any matters of interest or concern to the members in the absence of management or other interested parties.

A quorum of the Committee is the attendance of at least two thirds of the members of the Committee. No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present.

Meetings may be held in person, by teleconference, or through the use of any telecommunication system that permits all persons participating in the meeting to adequately communicate with each other.

At any meeting of the Committee, questions will be decided by a majority of the votes cast by members present, except where only two members are present, in which case any question must be decided unanimously.

⁴ Within the meaning of "independence" per the provisions of NI 52-110. See also *National Policy 58-201 - Corporate Governance Guidelines* for guidelines as to composition of Board committees.

V. RESPONSIBILITIES

The Committee's role is to provide an independent review of the financial function of the Company and is responsible for supporting management in, and verifying the quality and integrity of, the Company's financial reporting obligations. In fulfilling this role, the Committee's responsibilities include the following:

Internal Controls

- Overseeing and reviewing, in consultation with management, the external auditors and any internal audit function, the reliability, adequacy and effectiveness of management's system of internal controls over the Company's accounting and financial reporting systems, including, without limitation, controls over financial reporting, non-financial controls and legal and regulatory controls and the impact of any identified weaknesses in internal controls.
- Reviewing, in consultation with management, the external auditors, and any internal audit function, any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings.
- Ensuring that the external auditors keep the Committee informed of any fraud, illegal acts, deficiencies in internal controls and other relevant matters about the Company that come to their attention during their audit, and review any related issues identified and recommendations made by the external auditors, together with management's responses thereto, including the timetable for implementation of recommendations to correct any identified weaknesses in internal controls.
- Reviewing any related party transactions and potential conflicts of interest.
- Assessing the extent to which internal control recommendations made by the external auditors or any internal audit function have been implemented by management.
- Assessing the Company's financial computer systems and applications, the security of such systems and applications and the contingency plan for processing financial information in the event of a systems breakdown.
- Reviewing any allegations of fraud disclosed to the Committee involving management or other employees of the Company with a role in the Company's internal controls over financial reporting.
- Receiving and reviewing management's report on the effectiveness of internal controls over financial reporting, including the factors identified by management as factors that may affect future financial results, and the interim and annual CEO and CFO certifications filed with the securities regulatory authorities.
- Discussing with the CEO and CFO their certification of the internal controls over financial reporting, as and when appropriate or required by applicable law or regulation.

Risk Management

- Reviewing and overseeing the Company's policies and practices with respect to risk assessment and risk management in all areas, including risks related to finance, operations, physical security, information security, product, records management, fraud and other crime.
- Meeting regularly with management and other appropriate staff to discuss the Company's significant risk exposures, the likelihood of the risks manifesting, the potential impact of the risks manifesting and steps management has taken and is taking to monitor, assess, control and mitigate such exposures (including relevant insurance coverages).

Ethics Compliance & Whistleblowers

- Reviewing the Company's ethics compliance and whistleblower program(s), including policies and procedures for monitoring compliance, and the implementation and effectiveness of such program(s).

- Establishing procedures for: (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or audit matters; and (b) the confidential, anonymous submission by employees regarding such matters.
- The Committee Chair, or another member of the Committee designated by the Chair, will serve as the recipient of any whistleblower submissions and will lead a review of the subject matter of the report. The member conducting the review may enlist employees of the Company or outside legal, accounting or other advisors, as appropriate, to assist in or conduct the review.
- At least quarterly, the Committee Chair will report to the Board on the number of whistleblower complaints received and the status of all complaints reviewed.

Financial Reporting

General

- Reviewing significant accounting and financial reporting issues, with particular emphasis on identifying the principal risks to the accuracy of financial reporting and any changes of a material nature to the characterization of entries and accounts.
- Reviewing and discussing with management and the external auditor and, where appropriate, recommending approval to the Board of all public disclosure relating to financial information such as press releases, financial statements, MD&A, Annual Information Forms, projections or materials otherwise involving information derived from the financial reports or the analytic reporting thereof, as well as financial information and guidance provided to analysts and rating agencies.
- Reviewing with the external auditors their proposed audit adjustments and any audit problems or difficulties and management's response thereto.
- Reviewing significant accounting and financial reporting requirements in effect from time to time, including recent professional and regulatory pronouncements and critical accounting policies, and understanding their impact on the financial statements.
- Reviewing with the external auditor and management the extent to which changes or improvements in financial or accounting practices, as previously reported to the Committee, have been implemented.
- Reviewing issues related to liquidity, capital resources and contingencies that could affect liquidity.
- Reviewing treasury operations, including investment policies, financial derivatives and hedging activities.
- Reviewing material off-balance-sheet transactions and contingent liabilities.
- Discussing with the external auditor any matters that auditing standards require to be communicated with the Committee.
- Receiving and reviewing reports from other Board committees with regard to matters that could affect financial reporting.
- Overseeing the resolution of any disagreements between management and the external auditor regarding financial reporting.
- Following completion of the annual audit, reviewing with management and the external auditor: any significant issues, concerns or difficulties encountered during the course of the audit, including any issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved; key accounting and audit judgments; and levels of misstatements identified during the audit, obtaining explanations from management and, where necessary the external auditor, as to why certain misstatements might remain unadjusted.
- Reviewing any other matters related to financial reporting that are brought forward by management, the external auditors, and/or any internal audit function or which are required to be communicated to the Committee under accounting policies, auditing standards or applicable laws or regulations.

Annual and Interim Financial Statements

- Reviewing the annual and interim financial statements, determining whether they are complete and consistent with the information known to the Committee members and assessing whether they reflect appropriate accounting principles, estimates and judgments.
- Meeting with management and the external auditors to review the annual financial statements, the associated MD&A and the results of the audit.
- Meeting with management and, if necessary, the external auditors to review the interim financial statements and associated MD&A.
- Making recommendations to the Board regarding the Board's approval of the annual and interim financial statements and the associated MD&A.
- Understanding how management develops and summarizes quarterly financial information and the extent to which the external auditors review quarterly financial information.
- Paying particular attention to disclosure of complex and/or unusual transactions and significant changes to accounting principles, alternative treatments under applicable regulatory accounting initiatives, restructuring charges and derivative disclosures.
- Focusing on judgmental areas, such as those involving the valuation of assets and liabilities.
- Ensuring appropriate review of accounting practices that relate to transfer pricing.

Internal Audit (if and as applicable)

- Reviewing and approving management's decisions relating to the need for internal audit.
- Reviewing and approving the mandate, budget, plan, performance, and qualifications of the internal audit function.
- Reviewing significant reports prepared by the internal audit function together with management's response and progress in remedying any significant findings.
- On a regular basis, meeting with the chief internal auditor and the external auditor in the absence of management to discuss any matters that the Committee or the internal audit function believes should be discussed.

External Auditors

- If and when necessary, selecting, retaining and terminating the external auditor (subject to any applicable Board or shareholder approvals) and recommending to the Board the compensation for the external auditors. In such regard, recommending to the Board the nomination of the external auditor for approval by the shareholders.
- Reviewing and approving the external auditor's annual audit plan, including relevant engagement terms and fees. Reviewing the external auditor's proposed audit scope and approach, including coordination of audit effort with the internal audit function, if applicable.
- Overseeing the work of the external auditors and ensuring that the external auditor reports directly to the Committee.
- Reviewing with the external auditor the quality, not just the acceptability, of the Company's accounting principles as applied to critical accounting policies and practices, alternative treatments of financial information that have been discussed with management and any other material communications with management.
- Reviewing and confirming the independence and performance of the external auditors annually, prior to the issuance of the external auditor's report on the annual financial statements, including a review of the cost and nature of all non-audit services provided, and the auditors' assertion of their independence in accordance with professional standards.

- Obtaining and reviewing annually a report from the external auditor describing: (a) the external auditor's internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (c) all relationships between the external auditor and the Company.
- Obtaining and reviewing quarterly a report prepared by the external auditor in respect of the respective interim financial statements.
- Reviewing the audit representation letters with particular attention to non-standard representations.
- Reviewing and monitoring the content of the external auditor's management letter, in order to assess whether it is based on a good understanding of the Company's business and establishing whether recommendations have been acted upon and, if not, the reasons they have not been acted upon.
- Pre-approving all non-audit services provided by the external auditor to the Company. Pre-approval requirements may be met where the Committee establishes detailed policies as to each service to be pre-approved and the Committee is informed of such services at its next meeting, provided that the policies must not include delegation of the Committee's responsibilities to management. The Committee may delegate this authority to one of the Committee members, but not to management, provided the non-audit services in question are presented to the Committee at its next meeting.
- Establishing which non-audit services the external auditor will be prohibited from providing, considering (a) whether the skills and experience of the audit firm make it a suitable supplier; (b) whether there are safeguards in place to ensure that there is no threat to the external auditor's objectivity and independence in the conduct of the audit; and (c) the type of the non-audit services, the related fee levels and the fee levels individually and in aggregate relative to the audit fee.
- Having the external auditor provide the Committee with a summary of any investigation by governmental or professional authorities within the preceding five years respecting any audits of the Company carried out by the external auditor and any steps taken to deal with any issues raised by the inquiry or investigation.
- On a regular basis, meeting separately with the external auditor in the absence of management to discuss any matters required by applicable auditing standards to be discussed by the external auditors with the Committee or that the Committee or the external auditor believes should be discussed.

Compliance with Laws and Regulations

- Periodically obtaining updates from management regarding material compliance with applicable laws and regulations.
- Reviewing, with the Company's legal counsel (at least once annually), any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations and any inquiries received from regulators or governmental agencies.
- Periodically reviewing legal and regulatory requirements that may have a significant impact on the Company's business, financial statements or results of operations.
- Being satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements.
- Reviewing the findings of any examinations by regulatory agencies such as the British Columbia Securities Commission or any stock exchange upon which the Company's securities are listed from time to time.
- Reviewing any reports concerning fraud, corruption, bribery or other legal or regulatory non-compliance that occurs at the Company, including consideration of the internal controls that should be strengthened to reduce the risk of a similar event in the future.

Other Responsibilities

- Ensuring that significant findings and recommendations made by management or the internal or external auditors are received and discussed on a timely basis.
- If necessary, reviewing the policies and procedures in effect for considering officers' expenses and perquisites.
- Performing other oversight functions as requested by the Board.
- Ensuring that the Annual Information Form discloses the text of this Charter, a description of any specific policies and procedures for the engagement of non-audit services, the aggregate fees (by service fee category) billed by the external auditor in each of the last two years and any other information regarding the Committee, the Company's external auditor and the financial position of the Company required by applicable laws and regulations.
- Reviewing and approving any Committee disclosure required by applicable law in the Company's public disclosure documents.
- Performing any other activities required by applicable laws, rules, regulations, and/or stock exchange requirements, and performing other activities that are consistent with this Charter, the Company's constating documents and governing laws, as the Committee or the Board deems necessary or appropriate.

Reporting Responsibilities

- Regularly reporting to the Board about Committee activities and making appropriate recommendations.
- Maintaining minutes of all Committee meetings.

VI. RESOURCES AND AUTHORITY

The Committee has the authority, and will be provided with all resources that it reasonably requires, to discharge its responsibilities, including the authority to conduct any investigation appropriate to fulfilling its responsibilities and having full access to all Company books, records and personnel. The Committee may, as appropriate, engage, at the expense of the Company, outside auditors, independent legal counsel and/or other experts or consultants that the Committee deems appropriate. The Committee may, to the extent permissible by applicable law, designate a sub-committee to review any matter within this Charter as the Committee deems appropriate. The Committee may communicate directly with the internal and external auditors.

VII. CHARTER

At least once annually, the Committee will review and re-assess the adequacy of this Charter to ensure compliance with any applicable laws and rules and regulations and recommend any proposed changes to the Board for approval.

Last updated: August 7, 2019