



**OPTIVA INC.
(the “Company”)**

**CHARTER
FOR THE COMPENSATION COMMITTEE**

1. Constitution and Purpose

1.1 The committee shall be established by resolution of the Board of Directors (the “**Board**”) of the Company and shall be known as the Compensation Committee (the “**Committee**”). The purpose of the Committee is to assist the Board in carrying out its responsibilities by reviewing the CEO and non-CEO executive officers (the “**Executives**”) compensation in support of the achievement of the Company’s business strategy and making recommendations to the Board as appropriate.

2. Composition, Qualification and Membership

2.1 The members of the Committee shall be appointed by the Board from amongst the directors of the Company (the “**Directors**”) and shall be comprised of not less than three members. The Committee shall be composed entirely of independent Directors, as that term is defined under National Policy 58-201.

2.2 The Chair of the Committee shall be an independent Director, as that term is defined under National Policy 58-201, and shall be appointed by the Board, which shall determine the period of time during which he/she shall hold office.

2.3 Any Committee member may be removed and replaced at any time by the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all its powers so long as a quorum remains in office.

2.4 A quorum for decisions of the Committee shall be two members.

3. Attendance at meetings

3.1 The Committee may, at each meeting, appoint one of its members, or the Company’s Secretary, to be the Secretary of the Committee.

3.2 The Committee is authorised by the Board to invite the Chief Executive Officer and, if appropriate, other members of management as considered necessary, to attend and speak at meetings (or parts thereof) of the Committee.

4. Frequency of meetings



4.1 Meetings shall be held not less than twice a year and at such other times as the Chair of the Committee shall require. The Board or any member of the Committee may request a meeting if they consider that one is necessary.

4.2 At least 48 hours' notice of any meeting of the Committee shall be given, although such notice may be waived or shortened with the consent of all the members of the Committee for the time being.

5. Authority

5.1 The Committee is authorized by the Board to investigate any matter within its responsibility. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any requests made by the Committee.

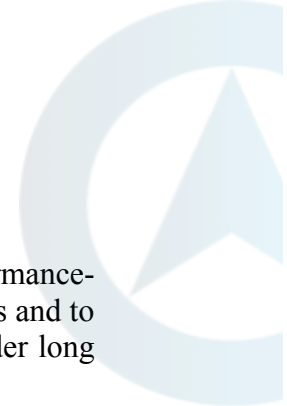
5.2 The Committee is authorised by the Board to obtain, at the cost of the Company, outside professional advice if it considers this appropriate. In obtaining outside advice, the Committee will act in consultation with the Chair of the Company.

5.3 The powers of the Committee may also be exercised by resolution in writing signed by all the members of the Committee.

6. Duties

6.1 The duties of the Committee shall be:

- (a) to consider and recommend to the Board the framework or broad policy for the compensation of the Executives (including pension rights and compensation payments);
- (b) to consider and recommend approval to the Board the corporate goals and objectives relevant to CEO compensation and evaluate the CEO's performance in light of those corporate goals and objectives;
- (c) to consider and recommend to the Board for approval the compensation of the CEO, including salary, bonus, long term incentives and material benefits;
- (d) to consider and recommend to the Board for approval the basic salary paid to the Executives and any recommendations made by the CEO of the Company for changes to that basic salary;
- (e) upon recommendation of the CEO, to consider and recommend to the Board for approval any bonuses to be paid to the Executives and, in respect of any element of compensation of an Executive which is performance related, to formulate suitable performance related criteria and monitor their operation;



- (f) upon recommendation of the CEO, to advise on and determine all performance-related formulae and targets relevant to the compensation of the Executives and to consider the eligibility of Executives for annual bonuses and benefits under long term incentive schemes;
 - (g) to review and approve disclosure of compensation, including pensions, as required by law or stock exchange regulation, are fulfilled and to consider and make recommendations to the directors of the Company concerning disclosure of the detail of Compensation packages and structures in addition to those required by law or by stock exchange regulation;
 - (h) to consider other material benefits granted to the Executives and any recommendations of the CEO for changes in those benefits;
 - (i) upon recommendation by the CEO, to determine the policy for and scope of the pension arrangements applicable to the Executives;
 - (j) to provide oversight to the appointment and termination of the Executives by the CEO;
 - (k) upon recommendation by the CEO, to consider and determine the terms of the service contracts of the Executives and any proposed material changes to these contracts, including contractual terms on termination;
- 6.2 Annually review the adequacy and form of the compensation of Independent Directors and report and make recommendations to the Board accordingly.
- 6.3 In consultation with the Audit Committee, provide oversight with respect to compensation and retention issues (including appointment and termination) regarding, if applicable, the head of Internal Audit.
- 6.4 Upon recommendation by the CEO, recommend approval to the board for all management incentive plans tied to performance.
- 6.5 Review the Company's Share Ownership Guidelines in conjunction with the Nomination and Governance Committee and recommend any changes to the Board on an annual basis.

7. Compensation Plans

- 7.1 To make recommendations to the Board as to all aspects of any share option scheme, share unit plan or other compensation plan operated by or to be established by the Company including but not limited to (subject always to the rules of that scheme and any applicable legal and stock exchange requirements):



- (a) the selection of those eligible Executives and employees of the Company and its subsidiary companies to whom options, units or other forms of compensation should be granted;
- (b) the timing of any grant;
- (c) the number of shares over which options, units or other forms of compensation are to be granted;
- (d) the exercise price at which options or other forms of compensation are to be granted; and
- (e) the imposition of any objective vesting condition which must be complied with before any option, unit or other form of compensation may be exercised, settled or delivered;

8. Procedures

- 8.1 The Secretary of the Committee shall circulate the minutes of the meetings of the Compensation Committee to all members of the Board.
- 8.2 In setting the agenda for a meeting, the Chair of the Committee shall encourage the Committee members, management and other members of the Board to provide input in order to address emerging issues.
- 8.3 The Committee shall set its annual agenda for review and approval by the Board to ensure compliance with the requirements of this Charter.
- 8.4 New Compensation Committee members shall be provided with an orientation program to educate them on the Company, their responsibilities, and the Company's compensation practices.
- 8.5 The Committee shall report at regularly scheduled Board meetings on matters coming before the Committee.

9. No Rights Created

- 9.1 This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements as well as in the context of the Company's article and By-laws, it is not intended to establish any legally binding obligations.