



# **Optiva Inc.**

## **Policy on Disclosure**

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## POLICY ON DISCLOSURE

### OBJECTIVE AND SCOPE

The objective of this Disclosure Policy (the “Policy”) is to ensure that communications to the investors, analysts, media representatives and the public (the “investment community”) by Optiva Inc. and its subsidiaries (collectively “Optiva” or the “Company”) are:

- Timely, factual and accurate
- Broadly disseminated in accordance with all applicable legal and regulatory requirements
- Fair, transparent, balanced and consistent

The Policy extends to all employees and officers of the Company and other individuals who are engaged in providing professional and business services to the Company, its Board of Directors and those authorized to speak on its behalf. Notwithstanding the terms of this Policy, the directors and officers of the Company, in carrying out their responsibilities, believe their practices and procedures should remain flexible, in order to best react to changing conditions within the Company, the industry, disclosure best practices and rules and regulations in general.

The Policy covers disclosures in documents filed with the securities regulators and written statements made in the Company’s annual and quarterly reports, news releases, letters to shareholders, presentations by senior management and information contained on the Company’s website and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

### DISCLOSURE AND COMPLIANCE COMMITTEE

The Board of Directors has established a Disclosure and Compliance Committee (of Management) responsible for, among other things, overseeing the Company’s disclosure policies and practices. For a listing of current Disclosure and Compliance Committee members, reference should be made to Schedule I of this Policy.

The composition of the Disclosure and Compliance Committee may be revised from time to time to reflect organizational and personnel changes, as recommended by the Disclosure and Compliance Committee and approved by Chief Executive Officer and Chief Financial Officer.

The Disclosure and Compliance Committee has the responsibility for the implementation and review, on an annual basis, of the Company’s Disclosure Policy to ensure that it addresses the Company’s principal business risks, changes in operations or structure, and facilitates compliance with applicable legislative and regulatory reporting requirements. The Disclosure and Compliance Committee has the responsibility for ensuring that the Disclosure Policy is properly communicated across Optiva, that it remains effective in design and in operation, that any violation of the Policy is properly addressed and that remedial action is taken as appropriate.

The Disclosure and Compliance Committee shall review prior to issuance or submission to the Audit Committee or Board of Directors, including to ensure the documents do not contain a “misrepresentation” (as defined below):

- Annual and interim reports to the shareholders (including financial statements and MD&A), proxy statements and management information circulars, Annual Information Form, material changes reports and any other information filed with the securities regulators

- News releases containing financial information, earnings guidance, information about material acquisitions or dispositions, or other information material to investors
- Presentations and reports containing financial information broadly disseminated to analysts, creditors and investors, including financial information displayed on the Company’s website
- All material estimates included in the financial statements
- All forward-looking information and earnings guidance included in public disclosures
- All material business risks to ensure that they have been thoroughly identified and analyzed for disclosure purposes

Under Canadian securities law, a “misrepresentation” is an untrue statement of material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

The Disclosure and Compliance Committee shall establish and communicate materiality thresholds and assess materiality of information brought to the attention of the Disclosure and Compliance Committee for public disclosure purposes. It is the responsibility of all members of the executive group to notify and keep the Disclosure and Compliance Committee fully apprised of all transactions or events which they believe will have an effect on the Company’s financial results or financial position exceeding the materiality limit set by the Disclosure and Compliance Committee. The Disclosure and Compliance Committee shall meet in person or by phone at such times as it deems appropriate to discuss whether such transactions or events justify public disclosure and shall determine what information shall be disclosed. A subgroup of the Disclosure and Compliance Committee, which shall include at least the Chief Executive Officer and the Chief Financial Officer or their delegate(s) may act for the entire Disclosure and Compliance Committee when time or other circumstances do not permit the full Disclosure and Compliance Committee to meet.

The Disclosure and Compliance Committee shall establish procedures to ensure that it is kept fully apprised of all pending developments from the Company’s business units, geographical regions and functional areas that are material or that are considered potentially material in order to evaluate and discuss those transactions or events and to determine the appropriateness of and timing for public release of information. If it is deemed that the information is material but should remain confidential, the Disclosure and Compliance Committee shall determine how that inside information will be controlled until the information is publicly released. The Disclosure and Compliance Committee shall identify employees and third parties who have had or will have access to such information and shall issue directives to such individuals, who have become insiders with respect to that particular transaction or event, to refrain from trading in the Company’s securities and to comply with the Company’s Insider Trading Policy.

In discharging its duties, the Disclosure and Compliance Committee shall have access to all books, records, facilities and personnel – including the opportunity to consult with the external auditor and the Audit Committee. When necessary, the Disclosure and Compliance Committee shall also have the ability to obtain advice of outside legal and financial advisors in order to fulfill its responsibilities.

## **PRINCIPLES OF DISCLOSURE OF MATERIAL INFORMATION**

For purposes of this Policy, “material information” means any information that, if disclosed, would significantly affect, or would reasonably be expected to have a significant effect on, the market price or value of any of the Company’s securities. That includes any such information related to the business, operations or capital of Optiva. Information may also be material if it would reasonably be expected to have a significant influence on an informed investor’s investment decisions. For examples of material information, reference should be made to Schedule A of the Company’s Insider Trading Policy.

In complying with the requirement to disclose forthwith all material information under applicable laws and stock exchange rules, the Company shall adhere to the following basic disclosure principles:

1. Once the Disclosure and Compliance Committee determines that a development or information is material information, such information must be disclosed immediately. The material information must be disclosed by issuing and filing a press release describing the change. The Company must also file a material change report as soon as practicable, and no later than 10 days after the changes occurs.
2. In certain circumstances, the Disclosure and Compliance Committee may determine that such disclosure would be unduly detrimental to the Company (for example if release of the information would prejudice negotiations in a corporate transaction), in which case the information will be kept confidential until the Disclosure and Compliance Committee determines it is appropriate to be publicly disclosed. In such circumstances, the Disclosure and Compliance Committee shall cause the appropriate confidential filings to be made with the applicable securities regulators, and shall periodically review its decision to keep the information confidential and advise the applicable securities regulators of the decision.
3. Disclosure shall include any information the omission of which would make the rest of the disclosure misleading.
4. Unfavourable material information shall be disclosed as promptly and completely as favourable information.
5. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an interview with an analyst or in a telephone conversation with an investor). Should a material statement inadvertently be made in a selective forum, the Company shall cause such information to be publicly disclosed as soon as possible after learning of the inadvertent disclosure and if possible the Company shall advise the recipients of that information that such information should be kept confidential until publicly disclosed.
6. Disclosure on the Company's website alone does not constitute adequate disclosure of material information. The website can be used to enhance the dissemination of information, by posting information contemporaneously with the issuance of news releases, regulatory filings of financial statements or other disclosure documents, and presentations by senior officers.
7. Disclosure must be corrected immediately if the Company subsequently learns that earlier disclosure by the Company contained a material error or a misrepresentation at the time it was given.

## **MAINTAINING CONFIDENTIALITY**

Any director, officer, employee or contractor privy to confidential information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business, and from trading on such material information. Efforts shall be made to limit access to such confidential information to only those who need to know the information and to advise such persons that the information is to be kept confidential.

Outside parties privy to undisclosed material information concerning the Company should be told that they must not divulge such information to anyone else, other than in the necessary course of business and that they may not trade in the Company's securities until the information is publicly disclosed. Such outside

parties should confirm their commitment to non-disclosure and prohibition on trading in the form of a written confidentiality and standstill agreement.

In order to prevent the misuse or inadvertent disclosure of material information, the procedures set forth below should be observed at all times:

1. Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who “need to know” that information in the necessary course of business and code names should be used if necessary.
2. Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
3. Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them and wherever possible should be shredded.
4. Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
5. Transmission of documents by electronic means, such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
6. Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
7. Access to confidential electronic data should be restricted through the use of passwords.

If, at any time or in any circumstance, confidential material information is inadvertently divulged in a way that results in selective disclosure to any member of the investment community, the Disclosure and Compliance Committee shall initiate a process to ensure full public disclosure and dissemination.

## **TRADING RESTRICTIONS AND BLACKOUT PERIODS**

It is illegal for anyone to purchase or sell securities of any public entity with knowledge of material information affecting that entity that has not been publicly disclosed. Except in the necessary course of business, it is also illegal for anyone to inform any other person of material non-public information. Therefore, directors, officers, employees and contractors with knowledge of confidential or undisclosed material information about the Company or counter-parties in negotiations of material potential transactions, are prohibited from trading securities (e.g. shares or debt instruments) in the Company or any such counter-party until the information has been fully disclosed and a reasonable period of time has passed for the information to be widely disseminated.

The Company establishes trading blackout periods which apply to those directors, officers, employees and contractors with access to material undisclosed information during periods when financial statements are being prepared but results have not yet been publicly disclosed. Blackout periods may also be prescribed from time to time by the Disclosure and Compliance Committee as a result of special circumstances relating to the Company, pursuant to which insiders of the Company would be precluded from trading in securities of the Company. For further details, reference should be made to the Company’s Insider Trading Policy.



## DESIGNATED SPOKESPERSONS

The Disclosure and Compliance Committee shall designate a limited number of spokespersons responsible for communication with the members of the investment community. The following are currently the official spokespersons for the Company:

- Chief Executive Officer
- Chief Financial Officer
- VP, Marketing

The Disclosure and Compliance Committee may, from time to time, designate in writing, others within the Company to speak on behalf of the Company as back-ups or to respond to specific inquiries.

Directors, officers, employees and contractors who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, unless specifically asked to do so by the Disclosure and Compliance Committee. All such inquiries should be referred to the Chief Financial Officer.

## NEWS RELEASES

Once the Disclosure and Compliance Committee determines that a development is material, it shall authorize the issuance of a news release, unless the Disclosure and Compliance Committee determines that such development must remain confidential for the time being, then appropriate confidential filings shall be made and control of that inside information is instituted.

Annual and interim financial results shall be publicly released following Board approval of the financial statements.

News releases shall be disseminated through an approved news wire service that provides simultaneous national and/or international distribution. Arrangements shall be made to ensure that news releases are transmitted to all stock exchange members, relevant regulatory bodies, major business wires, national financial media and the local media in areas where the Company has its headquarters and operations.

News releases shall be posted on the Company's website immediately after release over the news wire. The news release page of the website shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent news releases.

All financial press releases shall include a disclaimer regarding forward-looking information, which conforms with applicable securities laws and which sets out, (a) reasonable cautionary language clearly identifying the forward-looking information as such and any material factors that could cause actual results to differ materially from any conclusion, forecast or projections in the forward-looking information, (b) that actual results could differ materially from any conclusion, forecast or projection in the forward-looking information, and (c) a statement of the material facts or assumptions that were applied in drawing such conclusion or making such forecast or projection. The disclosure should also include a statement that disclaims the Company's intention or obligation to update or revise the forward-looking information, whether as a result of new information, future events or otherwise, subject to applicable laws.

## CONFERENCE CALLS

Conference calls will be held for quarterly earnings and major corporate developments, whereby discussion of key aspects is accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a webcast over the Internet. The call shall be preceded by

a news release containing all relevant material information and a meeting of the Disclosure and Compliance Committee to discuss the nature and extent of information to be provided during the conference call. Where practical, statements and responses to anticipated questions should be scripted in advance and reviewed by the Disclosure and Compliance Committee. At the beginning of the call, a Company spokesperson shall provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties.

The Company shall provide advance notice of the conference call and webcast by issuing a news release announcing the date and time and providing information on how interested parties may access the call and webcast. In addition, the Company may send invitations to analysts, institutional investors, the media and others to participate. Any non-material supplemental information provided to participants shall also be posted to the website for others to view. A tape recording of the conference call and/or an archived audio webcast on the Internet shall be made available following the call for a minimum of seven days, for anyone interested in listening to a replay.

All external financial presentations shall include a disclaimer regarding forward-looking information, which contains similar languages to the disclaimer used for financial news releases.

The Disclosure and Compliance Committee may hold a debriefing meeting after the conference call and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Company shall as soon as possible disclose such information broadly via news release.

The Company will hold analyst conference calls in an open manner, allowing any interested party to listen either by telephone and/or through a webcast. Company officials may meet before an analyst conference call, private analyst meeting or industry conference. Where practical, statements and responses to anticipated questions shall be scripted in advance and reviewed by the appropriate people. Detailed records and/or transcripts of any conference call, meeting or industry conference shall be kept and will be reviewed to determine whether any unintentional selective disclosure has occurred. If unintentional selective disclosure has occurred, the Company will take immediate steps to ensure a full public announcement is made, including contacting the Toronto Stock Exchange and asking that trading be halted pending the issuance of a news release.

## **RUMOURS**

The Company shall not comment, affirmatively or negatively, on rumours. This also applies to rumours on the Internet. The Company's spokespersons shall respond consistently to those rumours, saying, "It is our policy not to comment on market rumours or speculation." Should the stock exchange request that the Company make a definitive statement in response to a market rumour that is causing significant volatility in the Company's securities, the Disclosure and Compliance Committee shall consider the matter and decide whether to make a policy exception.

## **COMMUNICATION WITH THE INVESTMENT COMMUNITY**

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If the Company intends to announce material information at an analyst or shareholder meeting or a press conference or conference call, the announcement must be preceded by a news release.

The Company recognizes that meetings with analysts and significant investors are an important element of the Company's investor relations program. The Company will meet with analysts and investors on an



individual or small group basis as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Disclosure Policy.

The Company shall provide only non-material information through individual and group meetings, in addition to regular publicly disclosed information, recognizing that an analyst or investor may construct this information into a mosaic that could result in material information. The Company shall not alter the materiality of information by breaking down the information into smaller, non-material components.

The Company shall maintain a “frequently asked questions (FAQs)” section on its website and shall provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts and institutional investors.

All external financial presentations shall include a disclaimer regarding forward-looking information, which contains similar languages to the disclaimer used for financial news releases.

### **REVIEWING ANALYST DRAFT REPORTS AND MODELS**

It is the Company’s policy to review, upon request, analysts’ draft research reports or models. The Company will review the report or model for the purpose of pointing out errors in fact based on publicly disclosed information. It is the Company’s policy, when an analyst inquires with respect to his/her estimates, to question an analyst’s assumptions if the estimate is a significant outlier among the range of estimates and/or the Company’s published earnings guidance. The Company shall limit its comments in responding to such inquiries to non-material information. The Company shall not confirm, nor attempt to influence, an analyst’s opinions or conclusions and shall not express comfort with the analyst’s model and earnings estimates.

In order to avoid appearing to “endorse” an analyst’s report or model, the Company shall provide its comments orally or shall attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

### **DISTRIBUTING ANALYST REPORTS**

Analyst reports are proprietary products of the analyst’s firm. Re-circulating a report by an analyst may be viewed as an endorsement by the Company of the report. For these reasons, the Company shall not provide analyst reports through any means to persons outside of the Company or to employees of the Company, including posting such information on its website. The Company may post on its website a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Company. If provided, such list shall not include links to the analysts’ or any other third party websites or publications.

### **FORWARD-LOOKING INFORMATION**

Should the Company elect to disclose forward-looking information in continuous disclosure documents, speeches, conference calls, etc. the following guidelines will be observed:

1. The information, if deemed material, shall be broadly disseminated via news release, in accordance with this Policy.
2. The information shall be clearly identified as forward-looking.



3. The Company shall identify all material assumptions used in the preparation of the forward-looking information.
4. The information shall be accompanied by the appropriate disclaimer.
5. Notwithstanding this disclaimer, should subsequent events prove past statements about current trends to be materially off target, the Company may choose to issue a news release explaining the reasons for the difference. In this case, the Company will update its guidance on the anticipated impact on revenue and earnings (or other key metrics).

## **EARNINGS GUIDANCE AND MANAGING EXPECTATIONS**

Any earnings guidance, which is to be provided entirely at the Company's discretion, shall be broadly disseminated via news release. Spokespersons may elaborate on this information in conference calls with analysts which are accessible to the investment community. Any other guidance shall only be based on information which the Company has previously publicly disseminated. To the extent possible, The Board of Directors or the Audit Committee of the Company should approve financial guidance proposed to be publicly announced by the Company.

The Company will try to ensure, through its regular public dissemination of quantitative and qualitative information that analysts' assumptions are in line with the Company's own expectations. The Company shall not confirm, nor attempt to influence, an analyst's opinions or conclusions and shall not express comfort with analysts' models and earnings estimates.

If the Company has determined that it will be reporting results materially below or above publicly held expectations, it shall disclose this information in a news release in order to enable discussion without risk of selective disclosure.

## **QUIET PERIOD**

In order to avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, the Company shall observe a quarterly "quiet period" prior to normal quarterly earnings announcements, which means that the Company will avoid commenting during a period when final earnings information may be known in order to reduce the risk of insider trading.

## **DISCLOSURE RECORD**

The Company shall maintain a five year file containing all public information about the Company, including continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls, debriefing notes, notes from meetings and telephone conversations with analysts and investors, and newspaper articles. The Disclosure and Compliance Committee shall maintain a five year file of the minutes of its meetings and deliberations, the results of its annual evaluations of this Policy and the Disclosure Controls & Procedures and all of the reports or directives issued by the Disclosure and Compliance Committee over the course of the year.

## **RESPONSIBILITY FOR ELECTRONIC COMMUNICATIONS**

This Policy also applies to electronic communications. Accordingly, officers and personnel responsible for written and oral public disclosures shall also be responsible for electronic communications.



The Chief Financial Officer should monitor the updating of the investor relations section of the Company's website and is responsible for monitoring all Company information placed on the website to ensure that it is accurate, complete, up-to-date and in compliance with relevant securities laws. All timely disclosure and material information documents shall be posted on the Company's website as soon as possible after release by the news wire service or filing with the securities regulators.

The Disclosure and Compliance Committee may approve the links from the Company website to a third party website, but the Company's website shall include appropriate terms of use and a disclaimer that, amongst other things, advises the reader that the Company is not responsible for the contents of the other site.

Investor relations material shall be contained within a separate section of the Company's website and shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures. All data posted to the website, including text and audiovisual material, shall show the date such material was issued. Any material changes in information must be updated immediately. The Chief Financial Officer shall maintain a log indicating the date that material information is posted and/or removed from the investor relations section of the Company's website. The minimum retention period for material corporate information on the website shall be two years.

Disclosure on the Company's website alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosure of material information on the Company's website shall be preceded by the issuance of a news release.

The Chief Financial Officer shall also be responsible for responses to electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this Policy shall be utilized in responding to electronic inquiries.

In order to ensure that no material undisclosed information is inadvertently disclosed, all employees are prohibited from participating in Internet chat rooms, newsgroups, social or other media discussions, in electronic format or otherwise, on matters pertaining to the Company's activities or its securities. Employees who encounter a discussion pertaining to the Company should advise the Chief Financial Officer immediately.

## **COMMUNICATION AND ENFORCEMENT**

This Policy extends to all employees of the Company and other individuals who are engaged in providing professional and business services to the Company (the "**contractors**"), its Board of Directors and those authorized to speak on its behalf. New directors, officers, employees and contractors shall be provided with a copy of this Policy and shall be educated about its importance. This Policy shall be circulated to all employees on an annual basis and whenever changes are made. A copy of this Policy shall also be posted on the Company's website.

Any employee who violates this Policy may face disciplinary action up to and including termination of his or her employment with the Company without notice. The violation of this Policy may also violate certain securities laws. If it appears that an employee may have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

Any questions or concerns with respect to this Policy should be referred to the Chief Financial Officer or to any member of the Disclosure and Compliance Committee.



This policy shall be reviewed on an annual basis. Any amendments to the policy shall be recommended by the Nomination and Governance Committee in conjunction with the Audit Committee to the Board of Directors for approval.

This Policy is intended as a component of the flexible governance framework within which the board of directors, assisted by its committees, directs the affairs of the Company. 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 articles and by-laws, it is not intended to establish any legally binding obligations.



## **SCHEDULE I**

The Disclosure and Compliance Committee includes the following members:

- Chief Financial Officer (Chair)
- Chief Executive Officer
- Chief Operating Officer
- VP, Marketing
- VP, Corporate Finance
- Legal Counsel
- Manager, Corporate Affairs