



Optiva Inc.

**NOTICE OF
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON AUGUST 18, 2020**

AND

MANAGEMENT INFORMATION CIRCULAR

July 22, 2020

TABLE OF CONTENTS

	Page
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS	1
MANAGEMENT INFORMATION CIRCULAR	1
FOREIGN CURRENCY	1
STOCK CONSOLIDATION.....	1
General Proxy Information	1
APPOINTMENT OF PROXIES	2
Registered Shareholders	2
Non-Registered Shareholders.....	2
REVOCAION OF PROXIES.....	3
VOTING OF PROXIES	3
VOTING OF SUBORDINATE VOTING SHARES	3
Voting Subordinate Voting Shares.....	3
Record Date.....	3
Principal Shareholders.....	4
INTEREST IN MATTERS TO BE ACTED UPON	4
MATTERS TO BE ACTED UPON AT MEETING.....	4
Financial Statements – Fiscal 2019	4
Election of Directors	4
Cease Trade Order, Bankruptcies or Insolvency Proceedings.....	7
Appointment of Auditors.....	8
Advance Notice By-Law	9
Approval of the Shareholder Rights Plan	9
Approval of Unallocated Stock Options.....	16
Other Matters.....	16
STATEMENT OF EXECUTIVE COMPENSATION	16
Compensation Discussion and Analysis.....	17
Elements of Executive Compensation.....	19
Performance Graph	20
Summary Compensation Table	21
Outstanding Share-based Awards and Option-based Awards	22
Incentive Plan Awards - Value Vested or Earned During the Year	22
Employment Contracts for Named Executive Officers	23
DIRECTOR COMPENSATION	24
Elements of Director Compensation	24
Equity-Based Compensation for Directors.....	24

TABLE OF CONTENTS
(continued)

	Page
Director Compensation Table for Fiscal Period Ended December 31, 2019.....	25
Outstanding Share-Based Awards and Option-Based Awards for Directors as at December 31, 2019	25
Incentive Plan Awards - Value Vested or Earned During the Year	26
EQUITY COMPENSATION PLAN INFORMATION	26
Stock Option Plan.....	27
Share Unit Plan.....	29
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	31
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE	32
STATEMENT OF CORPORATE GOVERNANCE PRACTICES	32
Corporate Governance.....	32
Ethical Business Practices.....	36
Whistle Blower Policy.....	37
Board Committees.....	37
FEEDBACK	41
AUDIT COMMITTEE INFORMATION	41
INTEREST IN MATERIAL TRANSACTIONS	41
AVAILABLE INFORMATION	42
SHAREHOLDER PROPOSALS	42
DIRECTORS' APPROVAL	42
SCHEDULE I RESOLUTION TO ADOPT BY-LAW No. 2	I-1
SCHEDULE II BY-LAW No. 2	II-1
SCHEDULE III RIGHTS PLAN RESOLUTION	III-1
SCHEDULE IV RESOLUTION TO APPROVE UNALLOCATED OPTIONS	IV-1
SCHEDULE V CHARTER FOR THE BOARD OF DIRECTORS	V-1

OPTIVA INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Annual and Special Meeting (the "**Meeting**") of holders (the "**Shareholders**") of Subordinate Voting Shares of Optiva Inc. ("**Optiva**" or the "**Corporation**") will be held on August 18, 2020 at 3400 One First Canadian Place, Toronto, Ontario, Canada commencing at 10:00 a.m. (Eastern time) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the fifteen-month period ended December 31, 2019, together with the auditors' report thereon;
2. to consider and if thought advisable, to pass an ordinary resolution fixing the size of the board of directors of the Corporation (the "**Board**") at eight (8) directors;
3. to elect the directors of the Corporation to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed;
4. to re-appoint KPMG LLP as auditors of the Corporation and to authorize the directors to fix the remuneration of the auditors;
5. to confirm the adoption of By-Law No. 2, relating to advance notice requirements for director elections;
6. to adopt a resolution ratifying the shareholder rights plan adopted by the Corporation, as further described in the management information circular accompanying this notice;
7. to approve all unallocated stock options under the Corporation's stock option plan as further described in the management information circular accompanying this notice; and
8. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

This notice is accompanied by a form of proxy ("**Proxy**") or voting instruction form ("**VIF**") and the Circular. The specific details of the foregoing matters to be put before the Meeting are set forth in the management information circular accompanying this notice (the "**Circular**"). The Board has fixed the close of business on July 9, 2020 as the record date for the determination of the Shareholders entitled to notice of, and to vote at, the Meeting, and any adjournment thereof.

Registered Shareholders who are unable to attend the Meeting in person may complete, date and sign the enclosed Proxy and send it in the enclosed envelope or otherwise to the attention of the Proxy Department of Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada, M5J 2Y1. To be effective, all Proxies must be received no later than 10:00 a.m. (Eastern time) on August 14, 2020. Instead of mailing your Proxy, you may choose to vote using the telephone or the Internet. To vote using the telephone, call (866) 732- 8683. To vote using the Internet log on to www.investorvote.com. If you vote by telephone or the internet, do not mail back your Proxy. Voting by mail or by Internet are the only methods by which a holder may appoint a person as proxyholder other than the management nominees named on the reverse of your Proxy. The Chair of the Meeting may waive or extend the proxy cut-off time at his discretion without notice.

Non-registered Shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a VIF.

If you have any questions or need assistance completing your Proxy, please contact Optiva's proxy solicitation agent, Gryphon Advisors Inc. at 1-833-461-3651 (for Shareholders in Canada and the United States) and 1-416-661-6592 (collect call for Shareholders outside of North America) or by e-mail at inquiries@gryphonadvisors.ca.

DATED at Toronto, as of the 22nd day of July, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

"Robert Stabile"

Robert Stabile
Chair of the Board

OPTIVA INC.

MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular (the "**Circular**") is furnished in connection with the solicitation of proxies by and on behalf of management of Optiva Inc. ("**Optiva**" or the "**Corporation**") for use at the Annual and Special Meeting (the "**Meeting**") of holders (the "**Shareholders**") of subordinate voting shares of Optiva (the "**Subordinate Voting Shares**") to be held on August 18, 2020, at 3400 One First Canadian Place, Toronto, Ontario, Canada commencing at 10:00 a.m. (Eastern Time), or at any postponement or adjournment thereof. The Meeting has been called for the purposes set forth in the Notice of Annual and Special Meeting (the "**Notice of Meeting**") that accompanies this Circular.

It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Corporation without special compensation, or by the Corporation's transfer agent, Computershare Investor Services Inc., at nominal cost. In addition, the Corporation has retained the services of Gryphon Advisors Inc. ("**Gryphon**") as proxy solicitation agent and to provide certain other services to the Corporation. Gryphon may contact you by telephone or email to solicit proxies for the Corporation. Gryphon's fees will be up to CDN\$150,000, in addition to certain out-of-pocket expenses. The cost of soliciting will be borne by the Corporation. The Corporation is not sending proxy-related materials to registered or beneficial owners of the Subordinate Voting Shares using the notice-and-access provisions set out in *National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**").

Unless indicated otherwise, the information contained herein is given as of July 22, 2020.

FOREIGN CURRENCY

In this Circular, unless otherwise specified or the context otherwise requires, all references to \$ and US\$ are to US dollars and all references to "CDN\$" are to Canadian dollars. For the fifteen-month period ended December 31, 2019 ("**Fiscal 2019**"), all currency amounts, except where otherwise indicated, have been converted into US dollars at end-of-day foreign exchange rate on December 31, 2019, the last business day of Fiscal 2019. At that date, the exchange rate, as reported by the Bank of Canada, was CDN\$1.00 = US\$0.7699.

STOCK CONSOLIDATION

On April 6, 2018, the Subordinate Voting Shares of the Corporation were consolidated on a 50:1 basis. All Subordinate Voting Share numbers provided for in the Circular are shown on a post-consolidation basis. Where Subordinate Voting Share numbers are shown for a period prior to April 6, 2018, those numbers have been expressed on a post-consolidation basis.

GENERAL PROXY INFORMATION

This Circular provides the information you need to vote at the Meeting.

- If you are a registered holder of our Subordinate Voting Shares, a form of proxy ("**Proxy**") is enclosed that you can use to vote at the Meeting or you may attend the Meeting in person.
- If you are a non-registered holder and your Subordinate Voting Shares are held by an intermediary (such as a broker or financial institution), you may receive a voting instruction form ("**VIF**") and should follow the instructions with such form.

If you have any questions or need assistance completing your Proxy or VIF, please contact Gryphon at 1-833-461-3651 (for Shareholders in Canada and the United States) or at 1-416-661-6592 (collect call for Shareholders outside North America) or by e-mail at inquiries@gryphonadvisors.ca.

APPOINTMENT OF PROXIES

THE PERSONS SPECIFIED IN THE ENCLOSED PROXY ARE AUTHORIZED REPRESENTATIVES OF THE CORPORATION. EACH SHAREHOLDER HAS THE RIGHT TO APPOINT AS PROXYHOLDER A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION) TO ATTEND, ACT AND VOTE FOR SUCH SHAREHOLDER AT THE MEETING OTHER THAN THOSE NAMED IN THE ENCLOSED PROXY.

A person or company whose name appears on the books and records of the Corporation as a holder of Subordinate Voting Shares is a registered shareholder ("**Registered Shareholder**"). A non-registered shareholder ("**Non-registered Shareholder**") is a beneficial owner of Subordinate Voting Shares whose Subordinate Voting Shares are registered in the name of an intermediary (such as a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates).

Registered Shareholders

A Registered Shareholder can vote Subordinate Voting Shares owned by it at the Meeting in one of two ways: (i) in person at the Meeting; or, (ii) by proxy. A Registered Shareholder who wishes to vote in person at the Meeting should not complete or return the Proxy included with this Circular. A Registered Shareholder desiring to appoint some person other than those named in the enclosed Proxy to represent such Registered Shareholder at the Meeting may do so either by inserting such person's name in the blank space provided in the enclosed Proxy and striking out the names of the two specified persons or by completing another proper Proxy and, in either case, delivering the completed proxy to the Corporation, c/o Computershare Investor Services Inc., the Corporation's Registrar and Transfer Agent, at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, by no later than 10:00 a.m. (Eastern time) on August 14, 2020, or, in the case of any adjournment of the Meeting, by no later than 10:00 a.m. (Eastern time) on the second business day immediately preceding any adjournment thereof. Alternatively, you may choose to vote using the telephone or the Internet by following the instructions on your Proxy. Voting by mail or by Internet are the only methods by which a holder may appoint a person as proxyholder other than the management nominees named on the reverse of the Proxy.

Non-Registered Shareholders

Non-registered Shareholders who receive these materials through their broker or other intermediary should complete and send the Proxy in accordance with the instructions provided by their broker or other intermediary. To be effective, Computershare Investor Services Inc. must receive the Proxy no later than August 14, 2020 at 10:00 a.m. (Eastern time), or in the case of any adjournment of the Meeting, on the second business day immediately preceding any adjournment thereof.

Non-registered Shareholders who have not objected to their intermediary disclosing certain information about them to the Corporation are referred to as "NOBOs" (non-objecting beneficial owners), whereas Non-registered Shareholders who have objected to their intermediary disclosing ownership information about them to the Corporation are referred to as "OBOs" (objecting beneficial owners). In accordance with NI 54-101, the Corporation has elected to send the Notice of Meeting, this Circular and the Proxy or VIF (collectively, the "**Meeting Materials**") indirectly through intermediaries to the NOBOs and OBOs.

Unless you have waived your right to receive the Meeting Materials, intermediaries are required to deliver them to you as a Non-registered Shareholder of the Corporation and to seek your instructions on how to vote your Subordinate Voting Shares. Typically, a Non-registered Shareholder will be given a voting instruction form which must be completed and signed by the Non-registered Shareholder in accordance with the instructions on the form. The purpose of these procedures is to allow Non-registered Shareholders to direct the voting of those Subordinate Voting Shares that they own but which are not registered in their own name.

Please note that the Corporation has limited access to the names of its Non-registered Shareholders. If you attend the Meeting in person, the Corporation may have no record of your shareholdings or of your entitlement to vote unless your intermediary has appointed you as proxy holder. If you are a Non-registered Shareholder and wish to attend and

vote in person at the Meeting, you must insert your own name in the space provided for the appointment of proxy holder on the voting instruction form and carefully follow the instructions for return of the executed form. Do not otherwise complete the form as your vote will be taken at the Meeting. See "*How do I attend and participate in the Meeting?*" above.

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the Non-registered Shareholder with respect to the voting of Subordinate Voting Shares will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Subordinate Voting Shares represented by intermediary "non-votes" will, however, be counted in determining whether there is a quorum.

REVOCATION OF PROXIES

A Shareholder who has given a Proxy may revoke it by depositing an instrument in writing signed by the Shareholder or by the Shareholder's attorney, who is authorized in writing, at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof. A Shareholder may also revoke a Proxy in any other manner permitted by law.

VOTING OF PROXIES

On any ballot that may be called for, the Subordinate Voting Shares represented by a properly executed Proxy given in favour of the person(s) designated by management of the Corporation in the enclosed Proxy will be voted or withheld from voting in accordance with the instructions given on the Proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Subordinate Voting Shares will be voted accordingly.

The enclosed Proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendment or other matter to come before the Meeting. However, if any amendments to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Subordinate Voting Shares represented by properly executed proxies given in favour of the person(s) designated by management of the Corporation in the enclosed Proxy will be voted on such matters pursuant to such discretionary authority.

If you have any questions or need assistance completing your Proxy, please contact Optiva's proxy solicitation agent, Gryphon at 1-833-461-3651 (for Shareholders in Canada and the United States) and 1-416-661-6592 (collect call for Shareholders outside of North America) or by e-mail at inquiries@gryphonadvisors.ca.

VOTING OF SUBORDINATE VOTING SHARES

Voting Subordinate Voting Shares

As at the date of this Circular, the issued and outstanding capital of the Corporation consists of 5,316,057 Subordinate Voting Shares, each carrying the right to one vote per Subordinate Voting Share at all meetings of Shareholders. A simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

Record Date

The record date for the purpose of determining the Shareholders entitled to receive notice of and vote at the Meeting has been fixed as July 9, 2020.

Principal Shareholders

To the knowledge of the directors and executive officers of the Corporation, as at the date of this Circular no person beneficially owns, directly or indirectly, or controls or directs voting securities carrying 10% or more of the voting rights attached to the outstanding Subordinate Voting Shares of the Corporation, other than the following:

1. ESW Capital, LLC ("**ESW**") which disclosed in an Early Warning Report that, as of June 29, 2020, it (together with its joint actors) exercised control or direction over 1,476,851 Subordinate Voting Shares representing approximately 27.78% of the outstanding Subordinate Voting Shares;
2. Maple Rock Capital Partners Inc. ("**Maple Rock**") which disclosed in an Early Warning Report that, as of July 20, 2020, it exercised control or direction over 1,188,091 Subordinate Voting Shares representing approximately 22.35% of the outstanding Subordinate Voting Shares; and
3. EdgePoint Investment Group Inc. ("**EdgePoint**") which disclosed in an Early Warning Report that, as of July 21, 2020, it exercised control or direction over 963,654 Subordinate Voting Shares representing approximately 18.13% of the outstanding Subordinate Voting Shares.

INTEREST IN MATTERS TO BE ACTED UPON

The Corporation is not aware of any material interest of any director or nominee director, or executive officer or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting, other than the election of directors.

MATTERS TO BE ACTED UPON AT MEETING

Financial Statements – Fiscal 2019

On December 18, 2018, the Corporation announced that it had changed its fiscal year end from September 30 to December 31 to better align the Corporation's year-end reporting cycle with its business operations. As a result, the Corporation's transition to a December 31 year-end in Fiscal 2019 includes five fiscal quarters. A copy of the Corporation's consolidated financial statements for the fiscal period ended December 31, 2019 and the auditor's report thereon was mailed to all Registered Shareholders and intermediaries.

Election of Directors

There are currently seven (7) directors on the Board. The number of directors to be elected at the Meeting is eight (8). Under the by-laws of the Corporation, directors of the Corporation are elected annually. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed in accordance with the by-laws. The Board proposes to elect each of Robert Stabile, Andrew Day, Lee Matheson, Paul Yancich, Dan Goldsmith, Ryan Morris, Anuroop Duggal and Demetrios Anaipakos (the "**Board Nominees**"). Pursuant to the Corporation's Advance Notice By-Law (as defined below), the deadline by which Shareholders must have submitted director nominations was July 19, 2020. No such director nominations were received by the Corporation.

The Corporation entered into director nomination agreements dated July 20, 2020 (the "**Nomination Agreements**") with EdgePoint Investment Group Inc. ("**EdgePoint**") and Maple Rock Capital Partners ("**Maple Rock**"), pursuant to which each of EdgePoint and Maple Rock have a right to nominate one director so long as it exercises control or direction over at least 7.5% of the issued and outstanding Subordinate Voting Shares and two directors so long as it exercises control or direction over at least 12.5% of the issued and outstanding Subordinate Voting Shares. EdgePoint's nominees for election to the Board are Lee Matheson and Paul Yancich. Maple Rock's nominees for election to the Board are Andrew Day and Dan Goldsmith.

Pursuant to a subscription agreement dated as of December 18, 2016 between the Corporation, ESW and Wave Systems Corp. (an affiliate of ESW), and subject to certain conditions being met, ESW is required to either vote (or

cause to be voted) for or abstain (or cause to abstain) from voting and not cast all of its Subordinate Voting Shares in respect of, the eight nominees proposed by the Corporation for election at the Meeting.

In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed Proxy or VIF intend to vote FOR the election as directors of the Board Nominees whose names are set forth below.

Shareholders will vote for the election of each individual Board Nominee separately. The Corporation has adopted a majority voting policy for the election of directors whereby any nominee director (in an uncontested election) who is not elected by at least a majority (50% +1 vote), of the votes cast with respect to his or her election in person or by proxy, will be considered by the Board to have not received the support of the Shareholders and is expected to immediately tender his or her resignation to the Board, to take effect upon acceptance by the Board. A director nominee who tenders a resignation pursuant to this policy will not participate in any meeting of the Board or any sub-committee of the Board at which the resignation is considered. The Board will, within 90 days of receiving the final voting results, determine whether to accept, delay or reject such director's offer to resign, and will promptly issue a press release with the Board's decision. If the Board determines not to accept the resignation, the press release will fully state the reasons for the decision. See "*Statement of Corporate Governance Practices – Majority Voting Policy*".

All of the proposed Board Nominees to be elected at the Meeting have served since the dates set forth in the table below. Management does not contemplate that any of the Board Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Subordinate Voting Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the person(s) designated by management of the Corporation in the enclosed Proxy, in their discretion, in favour of another nominee.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Subordinate Voting Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates as at July 22, 2020. The information as to Subordinate Voting Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees.

Nominee Name and Place of Residence	Principal Occupation	Became Director	Subordinate Voting Shares	Options	DSUs
<i>Proposed Nominees for Election at the Meeting</i>					
Robert Stabile ⁽¹⁾⁽²⁾ Toronto, Ontario, Canada	Chief Financial Officer, Beanfield Metroconnect	October 16, 2017	--	--	6,201
Andrew Day ⁽¹⁾⁽³⁾ Oakville, Ontario, Canada	President, ADAY Management Services Inc.	July 20, 2020 ⁽⁵⁾	--	--	--
Lee Matheson ⁽³⁾⁽⁴⁾ Toronto, Ontario, Canada	Partner, Edgepoint Investment Group Inc.	July 20, 2020 ⁽⁵⁾	--	--	--
Paul Yancich ⁽⁴⁾ Toronto, Ontario, Canada	Vice President, TorQuest Partners	July 20, 2020 ⁽⁵⁾	--	--	--
Dan Goldsmith Philadelphia, Pennsylvania, USA	Partner, GoldsmithLink Advisors	--	--	--	--
Ryan Morris San Francisco, California, USA	Chairman & CEO, Turntide Technologies, Inc.	--	--	--	--
Anuroop Duggal Toronto, Ontario, Canada	Adjunct Professor, Columbia Business School	--	--	--	--

Demetrios Anaipakos ⁽¹⁾⁽³⁾ Houston, Texas, USA	Partner, Ahmad, Zavitsanos, Anaipakos, Alavi & Mensing P.C.	January 25, 2017	--	--	11,103
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- (1) Member of the Audit Committee.
- (2) Mr. Stabile is the Chair of the Board.
- (3) Member of the Nomination and Governance Committee.
- (4) Member of the Compensation Committee.
- (5) Effective date of appointment pursuant to terms of the Nomination Agreements.

Proposed Nominees for Election at the Meeting

ROBERT STABILE

Mr. Stabile brings 15 years of equity capital markets experience and is currently Chief Financial Officer of Beanfield Metroconnect, a privately-owned telecommunications company. From 2011 to 2015, Robert served as a Portfolio Manager at a private-client asset management firm, LDIC Inc. From 2005 to 2011, Robert was an Institutional Equity Salesperson and Partner at Paradigm Capital. He began his capital markets career at CIBC World Markets from 2001 to 2005 in Equity Research. Robert is an Honours Business graduate from Wilfrid Laurier University in Waterloo, Ontario, and a Chartered Financial Analyst charter holder since 2001. Mr. Stabile previously served as a director of Newgioco Group Inc., a reporting issuer on the Over-The-Counter Markets Group Inc. Mr. Stabile currently serves as the Chair of the Board and as Chair of the Audit Committee.

ANDREW DAY

Andrew Day has held several senior leadership positions in sales and general management for technology companies and most recently was the Chief Operating Officer & EVP of Internap Corporation. He has over 25 years of management experience in telecommunications, technology innovation, sales, and marketing leadership. He has served as Senior Vice President, Consumer Channels at Rogers Communications, where he led all consumer product sales across all sales channels. He has also served as CEO of Primus Telecommunications Group Inc. and Primus Canada, where he was responsible for the company's direction and results. Before joining Primus, he held various roles of increasing responsibility in general management, sales, product management, and finance at AT&T, Gillette, and Xerox. Mr. Day holds an Honours B. Comm. from McMaster University, is a Chartered Public Accountant (CPA) and is also a Chartered Director (C. Dir.).

LEE MATHESON

Lee Matheson is a partner at Edgepoint Investment Group. Previously, Mr. Matheson was a co-founder of Broadview Capital Management and portfolio manager of the Broadview Dark Horse LP, a long/short fund focused on Canadian small cap securities. Mr. Matheson has extensive public company experience having served on the boards of RDM Corporation, AlarmForce Industries Inc., WesternOne Inc., Medworxx Solutions Inc., and Strad Inc. Mr. Matheson is currently a director of Echelon Financial Holdings Inc., exactEarth Ltd., and Old PSG Wind-Down Ltd. Additionally, Mr. Matheson serves as co-chair of Canadian Art Foundation.

PAUL YANCICH

Paul Yancich brings deep investing and operating expertise in the software industry to the Optiva board. Prior to his current role on the investment team at TorQuest Partners, a leading middle-market private equity firm based in Toronto, he worked at Constellation Software (CSI), a publicly traded investment & operating company. At CSI, Mr. Yancich worked for the Founder/CEO, oversaw capital deployment globally for one of CSI's six operating groups, and led a sizeable portfolio of businesses. Previously, Mr. Yancich worked for Arsenal Growth, a growth-stage private equity firm focused on enterprise software, amongst other sectors. Mr. Yancich graduated with a BA from Princeton University.

DAN GOLDSMITH

Dan Goldsmith is an accomplished executive with a strong track record of building businesses from startup to scale. With more than 20 years of experience in software and management consulting, Mr. Goldsmith has developed deep expertise in SaaS, market growth strategies, global expansion, and verticalization with a focus on Life Sciences and Education industries. Mr. Goldsmith most recently served as the CEO of Instructure, leading the company to a successful \$2B exit from public to private and increasing shareholder value by 50% over a two-year period. During his tenure, Instructure delivered strong sales growth and over \$200M in ARR, released new products, executed two acquisitions, and reached cash flow positive for the first time in the company's history. Prior to Instructure, Mr. Goldsmith was a c-level executive at Veeva Systems. During his 8+ years at Veeva, he most recently served as the Chief Strategy Officer developing Veeva's multi-year growth plan and launching products. While at Veeva, the company grew to over 700M in ARR, went through a successful IPO, and achieved a \$25B market cap with sustained 20%+ annual growth and profitability. Before Veeva, Mr. Goldsmith had a full career in management consulting working for Accenture, PriceWaterhouseCoopers, and IBM.

RYAN MORRIS

Ryan Morris is an entrepreneur and investor and has served as Chairman & CEO of Turntide Technologies, Inc. (formerly Software Motor Company) since October 2017. Mr. Morris founded Meson Capital Partners LLC, an investment firm in February 2009. Mr. Morris has served as Chairman of 3 publicly traded companies including most recently Sevcon, Inc. which was a world leader in power electronics for high performance electric vehicles. Sevcon was sold to BorgWarner in September 2017. In July 2008, after finishing his B.S. and M.Eng. from Cornell University in Operations Research & Information Engineering, Mr. Morris was Co-Founder and CEO of VideoNote LLC, a software company dedicated to capturing and indexing the videos of college lectures.

ANUROOP DUGGAL

Anuroop Duggal was a partner at 3G Capital, a global multi-billion dollar asset manager, where he helped launch, manage, and grow a public markets focused equity and credit fund. Prior to that, he was an investor with Goldman Sachs Investment Partners, which was the Asset Management division's flagship hedge fund. Mr. Duggal is an Adjunct Professor for the MBA program at Columbia Business School, where he teaches value-investing courses with key topics including capital allocation, business model analysis, valuation, and management analysis. He graduated from the University of Western Ontario with an Honors Business Administration degree (Richard Ivey School of Business, gold medalist) and an Electrical Engineering degree.

DEMETRIOS ANAIPAKOS

Demetrios Anaipakos has been a director of Optiva since 2017 and has served on the Audit Committee, on the Nomination and Governance Committee, and as the Chair of a special committee of the Board. He has over 25 years of legal experience with a focus in software, technology, and intellectual property, including in international jurisdictions throughout Europe and Asia. He is a graduate of Stanford University and of Stanford Law School. He is Board Certified in Civil Trial Law by the Texas Board of Legal Specialization and has received numerous professional accolades. Mr. Anaipakos has regularly been recognized in "best lawyer" rankings, including Super Lawyers, Chambers USA, Best Lawyers in America, IAM, and numerous similar honors. Mr. Anaipakos has also worked extensively in Canada, including leading the licensing of a Canadian-invented patent portfolio for over \$250 million.

Cease Trade Order, Bankruptcies or Insolvency Proceedings

Other than described below, to the best of the knowledge of the directors or officers of the Corporation, after having made due inquiry, except as identified below, none of the Board Nominees:

- (a) is, as of the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that: (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case for a period of more than

30 consecutive days (each an "order") that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

- (b) is, as of the date of this Circular, or has been, within 10 years before the date of this Circular, 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;
- (c) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder; and
- (d) no personal holding company of any of the persons proposed to be nominated for election as a director at the Meeting is or has been, as applicable, subject to the foregoing during the applicable time periods.

Andrew Day, a director of the Corporation, was executive vice president at Internap Corporation ("**Internap**"), which filed Chapter 11 proceedings in U.S. Bankruptcy Court in White Plains, N.Y. on March 16, 2020. Internap emerged from its bankruptcy proceedings on May 11, 2020.

Appointment of Auditors

The current auditors of the Corporation are KPMG LLP. At the Meeting, the holders of Subordinate Voting Shares will be requested to appoint KPMG LLP as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix the auditors' remuneration.

The following table sets out the approximate fees the Corporation incurred in using the services of KPMG LLP for the year ended September 30, 2018 and the fifteen-month period ended December 31, 2019, respectively.

Category	Fiscal Period Ended	
	September 30, 2018 (\$)	December 31, 2019 (\$)
Audit Fees	940,308	993,353
Audit-related Fees	-	-
Tax Fees	396,335	1,082,589
All Other Fees	-	72,222
Total	1,336,643	2,148,164

In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed Proxy intend to vote FOR the appointment of KPMG LLP as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and the authorization of the Board to fix the remuneration of the auditors.

A simple plurality of the votes cast at the Meeting must be voted "for" the appointment of KPMG as auditors and the authorization of the Board to fix their remuneration in order for KPMG to be re-appointed and for the Board to have authority to fix their remuneration.

Advance Notice By-Law

Effective February 12, 2020, the Board adopted By-Law No. 2 of the Corporation (the "**Advance Notice By-Law**"), relating to the advance notice requirements for director elections. A copy of the Advance Notice By-Law can be found under Optiva's issuer profile on SEDAR at www.sedar.com and attached as Schedule II to this Circular. The Advance Notice By-Law which sets out, among other things, the framework by which Shareholders must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders at which directors are to be elected, in each case in accordance with the *Canada Business Corporations Act*.

In particular, the Advance Notice By-Law establishes the deadline by which Shareholders must submit director nominations and sets forth the information that a Shareholder must include in such notice for a valid nomination to occur. The Advance Notice By-Law is consistent with the advance notice by-laws adopted by numerous other Canadian public companies. The purpose of the Advance Notice By-Law is to provide Shareholders, directors, and management of the Corporation with guidance on the nomination of directors. Specifically, the Advance Notice By-Law is intended to: (i) facilitate an orderly and efficient annual or, where the need arises, special meeting process, (ii) ensure that all Shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of director nominations and sufficient information with respect to all director nominees; and (iii) allow Shareholders to cast an informed vote with respect to the election of directors.

In the case of an annual meeting of Shareholders, notice to Optiva must be given not later than the close of business on the 30th day prior to the date of the annual meeting. In the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the meeting was made by the Corporation, notice may be given not later than the close of business on the 10th day following the date of such public announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting) called for the purpose of electing directors, notice to the Corporation must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made by the Corporation.

In order for the Advance Notice By-Law to remain in effect following the termination of the Meeting, the Shareholders will be asked to consider, and if deemed advisable, to pass, with or without amendment, an ordinary resolution, in the form set out in Schedule I to this Circular, confirming the adoption of the Advance Notice By-Law (the "**Advance Notice By-Law Resolution**"). A copy of the Advance Notice By-Law is attached as Schedule II to this Circular.

The Board recommends that the Shareholders vote in favour of the Advance Notice By-Law Resolution. In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed Proxy intend to vote FOR approval of the Advance Notice By-Law Resolution.

Approval of the Shareholder Rights Plan

The Corporation has adopted a shareholder rights plan (the "**Rights Plan**") effective as of July 27, 2020. The Rights Plan is subject to acceptance by the Toronto Stock Exchange (the "**TSX**") and is subject to ratification by Shareholders. At the Meeting, you will be asked to consider and, if deemed advisable, pass a resolution, ratifying and approving the Rights Plan. The Rights Plan must be approved by a resolution of: (i) a simple majority of 50% plus one vote of the votes cast by Shareholders at the Meeting or by proxy; and (ii) a simple majority of 50% plus one vote of the votes cast by the Independent Shareholders (as defined in the Rights Plan) at the Meeting. As of July 22, 2020, ESW beneficially owns or controls (on a partially diluted basis) more than 30% of the outstanding Subordinate Voting Shares. As a result, ESW is not an Independent Shareholder. To the knowledge of the Corporation, based on publicly available information, there is no other Shareholder who is not an Independent Shareholder. If the Rights Plan is not approved at the Meeting, the Rights Plan will terminate at the end of the Meeting. If the Rights Plan is approved at the Meeting, it will remain in effect and will next require reconfirmation by Shareholders at the annual meeting of the Shareholders in 2023. The Rights Plan must be re-approved by Shareholders at every third annual meeting of the Shareholders.

As previously announced, the Corporation has received a preliminary, non-binding indication of a willingness to explore a possible acquisition of Subordinate Voting Shares of the Corporation from ESW. ESW has reserved the right to pursue a partial take-over bid under which ESW would offer to acquire only the minimum number of

Subordinate Voting Shares of the Corporation necessary for ESW to own over 50% of the Corporation's Subordinate Voting Shares on a fully diluted basis. The Board has established a special committee of independent directors consisting of Robert Stabile and Andrew Day (the "**Special Committee**") to, among other things, address matters related to expression of interest received from ESW.

A copy of the Rights Plan is available on SEDAR at www.sedar.com.

Purpose of the Rights Plan

A rights plan is a common mechanism used by issuers to discourage the making of certain take-over bids (e.g., those structured in such a way as to be coercive or discriminatory in effect) by creating the potential for significant dilution to any offeror who becomes the beneficial owner of 30% or more of the outstanding Subordinate Voting Shares. To accomplish this, the Rights Plan provides for the issuance to all Shareholders of rights ("**Rights**") to acquire additional Subordinate Voting Shares at a significant discount to the then-prevailing market price, which could, in certain circumstances, become exercisable by all Shareholders other than the offeror and its joint actors.

In adopting the Rights Plan, the Board considered the existing legislative framework governing take-over bids in Canada. The Canadian Securities Administrators adopted amendments to that framework in 2016 that, among other things, lengthen the minimum bid period to 105 days (from the previous 35 days), require that all non-exempt take-over bids meet a minimum tender requirement of more than 50% of the outstanding securities held by independent shareholders, and require a 10 day extension after the minimum tender requirement is met. Regarding the minimum bid period, a target issuer will have the ability to voluntarily reduce the period to not less than 35 days. Additionally, the minimum bid period may be reduced due to the existence of certain competing take-over bids or alternative change in control transactions.

As the legislative amendments do not apply to exempt take-over bids, there continues to be a role for rights plans in protecting issuers and preventing the unequal treatment of shareholders. Some remaining areas of concern include:

- protecting against "creeping bids" (the accumulation of more than 30% of the Subordinate Voting Shares through purchases exempt from the take-over bid rules, such as (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all shareholders, (ii) acquiring control through the slow accumulation of shares not available to all shareholders, (iii) acquiring control through the slow accumulation of shares over a stock exchange without paying a control premium, or (iv) through other transactions outside of Canada not subject to the take-over bid rules), and requiring the bid to be made to all shareholders; and
- preventing the use of "hard" lock-up agreements by offerors whereby existing shareholders commit to tender their shares to an offeror's take-over bid in lock-up agreements that are either irrevocable or revocable but subject to restrictive termination conditions. Such agreements could have the effect of deterring other potential bidders from bringing forward competing bids, particularly where the number of locked-up shares would make it difficult or unlikely for a competing bidder's bid to achieve the 50% minimum tender requirement imposed by the take-over bid rules.

By applying to all acquisitions of greater than 30% of the Subordinate Voting Shares, except in limited circumstances including Permitted Bids (as defined in the Rights Plan), the Rights Plan is designed to ensure that Shareholders receive equal treatment. In addition, the Rights Plan is designed to prevent lock-up agreements that are not in the best interest of the Corporation or Shareholders and to encourage offerors to structure lock-up agreements so as to provide the locked-up Shareholders with reasonable flexibility to terminate such agreements in order to deposit their shares to a higher value bid or support another transaction offering greater value.

It is not the intention of the Board in recommending the ratification of the Rights Plan to either secure the continuance of the Board or management of the Corporation or to preclude a take-over bid for control of the Corporation. The Rights Plan provides that Shareholders may tender to take-over bids which meet the Permitted Bid criteria. Furthermore, even in the context of a take-over bid that does not meet the Permitted Bid criteria, the Board is always bound to consider any take-over bid for the Corporation and consider whether or not it should waive the application

of the Rights Plan in respect of such bid. In discharging such responsibility, the Board will be obligated to act honestly and in good faith with a view to the best interests of the Corporation.

In recent years, unsolicited bids have been made for a number of Canadian public companies, many of which had shareholder rights plans. The Board believes this demonstrates that the existence of a shareholder rights plan does not prevent the making of an unsolicited bid. Further, in a number of these cases, a change of control ultimately occurred at a price in excess of the original bid price. There can be no assurance, however, that the Rights Plan would serve to bring about a similar result.

The Rights Plan does not preclude any Shareholder from utilizing the proxy mechanism of the CBCA to promote a change in the management or direction of the Corporation, and will have no effect on the rights of the Shareholders to requisition a meeting of the Shareholders in accordance with the provisions of applicable legislation. The Rights Plan also does not prevent Shareholders from exercising any convertible securities.

The Rights Plan is not expected to interfere with the day-to-day operations of the Corporation. Neither the existence of the outstanding Rights nor the issuance of additional Rights in the future will in any way alter the financial condition of the Corporation, impede its business plans, or alter its financial statements. For greater certainty, the Rights Plan does not preclude the Corporation from seeking additional financing, including by way of a private placement of securities of the Corporation. In addition, the Rights Plan is initially not dilutive. However, if a "Flip-in Event" (described below) occurs and the Rights separate from the shares as described below, financial metrics that are reported on a per share basis may be affected. In addition, holders of Rights not exercising their Rights after a Flip-in Event may suffer substantial dilution.

Summary of the Rights Plan

This summary is qualified in its entirety by reference to the text of the Rights Plan entered into effective as of July 27, 2020, between the Corporation and Computershare Investor Services Inc., as amended from time to time in accordance with its terms. Capitalized terms used in this summary without express definition have the meanings ascribed thereto in the Rights Plan.

Issue of Rights

The Corporation will issue one right (each, a "**Right**") in respect of each Subordinate Voting Share outstanding at the close of business on July 24, 2020, being the business day immediately preceding the effective date of the Rights Plan (the "**Record Time**"). The Corporation will issue Rights on the same basis for each Subordinate Voting Share issued after the Record Time but prior to the earlier of the Separation Time (as defined below) and the Expiration Time (as defined below).

Rights Certificates and Transferability

Before the Separation Time, the Rights will be evidenced by the registered ownership of the shares (whether or not evidenced by a certificate representing such share) and the Rights will not be transferable separate from the shares. From and after the Separation Time, the Rights will be evidenced either in Book Entry Form or by separate Rights Certificates which will be transferable separate from and independent of the shares.

Exercise of Rights

Rights are not exercisable before the Separation Time. After the Separation Time and before the Expiration Time, each Right entitles the holder (other than holders described below) to acquire that number of Subordinate Voting Shares having an aggregate Market Price on the date of the occurrence of the Flip-in Event (as defined below) equal to twice the Exercise Price for an amount in cash equal to the Exercise Price of CDN\$120 (subject to certain anti-dilution adjustments). Effectively, this means that a Shareholder, other than an Acquiring Person (as defined below) and certain persons related to such Acquiring Person as further described in the Rights Plan, can acquire additional shares from treasury at half their Market Price after the Separation Time.

Definition of "Acquiring Person"

Subject to certain exceptions, an Acquiring Person is a person who is the Beneficial Owner (as defined below) of 30% or more of the outstanding Subordinate Voting Shares.

Definition of "Beneficial Ownership"

Under the Rights Plan, a person shall be deemed the "Beneficial Owner" of, and to have "Beneficial Ownership" of, and to "Beneficially Own":

1. any securities of which such person or any Affiliate or Associate (in each case, as defined in the Rights Plan) of such person or any other person acting jointly or in concert with such person is the owner at law or in equity;
2. any securities as to which such person or any Affiliate or Associate of such person or any other person acting jointly or in concert with such person has the right to acquire upon the exercise of any Convertible Securities or pursuant to any agreement, arrangement or understanding, in each case if such right is exercisable immediately or within a period of 60 days thereafter; and
3. any securities which are subject to a lock-up or similar agreement to tender or deposit them into any Take-over Bid (as defined in the Rights Plan) made by such person or any Affiliate or Associate of such person or any other person acting jointly or in concert with such person.

However, a person is not deemed the "Beneficial Owner" of, or to have "Beneficial Ownership" of, or to "Beneficially Own" securities under the Rights Plan where:

1. such securities have been deposited or tendered pursuant to a Take-over Bid, unless those securities have been taken up or paid for;
2. by reason of the holders of such securities having agreed to deposit or tender such securities to a Take-over Bid pursuant to a Permitted Lock-Up Agreement (as defined below);
3. such person is an investment fund or mutual fund manager, a trust company, a statutory body established to manage funds of public bodies, an agent of the crown for the management of public assets, a pension fund or a pension fund administrator or trustee, as long as such person is not making a Take-over Bid or acting jointly or in concert with a person who is making a Take-over Bid, the whole as more fully described in the Rights Plan and subject to certain exceptions set forth therein; or
4. such person is a registered holder of securities as a result of carrying on the business of or acting as a nominee of a securities depository.

Definition of "Separation Time"

Separation Time occurs on the tenth trading day after the earlier of the following dates, or such later date as may be determined by the Board:

1. the first date of public announcement of facts indicating that a person has become an Acquiring Person;
2. the date of the commencement or announcement of the intent of a person to commence a Take-over Bid (other than a Permitted Bid or Competing Permitted Bid (as such terms are defined below)) or such later date as determined by the Board; and
3. the date on which a Permitted Bid or Competing Permitted Bid ceases to qualify as such; or such later date as determined by the Board.

Definition of "Expiration Time"

Provided that the Rights Plan is ratified by the requisite majority of the Independent Shareholders at the Meeting or any adjournment or postponement thereof, the Expiration Time occurs on the date being the earlier of:

1. the time at which the right to exercise Rights is terminated under the terms of the Rights Plan; or
2. if the Rights Plan is confirmed and subsequently reconfirmed at the third and sixth annual meeting of the Shareholders following the Meeting, upon the conclusion of the annual meeting of Shareholders in 2029.

Definition of "Flip-in Event"

A Flip-in Event occurs when a person becomes an Acquiring Person. Upon the occurrence of a Flip-in Event, any Rights that are beneficially owned by an Acquiring Person or by certain persons related to the Acquiring Person or by persons to whom the Acquiring Person has transferred its Rights will become null and void as a result of which the Acquiring Person's investment in the Corporation would be greatly diluted if a substantial portion of the Rights are exercised after a Flip-in Event occurs.

Definition of "Permitted Bid"

A Permitted Bid is a Take-over Bid made by an Offeror (as defined in the Rights Plan) pursuant to a Take-over Bid circular that complies with the following conditions:

1. the Take-over Bid is made to all holders of Subordinate Voting Shares (other than the Offeror);
2. the Take-over Bid must contain the following irrevocable and unqualified conditions:
 - (i) no shares shall be taken up or paid for:
 - (A) prior to the close of business on a date which is not less than 105 days following the date of the bid, or such shorter minimum period as determined in accordance with section 2.28.2 or section 2.28.3 of National Instrument 62-104 – *Take-Over Bids and Issuer Bids* ("**NI 62-104**") for which a Take-over Bid (that is not exempt from any of the requirements of Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104; and
 - (B) unless, at the close of business on the date shares are first taken up or paid for under such bid, more than 50% of the then outstanding Subordinate Voting Shares held by Independent Shareholders shall have been tendered or deposited pursuant to the bid and not withdrawn;
3. unless the Take-over Bid is withdrawn, shares may be tendered or deposited at any time during the period which applies pursuant to the clause summarized in 2(i)(a) above, and any shares tendered or deposited pursuant to the take-over bid may be withdrawn until taken up and paid for; and
4. if the condition summarized in 2(i)(b) above is satisfied, the Offeror must make a public announcement of that fact and the Take-over Bid must be extended for a period of not less than ten days from the date of such public announcement.

Definition of "Competing Permitted Bid"

The Rights Plan allows a competing Permitted Bid (a "**Competing Permitted Bid**") to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid other than the requirement that no shares shall be taken up and paid for prior to the close of business on a date which is not less than

105 days following the date of the Permitted Bid. The Competing Permitted Bid shall also contain an irrevocable and unqualified condition that no shares shall be taken up or paid for pursuant to the take-over bid prior to the close of business on the last day of the minimum initial deposit period that such take-over bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the take-over bid constituting the Competing Permitted Bid.

Definition of "Permitted Lock-Up Agreement"

A Permitted Lock-Up Agreement is an agreement between a person making a Take-over Bid (the "**Lock-up Bid**") and one or more holders (each a "**Locked-up Person**") of shares pursuant to which such Locked-up Persons agree to deposit or tender shares to a Lock-up Bid and where the agreement:

1. permits the Locked-up Person to withdraw shares in order to tender or deposit such shares to another Take-over Bid (or terminate the agreement in order to support another transaction) that represents an offering price for each share that exceeds, or provides a value for each share that is greater than, the offering price or value represented by or proposed to be represented by:
 - (i) the Lock-up Bid; or
 - (ii) the Lock-up Bid by as much or more than a specified amount not greater than 7% of the offering price or value that is represented by the Lock-up Bid; and
2. permits the Locked-up Person to withdraw shares in order to tender or deposit such shares to another Take-over Bid (or terminate the agreement in order to support another transaction) if the number of shares to be purchased under such other Take-over Bid or transaction exceeds the number of shares offered to be purchased under the Lock-up Bid by as much or more than a specified number of shares not greater than 7% of the number of shares offered to be purchased under the Lock-up Bid, at an offering price for each share that is not less, or provides a value for each share that is not less than, the offering price or value represented by or proposed to be represented by the Lock-up Bid; and
3. provides for no "break-up" fees, "top-up" fees, penalties, payments, expenses or other amounts that exceed in the aggregate the greater of: (i) the cash equivalent of 2.5% of the price or value payable under the Lock-up Bid to the Locked-up Person, and (ii) 50% of the amount by which the price or value payable under another Take-over Bid or another transaction to a Locked-up Person exceeds the price or value of the consideration that such Locked-up Person would have received under the Lock-up Bid, to be payable, directly or indirectly, by such Locked-up Person pursuant to the agreement if any Locked-up Person fails to tender shares pursuant thereto or withdraws shares previously tendered thereto in order to tender such shares to another Take-over Bid or support another transaction.

Fiduciary Duties of Directors

The Rights Plan will not detract from or lessen duties of the Board, including the duty to act honestly and in good faith with a view to the best interests of the Corporation and the Shareholders. The Board will continue to have the duty and power to take such actions and make such recommendations to the Shareholders as are considered appropriate.

Redemption of Rights

The Rights may be redeemed by the Board at its option with the prior approval of the Shareholders at any time before a Flip-in Event occurs at a redemption price of \$0.00001 per Right. In addition, the Rights will be redeemed automatically in the event of a successful Permitted Bid, Competing Permitted Bid or a bid for which the Board has waived, in accordance with the provisions of the Rights Plan, the operation of the Rights Plan.

Waiver

Before a Flip-in Event occurs, the Board may waive the application of the "Flip-in" provisions of the Rights Plan to any prospective Flip-in Event which would occur by reason of a Take-over Bid made by a Take-over Bid circular to all registered holders of Subordinate Voting Shares. However, if the Board waives the Rights Plan with respect to a particular bid, it will be deemed to have waived the Rights Plan with respect to any other Take-over Bid made by Take-over Bid circular to all registered holders of Subordinate Voting Shares before the expiry of that first bid.

The Board may also waive the "Flip-in" provisions of the Rights Plan in respect of any Flip-in Event provided that the Board has determined that the Acquiring Person became an Acquiring Person through inadvertence and on the condition that such Acquiring Person reduces its ownership to such a level that it is no longer an Acquiring Person.

Finally, the Board may waive the "Flip-in" provisions of the Rights Plan in respect of any Flip-in Event provided that the Acquiring Person has reduced its ownership or has entered into a contractual arrangement with Optiva or other acceptable undertaking to do so such that at the time the waiver becomes effective such person is no longer an Acquiring Person.

Other waivers of the "Flip-in" provisions of the Rights Plan will require prior approval of Shareholders.

Amending Power

Except for minor amendments to correct clerical or typographical errors and amendments to maintain the validity of the Rights Plan as a result of a change in any applicable legislation or regulations or rules thereunder, consent of Shareholders is required for amendments to the Rights Plan before the Separation Time and consent of the holders of Rights is required for amendments to the Rights Plan after the Separation Time and before the Expiration Time.

Rights Agent

Computershare Investor Services Inc.

Rightholder not a Shareholder

Until a Right is exercised, the holder thereof as such will have no rights as a Shareholder.

Recommendation of the Board of Directors

Rights plans have been adopted and reconfirmed by a large number of publicly-held corporations in Canada. The Board has reviewed the Rights Plan for conformity with current practices of Canadian issuers with respect to shareholder rights plan design and has confirmed that, with the exception of having a 30% threshold rather than a 20% threshold for triggering the Rights Plan, the terms of the Rights Plan are substantially similar to those plans. The Board determined it was in the best interests of the Corporation and its Shareholders to choose the 30% threshold in order for the Rights Plan to be minimally intrusive to Shareholders. Based on its review, the Board has determined that it is advisable and in the best interests of the Corporation and its Shareholders that Corporation has in place a shareholder rights plan in the form of the Rights Plan.

The Board reserves the right to alter any terms of or not proceed with the Rights Plan at any time prior to the meeting if the Board determines that it would be in the best interests of the Corporation and its Shareholders to do so, in light of any developments subsequent to the date of this Circular.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without amendment, an ordinary resolution, in the form set out in Schedule III to this Circular approving the Rights Plan (the "**Rights Plan Resolution**"). The resolution approving the Rights Plan must be approved by a majority of the votes cast thereon by the Shareholders represented in person or by proxy at the Meeting.

The Special Committee unanimously recommended that the Board approve the Rights Plan. The Board recommends that the Shareholders vote in favour of the Rights Plan Resolution. In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed Proxy intend to vote FOR approval of the Rights Plan Resolution.

Approval of Unallocated Stock Options

Section 613(a) of the TSX Company Manual provides that every three (3) years after the institution of a security based compensation arrangement all unallocated rights, options or other entitlements under such arrangement which do not have a fixed maximum number of securities issuable must be approved by a majority of the issuer's directors and by the issuer's security holders. As the Corporation's stock option plan (the "**Option Plan**") is considered to be a security based compensation arrangement and the Option Plan provides that the maximum number of Subordinate Voting Shares reserved for issuance from time to time pursuant to outstanding options to purchase Subordinate Voting Shares of the Corporation (the "**Options**") is not a fixed number and instead shall not exceed a number of Subordinate Voting Shares equal to 10% of the issued and outstanding Subordinate Voting Shares from time to time, approval will be sought at the Meeting to approve the grant of unallocated Options under the Option Plan.

As at July 22, 2020, the maximum number of Subordinate Voting Shares that may be issued under the Option Plan was 531,605 (and as of December 31, 2019 was 531,575), representing 10% of the outstanding Subordinate Voting Shares on that date. No Options have been issued in the 2020 calendar year. As at July 22, 2020, a total of 26,650 Options to potentially acquire 26,650 Subordinate Voting Shares were outstanding under the Option Plan, leaving up to 504,955 Subordinate Voting Shares available for future grants under the Option Plan, based on the number of outstanding Subordinate Voting Shares at that date. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without amendment, an ordinary resolution, in the form set out in Schedule IV to this Circular approving the Option Plan and the unallocated Options thereunder (the "**Option Resolution**"). The resolution approving the Option Plan must be approved by a majority of the votes cast thereon by holder of Subordinate Voting Shares represented in person or by proxy at the Meeting.

If the approval of the Option Resolution is obtained at the Meeting, the Corporation will not be required to seek further approval for unallocated Options under the Option Plan until August 18, 2023. If the approval of the Option Resolution is not obtained at the Meeting, Options which have not been allocated as of March 29, 2020 and Subordinate Voting Shares which are reserved for issuance pursuant to Options which are outstanding as of March 29, 2020 and which are subsequently cancelled, terminated or exercised will not be available for a new grant of Options under the Option Plan. Previously allocated Options will continue to be unaffected by the approval or disapproval of the Option Resolution.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without amendment, an ordinary resolution, in the form set out in Schedule IV to this Circular approving the Option Plan (the "**Option Plan Resolution**"). The resolution approving the Option Plan must be approved by a majority of the votes cast thereon by the Shareholders represented in person or by proxy at the Meeting.

The Board recommends that the Shareholders vote in favour of the Option Plan Resolution. In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed Proxy intend to vote FOR approval of the Option Plan Resolution.

Other Matters

The Corporation knows of no other matters to be brought before the Meeting. If any amendment, variation or other business is properly brought before the Meeting, the enclosed Proxy and VIF confers discretion on the persons named on the Proxy to vote on such matters.

STATEMENT OF EXECUTIVE COMPENSATION

The Corporation's executive compensation policies and practices, including information about the compensation of the Corporation's Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**") and the three other most highly

compensated officers of the Corporation, who were serving as executive officers of the Corporation on December 31, 2019 (collectively, the "NEOs") are discussed in this section.

Compensation Discussion and Analysis

Compensation Philosophy and Policy

The Compensation Committee of the Board is responsible for annually reviewing the Corporation's compensation philosophy and policy that rewards the creation of shareholder value and reflects an appropriate balance between short and long-term performance. The compensation philosophy of the Corporation is based on the following two principles: rewarding performance and providing market competitive pay. To determine market competitive pay, the Compensation Committee considers companies within the same industry and of comparable size to the Corporation to assess whether the Corporation's base salaries, short term incentives and long term incentives are competitive. Although the Corporation is a Canadian company, it has global operations and as a result, the Corporation's compensation policies and practices reflect the fact that the Corporation competes for both business and talent on a global scale and must attract and retain key employees in various markets. The Corporation's merit-based compensation policies are intended to provide the highest rewards to those who contribute the most to the success of the Corporation. This philosophy is applied across the Corporation, including the NEOs.

Role of the Compensation Committee

The Compensation Committee of the Board is responsible for oversight of the Corporation's compensation policies and practices in support of the Corporation's business strategy. Among other things, the Compensation Committee is generally responsible for:

- (a) reviewing, considering and making recommendations to the Board regarding:
 - (i) the Corporation's executive compensation policy;
 - (ii) the total compensation of the CEO and the base salary of other executives;
 - (iii) the adequacy and form of compensation of independent directors;
 - (iv) all aspects of any share option scheme, share unit plan or other compensation plan operated by or to be established by the Corporation (including the selection of eligible employees, timing of grants, the number of shares over which options, units or other forms of compensation are to be granted and the exercise price and vesting conditions);
 - (v) the corporate goals and objectives relevant to the compensation of the CEO and evaluation of the CEO's performance in light of those corporate goals and objectives; and
 - (vi) the compensation and other material benefits to be paid to other executives, based upon recommendations from the CEO, and
 - (vii) reviewing, considering and approving:
 - (A) the eligibility of executives for performance incentive pay and benefits under long term incentives and the formulation of suitable performance related criteria and the monitoring of their operation in respect of any element of compensation for executives which is performance related, based upon recommendations from the CEO;
 - (B) the disclosure of compensation in accordance with securities and stock exchange regulations; and

- (C) the terms of the contracts entered into with executives and any material changes to them, based upon recommendations from the CEO.

The Compensation Committee is authorized to investigate any matter under its responsibility, to seek any information it requires from any employee or contractor and to obtain, at the cost of the Corporation, outside professional advice if it considers it appropriate to do so. The Compensation Committee meets at least twice a year and conducts an annual self-assessment of its performance and its Charter.

The Compensation Committee considers the implications of the risks associated with the Corporation's compensation policies and practices. The Compensation Committee has concluded that the Corporation has policies and practices to ensure that the NEOs do not have incentives to take inappropriate or excessive risks, including the following:

- an appropriate mix of fixed and variable compensation;
- quantitative and qualitative Corporation-wide metrics are used to determine the amount of awards provided to NEOs pursuant to the Corporation's short-term incentive plan;
- there is a comprehensive Code of Conduct and a Whistle Blower Policy that encourages reporting of imprudent corporate behaviour; and
- the review of the Corporation's risk inventory by the entire Board, ensuring that all members of the Compensation Committee have an understanding of the Corporation's enterprise risks, when making its decisions in respect of compensation.

The Compensation Committee has not identified any risks associated with the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

The Corporation has adopted an Insider Policy, which prohibits insiders of Optiva from purchasing financial instruments that directly hedge or offset a decrease in market value of securities of Optiva.

For Fiscal 2019, the Compensation Committee was comprised of the following three directors: Mr. Andrew Price, Mr. Scott Brighton and Ms. Christina Jones. Following Andrew Price's resignation from the Board on March 2, 2020, Mr. Robert Stabile replaced Mr. Price as Chair of the Compensation Committee. Mr. Paul Yancich replaced Mr. Stabile as Chair of the Compensation Committee effective as of July 22, 2020. Mr. Yancich is considered "independent" (as such term is defined in NP 58-201). Following the Meeting, and assuming that each of the Board Nominees are elected by a majority of the Shareholders, the Compensation Committee will be comprised of the following three (3) directors: Paul Yancich, Lee Matheson and one additional director to be determined after the Meeting. Each of Paul Yancich, Lee Matheson is considered "independent" (as such term is defined in NP 58-201).

In addition to each member's general business experience (see their biographical information under "*Matters To Be Acted Upon At the Meeting – Election of Directors*") the following direct experience (and the skills gained from this experience) is also relevant to their responsibilities as a member of the Compensation Committee to make decisions on the suitability of the Corporation's compensation policies and practices:

Paul Yancich – Mr. Yancich graduated from Princeton University and has deep investing and operating expertise in the software industry. Mr. Yancich is currently a Vice President at TorQuest Partners, a leading middle-market private equity firm based in Toronto, and previously worked at Constellation Software (CSI), a publicly traded investment & operating company. At CSI, Mr. Yancich worked for the Founder/CEO, oversaw capital deployment globally for one of CSI's six operating groups, and led a sizeable portfolio of businesses.

Lee Matheson – Mr. Matheson has extensive public company experience having served on the boards of RDM Corporation, AlarmForce Industries Inc., WesternOne Inc., Medworxx Solutions Inc., and Strad Inc. Mr. Matheson is a partner at Edgepoint Investment Group and was previously a co-founder of Broadview Capital Management and portfolio manager of the Broadview Dark Horse LP, a long/short fund focused on Canadian small cap securities.

Elements of Executive Compensation

For further information regarding the responsibilities of the Compensation Committee see "*Statement of Corporate Governance Practices – Board Committees – Compensation Committee*" below.

The Corporation's compensation policies and practices are structured to attract and retain key employees, reward them for performance and align the Corporation's interests. For Fiscal 2019, the compensation payable to the Corporation's employees consists of two main elements: base salary and short term incentives. The following table summarizes the purpose of each element:

Element of Compensation	Summary and Purpose of Element
Base Salary	Base salaries are established by taking into account individual performance and experience, level of responsibility and competitive pay practices. Base salaries are periodically reviewed and adjusted appropriately to reflect individual performance and market changes.
Short Term Incentives	The Corporation's annual performance plan is focused to reward executives based on the new binary trigger for the Customer Success Key Performance Indicator. The Customer Success program was implemented in March 2017 and is measured by the percentage of customers, weighted by revenue, that answer "yes" to the question "Are you achieving your business objectives with Optiva?" Payments are made according to the Customer Success program criteria.

Base Salary

Base salaries are also considered in the full context of any accompanying short term incentives. Base salaries for each NEO are established in the NEO's respective employment agreement with the Corporation and are reviewed as required in consideration of market pressures.

Short Term Incentives

Permanent full time executives and employees have the opportunity to earn a bonus based on the Customer Success program. The Corporation has two bonus periods per year, January-June and July-December. Payments, if applicable, will occur in March and September. Each employee is assigned to a customer for the purpose of the bonus payment. Employees are assigned to that customer for the full six months. Customers are surveyed twice a year and are asked the question "Are you achieving your business objectives with Optiva?" Employees who are directly linked to a customer receive 100% of their short term incentive target if the customer answers "yes". If the customer answers "no", executives and employees directly linked to a customer receive 0% of their short term incentive target. Employees who are not linked to a specific customer receive their bonus based on a corporate index. The index is comprised of all customers enrolled in the Customer Success program. All customer revenue is tallied, and for each customer their revenue is weighted as a percentage of the total. Customer Success responses are tallied by "Yes" and "No" responses. The following table provides the payout structure for the percentage of revenue that responds "Yes" to the Customer Success question:

Customer Success Index: percentage responding "Yes"	Customer Success Index Factor
0-49%	0%
50-75%	50%
75%+	100%

Stock Option Plan

The Corporation maintains the Option Plan. In 2017, the Corporation revised its compensation philosophy and indicated that it no longer intended to grant Options under the Option Plan. Previously issued Options remain issued

and outstanding until termination in accordance with their terms. While the Corporation has not yet revised its compensation philosophy, the Corporation may decide to again introduce the issuance of Options into its compensation philosophy.

Further information about the Option Plan is set out below under "*Equity Compensation Plan Information – Stock Option Plan*".

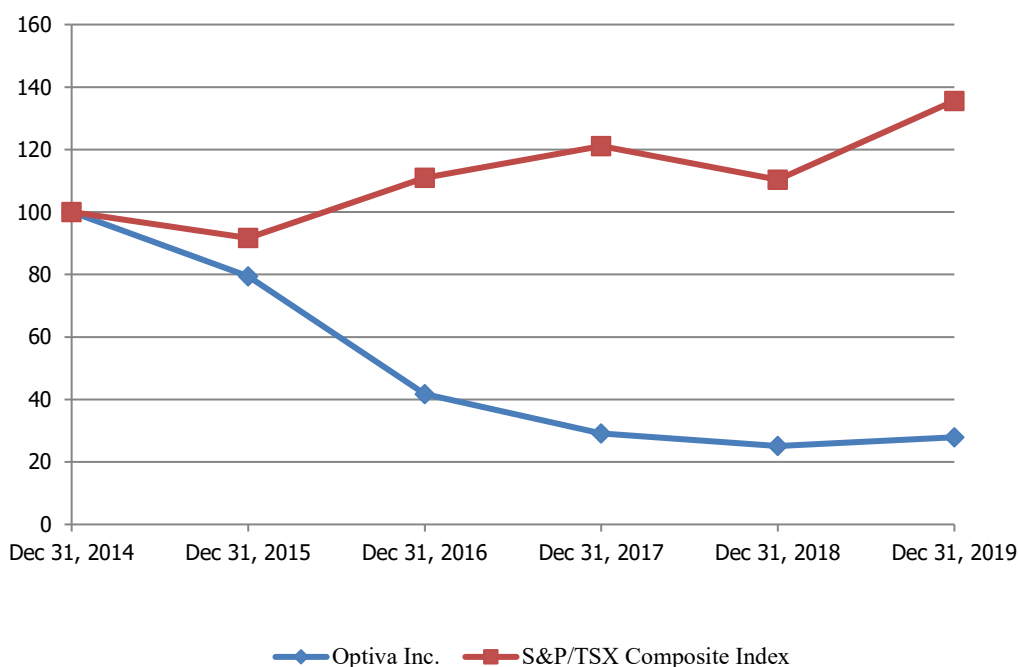
Share Unit Plan

The Corporation maintains a share unit plan, which was amended and restated effective March 5, 2019 (the "**Share Unit Plan**"), which enables eligible individuals to receive the right to receive a share or the market value of one share, that generally becomes vested after a period of continuous employment and/or is subject to financial and/or personal performance criterion as may be determined by the Compensation Committee or the Board from time to time.

Further information about the Share Unit Plan is set out below under "*Equity Compensation Plan Information – Share Unit Plan*".

Performance Graph

The following graph shows the total cumulative return from December 31, 2014 to December 31, 2019 on an investment of \$100, compared to the S&P/TSX Composite Total Return Index.



The NEOs' compensation plan is effected by but not directly based on the Corporation's stock price performance and therefore the NEOs' compensation may not directly compare to the trend shown above.

Summary Compensation Table

The following table sets forth information regarding compensation earned by the CEO, CFO and each of the three other NEOs, for the period from October 1, 2018 to December 31, 2019:

Name and Principal Position	Year	Salary ⁽¹⁾ \$	Share-based awards ⁽²⁾ \$	Option-based awards \$	Non-equity incentive plan compensation		All other compensation ⁽³⁾ \$	Total compensation \$
					Annual Incentive plans	Long-term incentive plans		
Danielle Royston CEO ⁽⁴⁾	2019	416,005	2,048,404	-	-	-	-	2,464,409
	2018	169,008	-	-	-	-	8,450	177,458
Kenneth Taylor CFO ⁽⁵⁾	2019	677,801	-	-	-	-	-	677,801
	2018	109,761	-	-	-	-	-	109,761
Anindyaraj Basu Interim CFO ⁽⁶⁾	2019	227,942	-	-	-	-	46,194	274,136
	2018	155,041	-	-	-	-	46,350	201,391
Jozsef Czapovics Senior Vice President of Engineering and Operations	2019	525,998	-	-	-	-	-	525,998
	2018	420,853	-	-	-	-	-	420,853
Erez Sverdlov Head of Global Sales ⁽⁷⁾	2019	671,250	-	-	-	-	127,321	798,571
	2018	270,742	-	-	-	-	116,030	386,772

- (1) All compensation is paid in US dollars ("US\$"), Euros ("EUR") and Canadian dollars ("CDN\$"). For 2019, amounts included in this table have been converted to US dollars at the applicable end of day foreign exchange rate on December 31, 2019, the last business day of Fiscal 2019, as reported by the Bank of Canada, which was CDN\$1.00 = US\$0.7699 and EUR 1.00 = US\$1.1194. For 2018, amounts included in this table have been converted to US dollars at the end of day foreign exchange rate on September 28, 2018, the last business day of fiscal 2018, as reported by the Bank of Canada, which was CDN\$1.00 = US\$0.7725 and 1 EUR 1.00 = US\$1.1603.
- (2) This represents the performance share units and restricted share units granted in accordance with the terms and conditions of the Share Unit Plan. The dollar values presented in the table represent the grant date fair value of the award in Canadian dollars. Grant date fair value is determined using the market value of the Subordinate Voting Shares on the grant date.
- (3) "All Other Compensation" does not include perquisites received by the NEOs which are available generally to all our salaried employees. The total value of all perquisites and other personal benefits for each NEO, is excluded as it is less than 10% of the NEO's total salary for the financial year and less than CDN\$50,000, except for Mr. Basu and Mr. Sverdlov who were paid other bonuses.
- (4) Danielle Royston resigned as Chief Executive Officer effective on June 29, 2020.
- (5) Kenneth Taylor was appointed as Chief Financial Officer on August 13, 2018. Mr. Taylor resigned as Chief Financial Officer effective January 11, 2019.
- (6) Anindyaraj Basu was Interim Chief Financial Officer from September 1, 2017 to August 12, 2018, and was re-appointed as Interim Chief Financial Officer as of January 11, 2019. Anindyaraj Basu resigned effective May 1, 2020 and was replaced by Ashish Joshi.
- (7) Erez Sverdlov is entitled to an annual variable targets-based compensation of up to EUR 185,000, based on sales performance against assigned objectives and quotas.

Outstanding Share-based Awards and Option-based Awards

The following table sets forth for each NEO all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year:

Name	Option-based Awards				Share-based Awards		
	Number of Securities underlying unexercised options (#)	Option exercise price (\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽³⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Danielle Royston CEO ⁽⁴⁾	-	-	-	-	65,971	2,645,720	
Kenneth Taylor CFO	-	-	-	-	-	-	-
Anindyaraj Basu Interim CFO ⁽⁵⁾	246 351 300	115.49 135.19 175.74	04 Dec 22 19 Nov 21 07 May 21	-	894	35,853	-
Jozsef Czapovics Senior Vice President of Engineering and Operations	-	-	-	-	-	-	-
Erez Sverdlov Head of Global Sales	-	-	-	-	-	-	-

- (1) All options were granted with Canadian dollar exercise prices. The exercise prices noted in this table have been converted to US dollars at a foreign exchange rate of CDN\$1.00 = US\$0.7699 being the end-of-day foreign exchange rate reported by the Bank of Canada on December 31, 2019, the last business day of Fiscal 2019.
- (2) No options were in-the-money as at December 31, 2019.
- (3) The value of unvested Share Units has been calculated using the closing price of the Corporation's Subordinate Voting Shares on the TSX as at December 31, 2019 (CDN\$52.09). The values noted in this table have been converted to US dollars at foreign exchange rate of CDN\$1.00 = US\$0.7699 being the end-of-day foreign exchange rate reported by the Bank of Canada on December 31, 2019, the last business day of Fiscal 2019.
- (4) Danielle Royston resigned as Chief Executive Officer effective on June 29, 2020.
- (5) Anindyaraj Basu resigned as Interim CEO effective May 1, 2020 and was replaced by Ashish Joshi.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned during the most recently completed financial year for each incentive plan award:

Name	Option-based awards- Value vested during the year (\$)	Share-based- awards- Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation- Value earned during the year (\$)
Danielle Royston, CEO ⁽²⁾	-	2,732,563	-

Name	Option-based awards- Value vested during the year (\$)	Share-based-awards- Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation- Value earned during the year (\$)
Kenneth Taylor, CFO	-	-	-
Anindyaraj Basu, Interim CFO ⁽³⁾	-	5,310	-
Jozsef Czapovics, Senior Vice President of Engineering and Support	-	-	-
Erez Sverdlov, Head of Global Sales	-	-	-

- (1) The values noted in this table have been converted to US dollars at foreign exchange rate of CDN\$1.00 = US\$0.7699 being the end-of-day foreign exchange rate reported by the Bank of Canada on December 31, 2019, the last business day of Fiscal 2019.
- (2) Danielle Royston resigned as Chief Executive Officer effective on June 29, 2020.
- (3) Anindyaraj Basu resigned as Interim CEO effective May 1, 2020 and was replaced by Ashish Joshi.

Employment Contracts for Named Executive Officers

As of December 31, 2019, the Corporation was party to the following employment agreements with each of the NEOs, the material terms of which are summarized below.

Danielle Royston previously served as Chief Executive Officer of the Corporation until June 29, 2020 pursuant to the terms of a two-year fixed-term employment contract dated May 31, 2017, on a salary of \$170,000, plus a grant of \$2.7M RSUs vesting in two equal tranches on the first and second anniversary of the employment contract date. Ms. Royston resigned as the CEO of the Corporation with effect as of June 29, 2020, and was not entitled to receive any compensation other than unpaid salary, accrued vacation pay, unreimbursed expenses and any already vested RSUs.

Anindyaraj Basu previously served as Interim Chief Financial Officer of the Corporation until May 1, 2020, pursuant to an indefinite-term employment contract dated July 17, 2013, on a base salary of CDN\$200,700, plus a 25% performance incentive target, and target Long Term Incentive Pay RSUs and PSUs worth a further \$37,000. Mr. Basu departed the Corporation effective as of June 30, 2020, and was paid an aggregate of CDN\$134,615 pursuant to the terms of his agreement. In accordance with the Optiva Share Unit Plan, Mr. Basu is entitled to keep any stock units that had vested prior to June 30, 2020.

Jozsef Czapovics was contracted to Optiva as VP of Engineering through a third-party contractor pursuant to an indefinite-term contract effective as of June 13, 2017 on a fee of \$200,000 per year. He was promoted to the role of Senior Vice President of Engineering and Support as of January 2018 on a fee of \$400,000. Mr. Czapovics' contract was terminated effective as of June 29, 2020. Mr. Czapovics was not entitled to any payments upon termination.

Erez Sverdlov was contracted as Head of Global Sales pursuant to a 1 year term contract (with an option to renew for 1 year thereafter) as of March 1, 2018 on a fee of EUR 400,008 per year plus a EUR 185,000 performance incentive target. In March 2018, Mr. Sverdlov was awarded a retention bonus in the amount of EUR 100,000 and will receive the same amount at the anniversary of this agreement, provided it is renewed for 1 more year. The retention bonus is to be repaid in full if Mr. Sverdlov terminates the agreement without cause prior to the end of its term. Both Optiva and Mr. Sverdlov can terminate the contract at any time with 4 months' notice.

Quantitative Estimates of Payments, Payables and Benefits to NEOs upon Termination

Further information regarding payments to the Corporation's NEOs (other than Danielle Royston and Anindyaraj Basu whose termination payments are set out above) in the event of a termination may be found in the table below. This table sets forth the estimated amount of payments each NEO would be entitled to receive upon the occurrence of the indicated event, assuming that the event occurred on December 31, 2019. The amounts indicate an entire year and assume no vacation time has been taken, resulting in an entire year of accrued vacation time at time of termination.

Name	Termination Without Cause (\$)	Change of Control and Resignation of NEO Within 12 Months (\$)	Change of Control and Termination Without Cause Within 12 Months (\$)
Jozsef Czapovics	-	-	-
Erez Sverdlov	EUR 133,336	EUR 133,336	EUR 133,336

DIRECTOR COMPENSATION

Elements of Director Compensation

Directors' compensation is paid only to non-management directors. Similar to the Corporation's general compensation policy, directors' compensation policies and practices reflect the fact that the Corporation is a global company that carries out its business and requires expertise in various markets and jurisdictions. For the fiscal period ended December 31, 2019, compensation to non-executive directors, was composed of the following: (a) annual board retainers ("**Annual Board Retainer**"), (b) annual retainers for committee chairpersons, and (c) equity-based compensation.

Fees Earned

Each non-management director is paid an Annual Board Retainer of CDN\$50,000, which amount was paid quarterly in arrears.

Non-management directors are also entitled to an annual retainer for each of the committees of the Board on which he or she serves as a Chairperson. The Chair of the Audit Committee was paid an annual retainer of CDN\$18,000 and the Chair of the Nomination and Governance Committee was paid a retainer of CDN\$10,000. The retainer for the Chair of the Compensation Committee has been set at CDN\$14,000 annually, however, Andrew Price (former Chair of the Compensation Committee who resigned on March 2, 2020) did not receive compensation for this role. Each member of each of the committees of the Board (the "**Board Committees**") was paid a retainer of CDN\$5,000. The Lead Director was paid a retainer of CDN\$45,000. All such retainers were paid quarterly in arrears. In Fiscal 2019, Scott Brighton and Andrew Price did not receive compensation for their roles as directors of the Corporation or as members of the Committees of the Board.

Equity-Based Compensation for Directors

Deferred Share Units

On August 11, 2010 the Corporation established a deferred share unit plan to promote a greater alignment of long-term interests between the Shareholders and the eligible directors of the Corporation and to provide a compensation system for eligible directors that, together with the other director compensation mechanisms of the Corporation, is reflective of the responsibility, commitment and risk accompanying a Board member's membership and the performance of the duties required of the various Board Committees. An eligible director may elect to receive his or her annual cash remuneration in the form of deferred share units ("**DSUs**"), cash or any combination thereof.

In addition to the DSUs granted, the Board may award such number of DSUs to an eligible director as the Board deems advisable to provide the eligible director with appropriate equity-based compensation for the services he or she renders to the Corporation. The Board will determine the date on which such DSUs may be granted and the date as of which such DSUs will be credited to a participant's DSU account, together with any terms or conditions with respect to the vesting of such DSUs.

An eligible director, or the beneficiary of an eligible director, as the case may be, who redeems DSUs hereunder will be entitled to receive a cash payment in an amount equal to the fair value of the DSUs that are being redeemed as of the entitlement date applicable to such DSUs, net of any applicable withholding taxes and other required source deductions. No DSUs may be redeemed while an eligible director continues to serve as a director of the Corporation.

In Fiscal 2019, the Compensation Committee, awarded five of seven directors a total DSU allocation having a fair value of CDN\$140,000. Scott Brighton and Andrew Price did not receive a DSU allocation.

Out of Pocket Expenses

Non-management directors are also reimbursed for expenses incurred by them in their capacity as directors.

Director Compensation Table for Fiscal Period Ended December 31, 2019

The following table sets forth compensation earned by the directors of the Corporation for the most recently completed fiscal year:

Name	Fee Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	All other compensation (\$)	Total ⁽⁴⁾ (\$)
Demetrios Anaipakos ⁽¹⁾	57,743	107,786	-	-	165,529
Scott Brighton	-	-	-	-	-
Chris Helling ⁽¹⁾	57,743	107,786	-	-	165,529
Christina Jones ⁽¹⁾	57,743	107,786	-	-	165,529
Andrew Price ⁽²⁾	-	-	-	-	-
Farhan Thawar ⁽³⁾	52,931	107,786	-	-	160,717
Robert Stabile ⁽³⁾	108,748	107,786	-	-	216,534

(1) Fees for Mr. Anaipakos, Mr. Helling, and Ms. Jones were in paid in US dollars.

(2) Mr. Price resigned from the Board on March 2, 2020.

(3) Fees for Mr. Thawar and Mr. Stabile were paid in Canadian dollars.

(4) For 2019, amounts included in this table have been converted to US dollars at foreign exchange rate on December 31, 2019, the last business day of Fiscal 2019 as reported by the Bank of Canada, which CDN\$1.00 = US\$0.7699.

Outstanding Share-Based Awards and Option-Based Awards for Directors as at December 31, 2019

The following table sets forth the market value of DSUs held by each director as of December 31, 2019. The directors do not currently hold any options of the Corporation.

Name	Option-based Awards				Share-based Awards ⁽¹⁾		
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Demetrios Anaipakos	-	-	-	-	-	-	398,394
Scott Brighton	-	-	-	-	-	-	-
Chris Helling	-	-	-	-	-	-	398,394
Christina Jones	-	-	-	-	-	-	398,394
Andrew Price	-	-	-	-	-	-	-
Robert Stabile	-	-	-	-	-	-	248,685

Name	Option-based Awards				Share-based Awards ⁽¹⁾		
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Farhan Thawar	-	-	-	-	-	-	398,394

- (1) The market value of DSUs that have vested was determined using the closing price of the Subordinate Voting Shares on the TSX as at December 31, 2019 (CDN\$52.09). The values noted in this table have been converted to US dollars at foreign exchange rate of CDN\$1.00 = US\$0.7699 being the end-of-day foreign exchange rate reported by the Bank of Canada on December 31, 2019, the last business day of Fiscal 2019.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned during the most recently completed financial year for each incentive plan award:

Name	Option-based awards- Value vested during the year (\$)	Share-based awards- Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Demetrios Anaipakos	-	107,786	-
Scott Brighton	-	-	-
Chris Helling	-	107,786	-
Christina Jones	-	107,786	-
Andrew Price	-	-	-
Robert Stabile	-	107,786	-
Farhan Thawar	-	107,786	-

- (1) DSUs vest on grant, however, are not paid to the director until the director ceases to serve on the Board. The values noted in this table have been converted to US dollars at foreign exchange rate of CDN\$1.00 = US\$0.7699 being the end-of-day foreign exchange rate reported by the Bank of Canada on December 31, 2019, the last business day of Fiscal 2019.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain information with respect to the Option Plan as at December 31, 2019.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
<i>Equity Compensation plans approved by securityholders</i>	26,889	195.23	504,687
<i>Equity Compensation plans not approved by securityholders</i>	-	-	-
Total	26,889	195.23	504,687

- (1) The aggregate number of Options and Share Units issuable pursuant to the Corporation's share compensation arrangements shall not exceed 10% of the issued and outstanding Subordinate Voting Shares.

The following table provides information concerning the burn rate for the Corporation's security-based compensation plans for each of the fiscal years ending September 30, 2017, 2018 and December 31, 2019.

	Number of Securities Granted Under Security-Based Compensation Plans		
	2019	2018	2017
Stock Option Plan	Nil	Nil	Nil
Share Unit Plan	Nil	Nil	Nil
Total	Nil	Nil	Nil
Burn rate ⁽¹⁾	0%	0%	0%

- (1) Calculated as the percentage obtained by dividing the number of securities granted under the Corporation's equity compensation plans during the applicable fiscal year divided by the weighted average number of Subordinate Voting Shares outstanding during that period which was 2,402,132 for the fiscal year ended September 30, 2017, 5,233,047 for the fiscal year ended September 30, 2018, and 5,315,757 for the fiscal period ended December 31, 2019.

Stock Option Plan

The Corporation adopted the Option Plan to provide long-term incentives to attract, motivate and retain its employees, directors, officers and service providers. The Corporation intends to review its previously disclosed compensation philosophy regarding its intention not to grant Options in the future and, depending on the results of such review, the Board may revise this compensation policy.

The following is a description of certain provisions of the Option Plan that is currently in place for the Corporation:

Eligibility

Under the Option Plan, the Corporation may grant Options to (i) any of its or its affiliates' (as defined in the Securities Act (Ontario)) directors, officers or employees, or any service provider (each an "**Eligible Individual**"), or (ii) a corporation controlled by an Eligible Individual, the issued and outstanding voting shares of which are, and will continue to be, beneficially owned, directly or indirectly, by such Eligible Individual and/or the spouse, children and/or grandchildren of such Eligible Individual.

Grant of Options, Exercise Price and Vesting

The maximum number of Subordinate Voting Shares that may be issued by the Corporation to participants pursuant to Options granted and outstanding under the Option Plan or other share compensation arrangements is 10% of the total issued and outstanding Subordinate Voting Shares of the Corporation on the date of the grant which, as of July 22, 2020, was 531,605 Subordinate Voting Shares. Of these, 26,550 Options granted remain unexercised (which represent less than 1% of the total issued and outstanding Subordinate Voting Shares). Previous grants of Options are taken into consideration by the Board when determining new grants of Options to be made.

No Options can be granted to any Eligible Individual if the total number of Subordinate Voting Shares issuable to such person under the Option Plan, together with shares reserved for issuance to such person under options for services or any other share compensation arrangements would exceed 5% of the issued and outstanding Subordinate Voting Shares of the Corporation. The total number of Subordinate Voting Shares (i) issuable to Insiders at any time; and (ii) issued to Insiders within a one year period (pursuant to stock options or other share compensation arrangements) shall not exceed 10% of the issued and outstanding Subordinate Voting Shares of the Corporation. The total number of Subordinate Voting Shares issuable to an Insider and their associates within a one year period (pursuant to Options or other share compensation arrangements) shall not exceed 5% of the issued and outstanding Subordinate Voting Shares of the Corporation. In addition, the total number of Subordinate Voting Shares reserved for issuance pursuant to

Options granted to non-executive directors shall not exceed 0.5% of the issued and outstanding Subordinate Voting Shares of the Corporation.

The Option Plan defines "share compensation arrangements" as the Option Plan, a stock option, stock option plan or stock purchase plan where the issuer provides financial assistance or matches the whole or a portion of the purchase price of the securities being purchased, stock appreciation rights involving the issuance of securities from treasury, or any other compensation or incentive mechanism involving the issuance or potential issuance of securities to one or more of an employee, Insider or Service Provider of the Corporation or any affiliate of the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guaranty or otherwise.

An Insider under the Option Plan is defined in accordance with the Securities Act (Ontario), but excludes a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation and includes an associate of any person who is an Insider.

When granting options, the Corporation will designate the maximum number of Subordinate Voting Shares that may be purchased under the Options, taking into account the amount and terms of outstanding Options and Subordinate Voting Shares to establish the exercise price of the options, designate the conditions under which the options will vest, determine the expiry date for exercise of the Options (which shall be no later than 7 years after the date the Options are granted), and with respect to options granted to US residents or citizens, whether the Option is intended to constitute an incentive stock option.

The exercise prices for Options shall not be less than the fair market value of the Subordinate Voting Shares on the date the Options are granted, which so long as the Subordinate Voting Shares are traded on a stock exchange, is defined to be the closing price for the Subordinate Voting Shares on the day immediately prior to such date on the stock exchange on which the highest aggregate volume of Subordinate Voting Shares have traded on such date. However, it is the Board's policy that if such Options are granted in conjunction with the release of interim or fiscal financial results, the exercise price for such Options shall not be less than the fair market value of the Subordinate Voting Shares determined at the close of the second (2nd) clear trading day following disclosure of such results.

Upon termination of employment, unless provided by written agreement with the Corporation, any Options not vested shall terminate immediately. For vested Options, an individual has thirty (30) days following termination of employment to exercise such options unless the employee has been terminated for cause. Options are transferable only between Eligible Individuals and in accordance with the requirements of the Option Plan.

Amendments

The following types of amendments to the Option Plan require shareholder approval:

1. any increase in the maximum number of Subordinate Voting Shares in respect of which may be granted as Options under the Option Plan;
2. any amendment that would reduce the exercise price, including a cancellation of an Option and re-grant of an Option in conjunction therewith, at which Options may be granted below the minimum price currently provided for in the Option Plan;
3. any amendment that would increase the limits on the total number of Subordinate Voting Shares issuable to any one individual under the Option Plan or to any one insider and the insider's associates;
4. any amendment that would increase the limits on the total number of Subordinate Voting Shares reserved for issuance pursuant to Options granted to insiders of the Corporation for issuance to insiders within a one year period;
5. any amendment that would increase the maximum term of an Option granted under the Option Plan;

6. any amendment that would extend the expiry date of any outstanding Option, except in the case of termination of an employee of the Corporation or any of its affiliates in which case no Option shall be extended beyond the exercise date specified at the time of grant;
7. any amendment that would reduce the exercise price of an outstanding Option (other than as may result from adjustments contemplated by the Option Plan);
8. any amendment that would permit assignments to persons not currently permitted under the Option Plan;
9. any amendment to the definition of "Participant" or any amendment that would expand the scope of those persons eligible to participate in the Option Plan; and
10. any amendment to the types of amendments requiring shareholder approval, other than as permitted under the rules of the TSX.

Any amendments to the Option Plan, other than those listed above, may be made by the Board without shareholder approval.

Share Unit Plan

The Corporation maintains the Share Unit Plan pursuant to which all employees, directors, officers of, or Consultants providing services as an independent contractor to, the Corporation or its affiliated entities (collectively, "**Eligible Individuals**") are eligible to participate in the plan. Pursuant to the Share Unit Plan, all Eligible Individuals are eligible to receive RSUs and/or PSUs (collectively, "**Share Units**") in respect of services rendered in a fiscal year.

Vesting terms and conditions for the Share Units are set out in separate grant agreements with each participant and may be based on fulfilling a defined period of continuous employment or the attainment of performance vesting conditions, provided that unless otherwise approved by the Compensation Committee no vesting period shall be later than December 15th of the third calendar year following the end of the calendar year in which services to which the grant of Share Units relates were rendered. The performance vesting conditions in respect of PSUs may include any such financial and/or personal performance criterion as may be determined by the Corporation, which may apply to the Corporation, an affiliated entity of the Corporation, a business unit of the Corporation or group comprised of the Corporation and some affiliated entities, either individually, alternatively or in any combination, and measured either in total, incrementally or cumulatively over a specified performance period, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparator group, or otherwise, which may be graduated by percentages, including a percentage in excess of 100%. If the achievement of performance vesting conditions attached to Share Units exceeds 100%, the settlement of such Share Units with Subordinate Voting Shares from treasury will result in more Subordinate Voting Shares being issued than the number of Shares Units being settled.

An Eligible Individual shall have no right to receive Subordinate Voting Shares or a cash payment with respect to any Share Units that do not become vested. Vested Share Units shall be settled by the Corporation upon, or as soon as reasonably practicable following, the vesting of the Share Units. Settlement of the Share Units shall be made in cash, shares, or any combination thereof. The Corporation has the ability to settle Share Units with Subordinate Voting Shares either from treasury or by the purchase of shares in the market by a trustee on behalf of a share purchase trust established for the purposes of the Share Unit Plan. With respect to Share Units settled in cash, an Eligible Individual is entitled to receive a payout in respect of each vested Share Unit, with each Share Unit having a value equal to the market value of the Subordinate Voting Shares, which under the Share Unit Plan is equal to the volume weighted-average closing price of the Subordinate Voting Shares in the period of five trading days preceding the date of the payout.

The Share Unit Plan is a "rolling" plan wherein the maximum number of Subordinate Voting Shares available for issuance under the Share Unit Plan shall not exceed ten percent of the issued and outstanding Subordinate Voting Shares from time to time less the number of stock options granted and outstanding under the Corporation's Option Plan. Every three years after the effective date of the Share Unit Plan, all unallocated Subordinate Voting Shares under

the Share Unit Plan shall be submitted for approval to the Board of Directors and the Shareholders of the Corporation as required by the TSX Company Manual.

The Share Unit Plan also is a "reloading" plan wherein Subordinate Voting Shares which are issued from treasury in settlement of vested Share Units will subsequently be reloaded into the Share Unit Plan so that the Corporation will have the ability to re-grant such Subordinate Voting Shares pursuant to future grants of Share Units. The reloading of issued Subordinate Voting Shares into the Share Unit Plan is subject to the Corporation paying the applicable listing fees to the TSX for same, but will not require shareholder approval.

A grant may provide for the accrual of dividend equivalent amounts for the account of the Eligible Individual with respect to cash dividends paid in the ordinary course to Shareholders in respect of outstanding Subordinate Voting Shares. If a grant provides that dividend equivalent amounts will be accrued in respect of Share Units, if and when cash dividends are paid with respect to Subordinate Voting Shares (other than any extraordinary dividend) to Shareholders of record as of a record date occurring during the period from the grant date to the date of settlement of the Share Units, a number of additional Share Units shall be granted to the Eligible Individual equal to the greatest number of whole Subordinate Voting Shares having a market value, as of the payment date for such dividend, equal to the product of (i) the cash dividend paid with respect to a Subordinate Voting Share multiplied by (ii) the number of Share Units subject to such grant as of the record date for the dividend. The additional Share Units so granted shall be subject to the same terms and conditions, including vesting and settlement terms, as the corresponding Share Units.

Pursuant to the terms of the Share Unit Plan, (i) the maximum number of Subordinate Voting Shares issuable to insiders at any time under the Share Unit Plan, the Option Plan and all other security-based compensation arrangements of the Corporation shall not exceed ten percent of the issued and outstanding Subordinate Voting Shares and the number of Subordinate Voting Shares issued to insiders within any one-year period under the Share Unit Plan, the Corporation's stock option plan and all other security based compensation arrangements of the Corporation may not exceed ten percent of the then issued and outstanding Subordinate Voting Shares; and (ii) the aggregate number of Subordinate Voting Shares reserved for issuance to any one Eligible Individual under the Share Unit Plan, together with the Corporation's stock option plan and all other security-based compensation arrangements of the Corporation, shall not exceed five percent of the then issued and outstanding Subordinate Voting Shares (on a non-diluted basis).

In the event an Eligible Individual's employment is terminated for cause, prior to the end of the vesting period relating to a grant, no Share Units relating to such grant and no dividend equivalent Share Units in respect of such Share Units that have not vested and been settled prior to the date of termination shall vest.

In the event of the death of an Eligible Individual prior to the end of the vesting period relating to a grant, all Share Units therein credited to the Eligible Individual's Account that have not previously vested will vest and all of the Eligible Individual's vested Share Units will be settled in accordance with the terms of the Share Unit Plan.

In the event an Eligible Individual is terminated without cause or ceases to be employed by reason of disability or retirement prior to the end of the vesting period relating to a grant, a number of Share Units determined by the formula $A \times B/C$, where: (A) equals the total number of Share Units relating to such grant and dividend equivalent Share Units in respect of such Share Units, (B) equals the total number of days between the grant date for such grant and the Eligible Individual's date of termination, disability or retirement, as applicable, and (C) equals the total number of days between the grant date for such grant and the end of the vesting period relating to such grant; shall be deemed to become vested Share Units (including existing vested Share Units in respect of such Grant) on such date of termination, disability or Retirement, as applicable.

In the case of a grant of PSUs, in the case of termination without cause, death, disability or retirement, the total number of Share Units relating to such grant shall be the number of PSUs specified in the grant without giving effect to any potential increase or decrease in such number as a result of graduated performance vesting conditions, together with any related dividend equivalent PSUs credited to the Eligible Individual at the date of termination, death, disability or retirement, as applicable.

In the event of a change in control prior to the end of the vesting period relating to a grant, the Corporation may determine: (a) to waive applicable conditions for vesting such that all Share Units shall become vested Share Units on the effective date of the change in control, provided that, in the case of a grant of PSUs, the total number of Share

Units relating to such grant shall be the number of PSUs specified in the grant without giving effect to any potential increase or decrease in such number as a result of graduated performance vesting permitting vesting of more or less than 100% of the PSUs in a grant; or (b) that for any Share Unit, there shall be substituted an entitlement to such other securities into which Subordinate Voting Shares are changed, or are convertible or exchangeable, on a basis proportionate to the number of Subordinate Voting Shares to which the Eligible Individual would otherwise be entitled or some other appropriate basis.

The Corporation may amend the Share Unit Plan, provided that all material amendments to the Share Unit Plan shall require the prior approval of the Shareholders. Examples of the specific types of amendments that are not material and that the Board is entitled to make without shareholder approval include, without limitation, the following: (i) amendments to the Share Unit Plan to ensure continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental or regulatory authority or stock exchange; (ii) amendments of a "housekeeping" nature, which include amendments relating to the administration of the Share Unit Plan or to eliminate any ambiguity or correct or supplement any provision herein which may be incorrect or incompatible with any other provision hereof; and (iii) amendments to impose restrictions on the sale, transfer or other disposal of Subordinate Voting Shares by Eligible Individuals.

In addition, shareholder approval will be required for any of the following amendments:

- (a) a reduction in the exercise price or purchase price under a Share Unit benefiting an insider of the issuer;
- (b) an extension of the term, under a Share Unit benefiting an insider of the issuer;
- (c) any amendment to remove or to exceed the insider participation limit on issuances of Share Units;
- (d) an increase to the maximum number of securities issuable under the Share Unit Plan, either as a fixed number or a fixed percentage of the listed issuer's outstanding capital represented by such securities; and
- (e) amendments to the amending provision of the Share Unit Plan.

Eligible Individuals may not assign or transfer Share Units, or any other benefits under the Share Unit Plan other than required by operation of law.

In December 2016, the Board approved a grant of PSUs as part of the Long Term Incentive Plan to NEOs. The PSUs granted on this date were based on three-year "Long Term Measures of Success" performance threshold to be vested as follows: financial year 2017 at 25% of grant, financial year 2018 at 30% of grant, and financial year 2019 at 45% of grant. In December 2017, the Board approved the cancellation of the PSU grant for the financial year 2017, due to financial targets not being achieved. In December 2018, the Board approved the cancellation of the PSU grant for the financial year 2018, due to financial targets not being achieved. In November 2019, the Board approved the cancellation of the remaining PSU grants for Fiscal 2019 due to the financial targets not being achieved.

In December 2016, the Board approved a grant of restricted share units ("**RSUs**") under the Share Unit Plan as part of the Long Term Incentive Plan to NEOs. The RSUs granted on this date vest annually over a three year period as follows: 10%, 30%, 60%. In December 2017, the Board approved the vesting of 10% of the RSUs previously granted, as RSUs are time vested. In December 2018, the Board approved the vesting of 30% of the RSUs previously granted, as RSUs are time vested. In November 2019, the Board approved the vesting of the remaining 60% of the RSUs previously granted and not forfeited since the RSUs are time vested.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee, former director, former executive officer or former employee of the Corporation or any of its subsidiaries was indebted to the Corporation or any of its subsidiaries as at the date of this Circular.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation maintains liability insurance for its directors and officers acting in their respective capacities in an aggregate amount of \$30,000,000 subject to a \$1,000,000 deductible/retention by the Corporation for securities claims and a \$500,000 deductible/retention for all other claims, such deductibles/retentions payable by the Corporation. In addition to this, an additional excess coverage of \$10,000,000 is purchased exclusively for claims against directors and officers where they are not entitled to or provided with indemnification from the Corporation. The total premium paid by the Corporation for this coverage for Fiscal 2019 was CDN\$343,825.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate Governance

The Board has developed and adopted this Statement of Corporate Governance Practices in accordance with the corporate governance guidelines set forth in NP 58-201 (the "**Corporate Governance Guidelines**"), *National Instrument 58-101 – Disclosure of Corporate Governance Practices* ("**NI 58-101**") and TSX requirements. The Corporation's corporate governance practices are comprised of a number of policies and resolutions adopted by the Board from time to time. These policies include the Board Charter, (see Schedule V attached to this Circular), the charter for each of the Board Committees, the code of conduct and business ethics (the "**Code of Conduct and Business Ethics**"), the insider trading policy (the "**Insider Trading Policy**"), the policy on disclosure (the "**Disclosure Policy**"), the whistle blower policy and procedures (the "**Whistle Blower Policy**"), the majority voting policy (the "**Majority Voting Policy**") and the gender diversity policy (the "**Diversity Policy**").

NI 58-101 mandates disclosure of corporate governance practices and this disclosure is set out as follows:

Composition of the Board

The Board is currently comprised of seven (7) directors, all seven (7) of whom (or 100%) are independent within the meaning of section 1.4 of NI 52-110. Assuming each of the Board Nominees are elected by the Shareholders, the Board will be comprised of eight (8) directors, all eight (8) of whom (or 100%) will be independent within the meaning of section 1.4 of NI 52-110.

The table below sets forth each current director's membership on the Board Committees:

	Audit Committee	Compensation Committee	Nomination and Governance Committee
Mr. Demetrios Anaipakos	X		X
Mr. Scott Brighton ⁽¹⁾		X	
Mr. Robert Stabile ⁽²⁾	X (Chair)	X (Chair)	
Mr. David Haselwood ⁽³⁾			
Mr. Andrew Day ⁽⁴⁾	X		X
Mr. Lee Matheson ⁽⁴⁾⁽⁵⁾		X	X (Chair)
Mr. Paul Yancich ⁽⁴⁾⁽⁶⁾		X (Chair)	

(1) Mr. Brighton served on the Compensation Committee until July 22, 2020.

(2) Mr. Stabile served as Chair of the Compensation Committee from March 9, 2020 to July 22, 2020.

(3) Mr. Haselwood was appointed to the Board on March 2, 2020.

(4) Messrs. Day, Matheson and Yancich were appointed to the Board on July 20, 2020.

(5) Mr. Matheson was appointed Chair of the Nomination and Governance Committee on July 22, 2020.

(6) Mr. Yancich was appointed Chair of the Compensation Committee on July 22, 2020.

Chair of the Board

Mr. Robert Stabile is the Chair of the Board. The Chair of the Board is responsible for the effective performance of the Board and shall be responsible for, among other things, overseeing the following:

- Corporate governance of the Board;
- Board meeting agendas, logistics and chairing of meetings;
- Composition of the Board and the Board Committees; and
- Responsibilities of Board Committees.

Independence

The Corporation believes that in order to be effective, the Board must be able to operate independently of management. The Board Charter requires that a majority of the Board, shall be independent, as defined under NI 52-110. In making a determination of independence, the Board considers all relationships of the director, including business, familial and other relationships. On an annual basis, as part of the Corporation's corporate disclosure review, the Board reviews the relationships that each director has with the Corporation in order to satisfy itself that the independence criteria have been met.

In applying the definitions of independence set out in NI 52-110, the following members of the Board have been determined to be independent: Demetrios Anaipakos, who joined the Board on January 25, 2017; Mr. Robert Stabile, who joined the Board on October 16, 2017; Mr. Haselwood, who joined the Board on March 2, 2020; Andrew Day who joined the Board on July 20, 2020; Mr. Lee Matheson, who joined the Board on July 20, 2020; and, Paul Yancich, who joined the Board on July 20, 2020. All of these members have no direct or indirect material relationship with the Corporation which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgement, including any business, familial or other relationship.

Lead Director

The Board previously adopted a "lead director" position description to facilitate the functioning of the Board independently from management of the Corporation. The Lead Director was, among other things, responsible for consulting with the Chair regarding the agenda and associated materials for meetings of the Board, and for participating in the annual performance-evaluation of the CEO. The Lead Director was also responsible for working in conjunction with the Nomination and Governance Committee to conduct the annual Board and individual director assessment process. On July 20, 2020, the Corporation appointed an independent Chair of the Board and as a result it is not required that the position of Lead Director be filled.

Meetings of the Board

During Fiscal 2019, there were eleven (11) meetings of the Board, five (5) meetings of the Audit Committee, five (5) meetings of the Compensation Committee, and one (1) meeting of the Nomination and Governance Committee.

Summary of Attendance of Current Directors				
Name	Board Meetings	Audit Committee Meetings	Compensation Committee Meetings	Nomination and Governance Committee Meetings
Demetrios Anaipakos	11/11 (100%)	5/5 (100%)	Not a member of this Board Committee	1/1 (100%)
Scott Brighton	11/11 (100%)	Not a member of this Board Committee	5/5 (100%)	Not a member of this Board Committee

Chris Helling	11/11 (100%)	Not a member of this Board Committee	Not a member of this Board Committee	1/1 (100%)
Christy Jones	11/11 (100%)	5/5 (100%)	5/5 (100%)	Not a member of this Board Committee
Andrew Price	11/11 (100%)	Not a member of this Board Committee	5/5 (100%)	Not a member of this Board Committee
Farhan Thawar	11/11 (100%)	Not a member of this Board Committee	Not a member of this Board Committee	1/1 (100%)
Robert Stabile	11/11 (100%)	5/5 (100%)	Not a member of this Board Committee	Not a member of this Board Committee

Meetings of Independent Directors

The Board has taken steps to ensure that adequate structures and processes are in place to allow the Board to function independently of management. Meetings of the Board are held at least four times a year and a portion of each Board and Board committee meeting is reserved for independent directors to meet without management present should the need arise. The independent directors also have the ability to hold stand-alone meetings. The Audit Committee and Nomination and Governance Committee are currently comprised solely of directors considered by the Board to be independent within the required meanings of applicable Canadian securities laws.

Board Charter

The Board is responsible for the overall stewardship of the Corporation and its business, including supervising management of the Corporation's business and affairs. The Board discharges its responsibilities in accordance with the CBCA, securities laws, TSX rules, the Corporation's articles and by-laws, the Board policies and the Board Charter and the charters of each of the Board Committees.

As set out in the Board Charter, which is attached to this Circular as Schedule V, the Board has established three committees to assist with its responsibilities: the Audit Committee, the Compensation Committee and the Nomination and Governance Committee. Each committee has a charter defining its responsibilities. Copies of the Corporation's Code of Conduct and Business Ethics and Charters of the Board and the Board Committees can be found on the Corporation's website at www.optiva.com.

Under the Board Charter, which is reviewed at least annually, the Board is responsible for among other things, the following:

- Developing and approving the approach to and practices regarding corporate governance;
- Developing and approving a strategic plan which takes into account, among other things, the opportunities and risks of the business with frequent input from management on the Corporation's performance against the strategic plan;
- Developing and approving management authority guidelines delineating authority retained by the Board and authority delegated to the CEO and other members of management;
- Reviewing and ensuring the integrity of internal controls;
- Updating and ensuring compliance with the following Board policies:
 - Code of Conduct and Business Ethics;
 - Whistle Blower Policy;

- Insider Trading Policy;
- Disclosure Policy;
- Majority Voting Policy; and
- Diversity Policy;

The Board requires management to obtain the Board's approval for:

- All decisions that are outside the ordinary course of business (including, without limitation, major financings, major acquisitions, major dispositions, significant investments, significant licensing and new commercial relationships and litigation strategies);
- Any expenditure above an amount specified by the Board;
- Significant changes to the Corporation's organizational structure;
- Appointment of officers; and
- Such other matters as the Board may determine from time to time.

Conflicts of Interest

The Board has responsibility with respect to establishing and monitoring procedures for identification of and dealing with conflicts of interest. If such arrangements were to arise, they would be considered, as appropriate, by the Board under the guidance of the Nomination and Governance Committee. To facilitate the detection of any independence issues or conflicts of interests, the Board has adopted a conflict of interest policy. Under the policy, directors are required to declare potential conflicts of interest to the Chair of the Board immediately. Directors and officers complete a Directors and Officers Questionnaire on an annual basis, on which they must identify any material interests they have in transactions of the Corporation or other conflicts of interest that may exist. In addition, directors must declare any potential conflicts of interest at the beginning of a board or committee meeting where a proposed contract or transaction is first considered. Where a director becomes interested after a contract is made or a transaction is entered into, the director must disclose the conflict at the first meeting after he or she becomes so interested. Directors are required to recuse themselves from a particular matter where there is or may be a perception of conflict or a perception that they may not bring objective judgment to the consideration of the matter.

Other Directorships

Lee Matheson currently serves as a director of EFM Holdings Inc. (TSX: EFM) and exactEarth Ltd. (TSX: XCT).

Strategic Planning Process

Pursuant to the Board Charter, the Board is responsible for reviewing and approving, at least annually, a strategic planning process. As part of this review, the Board receives presentations from management, which take into account the principal risks and opportunities of the Corporation's business. The Board monitors management's execution of the Corporation's strategic plan through quarterly updates during Audit Committee meetings and Board meetings.

Business and Risk Management

The Board, through its Audit Committee, is responsible for ensuring that management has identified the principal risks of the business of the Corporation and has implemented appropriate practices to manage these risks. The principal risks of the Corporation can be found in its Annual Information Form, which is available on the Corporation's website at www.optiva.com or on SEDAR at www.SEDAR.com. The Audit Committee meets regularly to consider reports from management and to discuss significant risk areas and management's risk mitigation practices.

Position Descriptions

The Board has developed written position descriptions for the Chair of the Board, the Chair of each Board Committee, the Lead Director, the CEO, the CFO and for individual directors (collectively, the "**Position Descriptions**").

Orientation and Continuing Education

Pursuant to its mandate, and with the assistance of the Nomination and Governance Committee, the Board is responsible for ensuring that all new members receive a comprehensive orientation to increase their effectiveness as soon as possible after their appointment to the Board. New directors are educated regarding the Board's role and the Board Committees, the expected contributions of individual directors (including the commitment of time and energy) as well as strategic and operational direction of the business. This is accomplished through a series of meetings with the Chair of the Board, key members of management and others members of the Board. In addition, all new directors receive a comprehensive Director's Handbook, which includes, but is not limited to, the following information:

- Corporation overview;
- Strategic plan;
- Risk management overview;
- Organizational charts;
- Board and executive management contact lists;
- Corporate governance documentation;
- Director remuneration;
- Key legal documents; and
- Significant Corporation policies and procedures.

Under the guidance of the Nomination and Governance Committee, the Board is also responsible for providing continuing education opportunities for all directors, so that individual members maintain or enhance their skills and abilities as directors, as well as remain current in their knowledge and understanding of the Corporation's business. In order to assist directors in the continuous advancement of their knowledge of the Corporation's business, senior management makes regular presentations to the Board on the main areas of the Corporation's business, financial matters, operations and overall industry. These presentations include highlighting market conditions and trends that may impact the Corporation's business and influence its strategy, as well as the key risks and opportunities the Corporation faces. Directors are invited to provide input into the topics they wish to be covered in the education program, and management schedules presentations to cover such areas, which include presentations by external consultants when appropriate.

Ethical Business Practices

Code of Conduct and Business Ethics

Directors, officers, employees and contractors of the Corporation are expected to comply with a Code of Conduct and Business Ethics, the objective of which is to ensure that the Corporation maintains a high level of trust and integrity and meets high ethical standards applicable to all directors, officers, employees and contractors. The Code of Conduct and Business Ethics can be viewed at the Corporation's website at www.optiva.com. Currently, the Board (through the Audit Committee and the Nomination and Governance Committee), has the responsibility to monitor compliance with the Code of Conduct and Business Ethics and to recommend improvements as deemed necessary or desirable. The Audit Committee and Board receive quarterly reports from the Corporation's Disclosure Committee. The Code

of Conduct and Business Ethics is reviewed annually by the Corporation's Nomination and Governance Committee and recommendations, if any, are provided to and decided on by the Board.

Whistle Blower Policy

The Board has adopted a Whistle Blower Policy and has set up a confidential hotline from which summary activity reports are provided and reviewed by select members of management monthly. The Board monitors compliance with the Whistle Blower Policy through quarterly updates (or more frequently, if applicable) from the Audit Committee.

Board Committees

As noted above, the Board has three standing committees: the Audit Committee, the Compensation Committee and the Nomination and Governance Committee. The specific responsibilities of each of the Board Committees are identified in such committee's charter. A copy of each Board Committee Charter is available on the Corporation's website at www.optiva.com.

Audit Committee

For Fiscal 2019, the Audit Committee was comprised of the following three directors: Robert Stabile, Demetrios Anaipakos and Christina Jones, each of which is considered "independent" and "financially literate" (as such terms are defined in NI 52-110). Following the resignation of Ms. Jones from the Board on July 20, 2020, Mr. Andrew Day replaced Ms. Jones as a member of the Audit Committee. Mr. Day is considered "independent" and "financially literate" (as such terms are defined in NI 52-110). Following the Meeting, and assuming that each of the Board Nominees are elected by a majority of the Shareholders, the Audit Committee, which shall be made up of no less than three members, will be comprised of the following three (3) directors: Robert Stabile, Demetrios Anaipakos and Andrew Day (collectively, the "**Proposed Audit Committee Members**"). Each Proposed Audit Committee Member is considered "independent" and "financially literate" (as such terms are defined in NI 52-110).

Relevant Education and Experience of Members of the Audit Committee

The education and experience of each Proposed Audit Committee Member that is relevant to such member's responsibilities as a member of the Audit Committee is set out below.

Robert Stabile – Mr. Stabile is currently Chief Financial Officer of Beanfield Metroconnect, a privately-owned telecommunications company. Mr. Stabile has over 18 years of financial analysis experience. Mr. Stabile has served as a Portfolio Manager at a private-client asset management firm, LDIC Inc. and prior to that as an Institutional Equity Salesperson and Partner at Paradigm Capital. Mr. Stabile began his career at CIBC World Markets in Equity Research. Robert is an Honours Business graduate from Wilfrid Laurier University in Waterloo, Ontario, and a Chartered Financial Analyst charterholder since 2001.

Demetrios Anaipakos – Mr. Anaipakos is a graduate of Stanford University Law School. He has over 20 years of experience handling a wide variety of complex legal issues and disputes, with a significant emphasis in software, telecommunications, commercial and intellectual property matters. Among these engagements, Mr. Anaipakos has worked closely with a Canadian company as part of a very successful effort to license its patented technologies in the mobile telephony space worldwide. Mr. Anaipakos is Board Certified in Civil Trial Law by the Texas Board of Legal Specialization and has garnered numerous professional accolades, including as a "Super Lawyer" in every year since that designation began.

Andrew Day – Mr. Day is a Chartered Public Accountant (CPA) and has over 25 years of management experience in telecommunications, technology innovation, sales, and marketing leadership. Mr. Day was most recently Chief Operating Officer & EVP of Internap Corporation. Prior to Internap, Mr. Day served as CEO of Primus Telecommunications Group Inc. and Primus Canada, where he was responsible for the company's direction and results, as Senior Vice President, Consumer Channels at Rogers Communications, where he led all consumer product sales across all sales channels, and held various roles of increasing responsibility in general management, sales, product management, and finance at AT&T, Gillette, and Xerox.

Audit Committee Charter

The Board has adopted a charter for the Audit Committee which sets out the mandate and responsibilities of the Audit Committee. Among other things, the Audit Committee is responsible for the following:

- ensuring compliance with legal and regulatory requirements, including reviewing and recommending to the Board the annual financial statements, annual Management Discussion & Analysis, and Annual Information Form, and reviewing and approving the interim financial statements and interim Management Discussion & Analysis;
- reviewing the qualifications, performance and independence of the Corporation's external auditor;
- monitoring the quality and integrity of the Corporation's financial statements;
- overseeing the design, implementation and assessment of disclosure controls and procedures and internal control over financial reporting;
- monitoring the effectiveness of the Corporation's risk management program;
- monitoring and reviewing the effectiveness of the Corporation's internal audit function; and
- monitoring compliance with the Corporation's Whistle Blower Policy and procedures.

As contemplated in its Charter, the Audit Committee meets at least four (4) times annually with the external auditors being present and without management being present.

A copy of the Audit Committee's charter is set out in the Corporation's Annual Information Form which is available on the Corporation's website at www.optiva.com or on SEDAR at www.sedar.com.

Compensation Committee

For Fiscal 2019, the Compensation Committee was comprised of the following three directors: Mr. Andrew Price, Mr. Scott Brighton and Ms. Christina Jones. Following Mr. Price's resignation from the Board on March 2, 2020, Mr. Robert Stabile replaced Mr. Price as Chair of the Compensation Committee. Following Ms. Jones' resignation from the Board on July 20, 2020, Mr. Lee Matheson replaced Ms. Jones as a member of the Compensation Committee and Mr. Paul Yancich replaced Mr. Stabile as Chair of the Compensation Committee. Following the Meeting, and assuming that each of the Board Nominees are elected by a majority of the Shareholders, the Compensation Committee will be comprised of the following three (3) directors: Paul Yancich, Lee Matheson and one additional director to be determined after the Meeting. Each of Paul Yancich and Lee Matheson is considered "independent" (as such term is defined in NP 58-201).

The Board has adopted a charter for the Compensation Committee which sets out its purpose, mandate and its duties and responsibilities. Among other things, the Compensation Committee is responsible for the following:

- recommending the Corporation's framework or broad policy for the compensation of executives (including pension rights and compensation payments);
- recommending the compensation of the CEO, including salary, bonus, long-term incentives and material benefits;
- recommending the compensation paid to executives based on recommendations made by the CEO;
- determining performance-related formulae and targets relevant to executive compensation, based on recommendations made by the CEO;

- reviewing and approving all compensation-related disclosure;
- reviewing periodically the adequacy and form of compensation paid to non-executive directors; and
- succession planning.

Nomination and Governance Committee

For Fiscal 2019, the Nomination and Governance Committee was comprised of the following three directors: Chris Helling (Chair), Demetrios Anaipakos and Farhan Thawar, each of whom are considered "independent" (as such term is defined in NP 58-201). Following the resignations of Mr. Chris Helling and Mr. Farhan Thawar from the Board on July 20, 2020, Mr. Lee Matheson replaced Mr. Helling as Chair of the Nomination and Governance Committee and Mr. Andrew Day replaced Mr. Thawar as a member of the Nomination and Governance Committee. Following the Meeting, and assuming that each of the Board Nominees are elected by a majority of the Shareholders, the Nomination and Governance Committee will be comprised of the following three (3) directors: Lee Matheson, Demetrios Anaipakos and Andrew Day. Each of Lee Matheson, Demetrios Anaipakos and Andrew Day is considered "independent" (as such term is defined in NP 58-201).

The Board has adopted a charter for the Nomination and Governance Committee which sets out its purpose, mandate and its duties and responsibilities. As described in the Nomination and Governance Committee charter, the key responsibilities of the Nomination and Governance Committee include, but are not limited to, the following:

- reviewing and recommending to the Board the Corporation's approach to corporate governance policies and practices;
- monitoring compliance with the Corporation's Code of Conduct and Business Ethics;
- providing all new directors with comprehensive orientation on the nature and operation of the Corporation's business;
- providing continuing education opportunities for all directors;
- overseeing the annual board assessment process, including a review of each individual director's performance;
- reviewing and identifying directors for election to the Board;
- developing a process for identifying and reviewing potential conflict of interest situations;
- reviewing annually and recommending to the Board changes to the Board Charter, the charters of the Committees and the Position Descriptions; and
- monitoring compliance of each of the Corporation's Disclosure Policy and Insider Trading Policy.

Nomination of Directors

The Nomination and Governance Committee is responsible for making recommendations to the Board regarding the size, composition of the Board and qualification criteria for Board members reflecting an appropriate mix of expertise, skills, attributes and personal and professional backgrounds for service as an independent director of the Corporation. When recruiting new members, the Nomination and Governance Committee considers the skills and competencies of the current directors, the existence of any gaps in Board skills and the attributes and experience new directors should have in order to best address the needs of the Board. The Nomination and Governance Committee also ensures through discussion with potential board candidates that they have the time available to fulfill their obligations on the Board. In consultation with the Chair of the Board, the Nomination and Governance Committee develops a desirable mix of

attributes and experience, including relevant industry experience, and may retain an external consultant to assist in the identification of candidates meeting the requisite criteria.

Board Access to Management, Outside Counsel and Advisors

The Board or each of the Board Committees has exclusive access to all employees of the Corporation (including members of senior management). The Board or any one of the Board Committees is entitled to engage independent counsel and other advisors as considered necessary to carry out its duties and to set and pay the compensation for any such advisors.

Performance Assessment of the Board and its Committees

The Board annually reviews the effectiveness of the Board and the Board Committees in fulfilling their duties and responsibilities. The Board, the Board Committees and individual directors are assessed annually with respect to their effectiveness and contribution. The Chair of the Board, in consultation with the chair of the Nomination and Governance Committee, conducts informal assessments of the Board Committees and each director annually.

Majority Voting Policy

The Board has approved a Majority Voting Policy to which all nominees for election to the Board are asked to agree prior to the Board recommending that they be elected. Pursuant to the Majority Voting Policy, forms of proxy for meetings of the Shareholders at which directors are to be elected, in an uncontested election, provide the option of voting in favour of, or withholding from voting for, each individual nominee to the Board. If, with respect to any particular nominee, the number of Subordinate Voting Shares withheld from voting exceeds the number of Subordinate Voting Shares voted in favour of the nominee, then the nominee will be considered to have not received the support of the Shareholders for the purpose of the Majority Voting Policy and such elected director is expected to immediately submit his or her resignation to the Board. A director nominee who tenders a resignation pursuant to this policy will not participate in any meeting of the Board or any sub-committee of the Board at which the resignation is considered. Within 90 days of receiving the final voting results for the applicable Shareholders' meeting, the Board will announce whether to accept, delay or reject such director's offer to resign, and will promptly issue a press release with the Board's decision. Unless there are exceptional circumstances, the Board shall accept the resignation of a resigning director nominee. In the event the Board determines not to accept the resignation, the press release will fully state the reasons for such decision. If the resignation is accepted, subject to any corporate law restrictions, the Board may (i) leave the resultant vacancy in the Board unfilled until the next annual meeting of Shareholders, (ii) fill the vacancy through the appointment of a director whom the Board considers to merit the confidence of the Shareholders, or (iii) call a special meeting of the Shareholders to consider the election of a nominee recommended by the Board to fill the vacant position. The Majority Voting Policy applies only in the case of an uncontested election of directors.

Director Term Limits

The Corporation does not have director term limits or a formal retirement policy given its concern that term limits and retirement policies indiscriminately eliminate both high and low performing directors as well as directors with unique and critical skill sets based solely on tenure or age. The Corporation values the cumulative experience and comprehensive knowledge of the Board that long serving directors possess. Instead, the Board has a process of regular director self-assessment that allow the Chair of the Board (or in the case of the evaluation of the Chair of the Board, the Chair of the Nomination and Governance Committee) to have a clear understanding of relative director contribution, skillset and expertise, so that an appropriate level of director turnover can be achieved by having one or more directors not stand for re-election at appropriate times. The Nomination and Governance Committee can consider the composition of the Board and whether there is a need to include nominees with different skills, experiences and perspectives on the Board. This flexible approach allows the Corporation to consider each director individually, as well as the Board composition generally, to determine if the appropriate balance is being achieved. The Corporation also provides clear disclosure in the circular of director tenure and an explanation of how the Corporation's approach ensures diversity of skills, experience, background and gender and an appropriate level of turnover.

Women and Designated Groups in Director and Officer Positions

In February 2016, the Board adopted a written policy with respect to diversity which states that the Corporation values diversity of view, experience, skillset, gender and ethnicity and is committed to considering diversity in its director nominations and executive appointments. Gender and ethnic diversity are factors that are taken into account in identifying and selecting board members and in considering the hiring, promotion and appointment of executive officers. The Corporation regularly considers the level of representation of women and members of the other "designated groups" as defined in the *Employment Equity Act*, being Aboriginal peoples, persons with disabilities and members of visible minorities, on the Board and in executive officer positions.

The Corporation does not have specific targets respecting the representation of women and members of other designated groups on the board and in executive officer positions as the Board does not believe that quotas or strict rules necessarily result in the identification or selection of the best candidates for the Corporation's highly specialized business. In addition, appointments of directors and selection of executive officers should be made, and should be perceived as being made, on the merits of the individuals and having a fixed target could impede the application of this principle. While the Corporation does not have fixed targets for the representation of women and members of other designated groups on the Board or in executive officer positions, in assessing the appropriateness of candidates for board and executive officer appointments, the Corporation does consider the desirability of an appropriate level of representation of women and members of other designated groups on its board and in executive officer positions. The Nomination and Governance Committee is responsible for monitoring the effectiveness of the policy. As at the date hereof, no women are members of the Board and no women hold executive positions. As at the date hereof, no members of the Board and 2 members of senior management identify as members of any of the other designated groups.

FEEDBACK

The Board welcomes input and comments from Shareholders. Input or comments for the Board or its committees should be directed to:

Corporate Secretary
2233 Argentia Rd.
East Tower, Suite 302
Mississauga, Ontario
Canada L5N 2X7

Telephone: (905) 625-2622
Email: corpaffairs@optiva.com

AUDIT COMMITTEE INFORMATION

The Audit Committee has a formal charter and is comprised of three directors who are independent and financially literate (for education and experience, please refer to section "*Relevant Education and Experience of Members of the Audit Committee*" above). The Audit Committee Charter sets out the mandate and responsibilities of the Audit Committee. Detailed information with respect to the Corporation's Audit Committee is contained under the heading "*Audit Committee*" in the Corporation's Annual Information Form for the fiscal period ended December 31, 2019 filed on SEDAR at www.sedar.com.

INTEREST IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular or in the Corporation's Annual Information Form dated March 9, 2020 as it pertains to transactions between the Corporation and ESW and its affiliates, no informed person, proposed nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed nominee has or had a material interest, direct or indirect, in any transaction since the beginning of fiscal 2019 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

On July 20, 2020, the Corporation completed a \$90 million financing (the "**Debt Financing**") of 9.75% secured PIK toggle debentures due 2025. Funds managed by EdgePoint and Maple Rock, two of the Corporation's largest shareholders (and each of whom are insiders of the Corporation), subscribed for debentures under the Debt Financing.

AVAILABLE INFORMATION

Financial information is provided in the Corporation's comparative annual financial statements and Management's Discussion and Analysis ("**MD&A**") for the period ended December 31, 2019, which are posted on the Corporation's website, www.optiva.com.

Shareholders of the Corporation may request copies of the Corporation's financial statements including its MD&A by contacting:

Corporate Secretary
2233 Argentinia Rd.
East Tower, Suite 302
Mississauga, Ontario
Canada L5N 2X7

Telephone: (905) 625-2622
Email: corpaffairs@optiva.com

Additional information relating to the Corporation is also available on SEDAR at www.sedar.com.

SHAREHOLDER PROPOSALS

Persons entitled to vote at the next annual meeting of the Corporation who wish to submit a proposal for consideration at the meeting, must submit their proposal to the Corporation by April 23, 2021.

DIRECTORS' APPROVAL

The Board of the Corporation has approved the contents and the sending of this Circular.

DATED at Toronto, as of the 22nd day of July, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

"Robert Stabile"

Robert Stabile
Chair of the Board

SCHEDULE I
RESOLUTION TO ADOPT BY-LAW NO. 2

OPTIVA INC.
(the "Corporation")

"BE IT RESOLVED THAT:

1. The Corporation's By-Law No. 2, adopted on February 12, 2020, a copy of which is set out in Schedule II to the Corporation's management information circular dated July 22, 2020, is hereby ratified and approved as a by-law of the Corporation; and
2. Any one director or officer of the Corporation is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as such director or officer may deem necessary or desirable to give effect to the foregoing resolution."

SCHEDULE II
BY-LAW NO. 2

See attached.

ADVANCE NOTICE BY-LAW

BY-LAW NO. 2

A by-law relating generally to the nomination by holders of the subordinate voting shares (“shareholders”) of **OPTIVA INC.** (the “**Corporation**”) of persons for election as directors of the Corporation.

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of the Corporation with effect as of the Effective Date (as defined below), subject to ratification and approval by ordinary resolution of the shareholders at the next meeting of shareholders, as follows:

INTRODUCTION

The purpose of this Advance Notice By-Law No. 2 (the “**By-Law**”) is to provide shareholders, directors and management of the Corporation with a transparent, fair and structured framework under which holders of record of the subordinate voting shares of the Corporation may submit director nominations by fixing a deadline by which such nominations must be submitted by a shareholder of record prior to any annual or special meeting of shareholders. This By-Law sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form and other procedures to be followed, in respect of director nominations in order to:

- (a) facilitate an orderly and efficient annual or, where the need arises, special meeting process;
- (b) ensure that all shareholders, including those voting by proxy, receive adequate notice of director nominations and sufficient information with respect to all director nominees; and
- (c) allow shareholders to cast an informed vote with respect to the election of directors.

This By-Law will be subject to periodic review and, subject to the Act (as defined below), may be amended for the purposes of, among other things, complying with the requirements of applicable securities regulatory authorities or stock exchanges, or to meet evolving industry standards.

NOMINATIONS OF DIRECTORS

1. Subject only to the provisions of the Act and the articles of the Corporation as from time to time amended, only persons who are nominated in accordance with the procedures set out in this By-Law shall be eligible for election by the shareholders as directors of the Corporation. Nominations of persons for election by the shareholders to the board of directors of the Corporation (the “**Board**”) may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election by shareholders of one or more directors. Such nominations must be made:

- (a) by or at the direction of the Board (or any duly authorized committee thereof), including pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more shareholders pursuant to a “proposal” within the meaning of, and made in accordance with, the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or
 - (c) by any person (a “**Nominating Shareholder**”) who:
 - (i) at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this By-Law and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more subordinate voting shares of the Corporation carrying the right to vote at such meeting or who beneficially owns subordinate voting shares of the Corporation that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation; and
 - (ii) complies with the notice procedures set forth below in this By-Law.
2. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder pursuant to Section 1(c) above, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with Section 3 below) and in proper written form (in accordance with Section 4 below) to the Secretary of the Corporation at the registered office of the Corporation, even if such matter is already the subject of a notice to the shareholders or a public announcement.
3. To be timely, a Nominating Shareholder’s notice to the Secretary of the Corporation must be made:
- (a) in the case of an annual meeting of shareholders, not later than the close of business on the thirtieth (30th) day prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than fifty (50) days after the date (the “**Notice Date**”) on which the first public announcement (as defined below) of the date of the annual meeting of shareholders was made by the Corporation, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date;
 - (b) in the case of a special meeting of shareholders (which is not also an annual meeting of shareholders) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the date (the “**Special Meeting Notice Date**”) on which the first public announcement of the date of the special meeting of shareholders was made by the Corporation; and
 - (c) in the case of an annual meeting of shareholders or a special meeting of shareholders (which is not also an annual meeting of shareholders) called for the purpose of electing directors (whether or not called for other purposes) where notice-and-access (as such term is defined in National Instrument 54-101 –

Communication with Beneficial Owners of Securities of a Reporting Issuer) is used for delivery of proxy-related materials, not later than the close of business on the fortieth (40th) day prior to the date of the meeting of shareholders; provided, however, that in the event that the shareholders' meeting is to be held on a date that is less than 50 days after the Notice Date or the Special Meeting Notice Date, as applicable, notice by the Nominating Shareholder shall be made, in the case of an annual meeting of shareholders, not later than the close of business on the tenth (10th) day following the Notice Date and, in the case of a special meeting of shareholders (which is not also an annual meeting of shareholders), not later than the close of business on the fifteenth (15th) day following the Special Meeting Notice Date.

In the event of any adjournment or postponement of a meeting of shareholders, or a public announcement thereof, the required time periods for the giving of a Nominating Shareholder's notice as described in this Section 3 shall apply using the date of the adjourned or postponed meeting or the date of a public announcement thereof, as the case may be.

4. To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must be in writing and must set forth:
 - (a) as to each person whom the Nominating Shareholder proposes to nominate for election to the Board (each, a "**Proposed Nominee**"):
 - (i) the name, age, business address and residential address of the Proposed Nominee;
 - (ii) the principal occupation, business or employment of the Proposed Nominee, both present and within the five (5) years preceding the notice;
 - (iii) the country of residence of the Proposed Nominee, including the Proposed Nominee's status as a "resident Canadian" (as such term is defined in the Act);
 - (iv) each class or series and number of securities in the capital of the Corporation or any of its subsidiaries (as such term is defined in the Act) that are, directly or indirectly, controlled or directed or that are owned beneficially or of record by the Proposed Nominee and his or her associates or affiliates (as those terms are respectively defined in the Act) as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (v) full particulars of all direct and indirect contracts, agreements, arrangements, understandings or relationships (collectively, "**Arrangements**"), including without limitation financial, compensation and indemnity related Arrangements, between the Proposed Nominee or any associate or affiliate of such Proposed Nominee and (A) any Nominating Shareholder or any of its representatives, or (B) any other person or entity relating to the proposed nominee's nomination for election, or potential service, as a director of the Corporation; and

- (vi) any other information relating to the Proposed Nominee or his or her associates or affiliates that would be required to be disclosed in a dissident's proxy circular in connection with a solicitation of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below), provided that any such additional information, if requested or received, shall be made publicly available to shareholders of the Corporation.
- (b) as to each Nominating Shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination is made:
- (i) the name, business address and, if applicable, residential address of such person;
 - (ii) each class or series and number of securities in the capital of the Corporation or any of its subsidiaries that are, directly or indirectly, controlled or directed or that are owned beneficially or of record by such person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (iii) full particulars regarding any proxy or Arrangement pursuant to which such person has a right to vote or direct the voting of any shares of the Corporation or nominate directors to the Board;
 - (iv) full particulars of the interests in, or rights or obligations associated with, any Arrangements of such person, the purpose or effect of which is to alter, directly or indirectly, the economic interest of such person in a security of the Corporation or the economic exposure of such person to the Corporation; and
 - (v) any other information relating to such person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws, provided that any such additional information, if requested or received, shall be made publicly available to shareholders of the Corporation.

Reference to "Nominating Shareholder" throughout this By-Law shall be deemed to refer to each shareholder that nominates a person for election as a director in the case of a nomination where more than one shareholder is involved in making such nomination proposal.

The Corporation may require any proposed nominee for election as a director to furnish such other information as may be necessary to determine the eligibility of such proposed nominee to serve as an independent director, in the same manner as would be required and disclosed by management nominees, to comply with the Act, Applicable Securities Laws and the rules of any stock exchange on which the securities of the Corporation are then listed for trading.

In addition, to be considered timely and in proper written form, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such notice will be true and correct as of the record date for the meeting of shareholders to which such notice relates.

5. The procedures set forth in this By-Law shall be the exclusive means for any person to bring nominations for election to the Board before any annual or special meeting of the shareholders. No person shall be eligible for election as a director of the Corporation unless such person has been nominated in accordance with this By-Law; provided, however, that nothing in this By-Law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act. The Chair of the meeting of shareholders shall have the power and duty to determine whether a nomination of a person for election to the Board was made in accordance with this By-Law and, if the Chair determines that a nomination does not comply with this By-Law, to declare that such defective nomination shall be disregarded.
6. Notwithstanding any other provision of this By-Law or of any other by-law of the Corporation, notice given to the Secretary of the Corporation pursuant to this By-Law may only be given by personal delivery, facsimile transmission or email (at such email address as may be stipulated from time to time by the Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the registered office of the Corporation or delivered to the Secretary by email (at the aforesaid email address) or by facsimile transmission (provided that receipt of confirmation of such facsimile transmission has been received); provided that if such delivery is made on a day that is not a business day in the Province of Ontario or later than 5:00 p.m. (Toronto time) on a day that is a business day, then such delivery shall be deemed to have been made on the next following day that is a business day in the Province of Ontario.
7. Notwithstanding any of the foregoing, the Board may, in its sole discretion, waive any requirement of this By-Law.

EFFECTIVE DATE

8. This By-Law was approved and adopted by the Board on February 12, 2020 (the "**Effective Date**") and is and shall be effective and in full force and effect in accordance with its provisions from and after such date. Notwithstanding the foregoing, if this By-Law is not approved by ordinary resolution of the shareholders present in person or voting by proxy at the next meeting of those shareholders validly held following the Effective Date, then this By-Law shall terminate and be void and of no further force and effect following the termination of such meeting of shareholders.

DEFINED TERMS

9. For the purposes of this By-Law:
 - (a) "**Act**" means the *Canada Business Corporations Act* and the regulations thereunder, as from time to time amended, and every statute or regulation that may be substituted therefor and, in the case of such amendment or substitution,

any reference in this By-Law shall be read as referring to the amended or substituted provisions;

- (b) **“Applicable Securities Laws”** means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission or similar regulatory authority of each such province and territory of Canada; and
- (c) **“public announcement”** means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by or on behalf of the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

PASSED by the directors of the Corporation on February 12, 2020.

SCHEDULE III
RIGHTS PLAN RESOLUTION

OPTIVA INC.
(the "Corporation")

"BE IT RESOLVED THAT:

1. The shareholder rights plan of the Corporation as set forth in the shareholder rights plan agreement between the Corporation and Computershare Investor Services Inc. dated effective as of July 27, 2020, is hereby ratified and approved and the Corporation is authorized to issue rights pursuant thereto;
2. Any one director or officer of the Corporation is hereby authorized and directed to execute and deliver all such documents and to do or cause to be done all such other acts and things as such director or officer may deem necessary or desirable to give effect to or carry out the intent of this resolution, including but not limited to making such filings and amendments as may be required by the Toronto Stock Exchange or as any one director or officer of the Corporation may determine is necessary or desirable; and
3. Notwithstanding the foregoing approvals, the directors of the Corporation be and are hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto without further notice to or approval of the shareholders of the Corporation."

SCHEDULE IV
RESOLUTION TO APPROVE UNALLOCATED OPTIONS

OPTIVA INC.
(the "Corporation")

"BE IT RESOLVED THAT:

1. All unallocated stock options issued under the Corporation's option plan are approved and authorized until August 18, 2023;
2. Any one director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and deliver all such further agreements, documents and instruments and to perform all such other acts, deeds and things as such director or officer may deem to be necessary or desirable for the purpose of giving full force and effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document or instrument or the doing of any such act or thing being conclusive evidence of such determination; and
3. Notwithstanding the foregoing approvals, the directors of the Corporation be and are hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto without further notice to or approval of the shareholders of the Corporation."

SCHEDULE V
CHARTER FOR THE BOARD OF DIRECTORS

OPTIVA INC.
(the "Corporation")

1. Purpose

- 1.1 The Board of Directors (the "**Board**") have the duty to supervise management of the business and the affairs of the Corporation. The Board, directly and through its committees, and the Chair of the Board shall provide direction to senior management, generally through the Chief Executive Officer (the "**CEO**"), to pursue the interests of the Corporation.

2. Independence and Conflict of Interest

- 2.1 The majority of the Board Members shall be independent directors, as that term is defined under National Instrument 52-110. The Chair of the Board need not be an independent director, as that term is defined under National Instrument 52-110.
- 2.2 The Board shall review the independence of its members as well as review any potential conflict of interest situations at least on an annual basis.

3. Committees of the Board

- 3.1 The Board shall establish appropriate Committees to deal with subject matter areas and shall appoint the members of each Committee from amongst the directors of the Corporation. These Committees shall be comprised of at least one independent Director and the remaining members of the Committees need not be independent Directors. For purposes of the Audit Committee, whether or not a committee member is "independent" will be determined in accordance with the definition of such term under *National Instrument 52-110 – Audit Committees*. For purposes of the Compensation Committee and the Nomination and Governance Committee, whether or not a committee member is "independent" will be determined in accordance with the definition of such term under *National Policy 58-201 – Corporate Governance Guidelines*. The Committees shall set out their roles and responsibilities in formal Charters which shall be approved by the Board and made publicly available. Each Committee Chair shall be appointed by the Board, shall report to the Board after each Committee meeting and shall annually provide the Board with a report on its activities in the previous year.

As a minimum the Committees shall comprise:

- (a) Audit Committee
- (b) Compensation Committee
- (c) Nomination and Governance Committee

4. Position Descriptions

- 4.1 The Board shall develop clear position descriptions for the Chair of the Board and the Chair of each Board Committee, and approve any changes as recommended by the Nomination and Governance Committee. In addition, the Board, together with the CEO, shall approve a clear position description for the CEO, which includes delineating management's responsibilities.

On recommendation by the Audit Committee, the Board will approve any changes to the CFO position description.

5. Corporate Governance Statement

- 5.1 The Board shall develop the Corporation's approach to corporate governance, including publishing a Corporate Governance Statement annually that describes how it achieves good governance. The Corporate Governance Statement shall, at a minimum, describe how each of the principles of good governance and best practices contained in the Corporate Governance Guidelines set out under National Policy 58-201 (the "**Corporate Governance Guidelines**") issued by the Canadian Securities Administrators, is put into practice by the Corporation and also describe any additional corporate governance standards and procedures that the Corporation applies beyond these basic levels. Where, the Corporation is unable to comply with these guidelines, the Corporate Governance Statement shall describe how the features of good governance are being achieved.

6. Management Authority Guidelines

- 6.1 The Board should develop formal Management Authority Guidelines delineating authority retained by the Board and authority delegated to the CEO and the other members of the Executive Team. The Authority Guidelines shall also clearly state matters which should be presented to the Board and its Committees. These matters shall include significant changes to management structure and appointments; strategic and policy considerations; major acquisitions and capital expenditures; major marketing initiatives; significant agreements, contracts and negotiations; significant finance related and other general matters.

7. Strategic Planning

- 7.1 The Board shall adopt a strategic planning process and approve, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business with frequent input from management on the Corporation's performance against the strategic plan.

8. Risk Management and Internal Controls

- 8.1 The Board shall identify the principal risks of the Corporation's business, shall ensure that appropriate systems are implemented to manage these risks, and shall receive updates on the status of risk management activities and initiatives annually or more frequently as appropriate.
- 8.2 The Board shall, at least annually, provide oversight to a review of the effectiveness of the Corporation's system of internal controls. The review should cover all material controls, including financial, operational and compliance controls and risk management systems. The Board shall provide adequate oversight to the financial reporting process including the information systems processing. The Board shall verify the internal financial, operational and compliance controls and risk management systems have been established by management.

9. Ethical Standards

- 9.1 The Board shall adopt a written Code of Ethics and Business Conduct ("**the Code**") and shall establish the appropriate "tone at the top". To the extent feasible, the Board shall satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization. Any waivers from the Code that are granted for the benefit of the Corporation's directors or executive officers should be granted by the Board only.
- 9.2 The Board shall establish an Ethics and Compliance Committee and on recommendation from the Nomination and Governance Committee will approve any amendments to the mandate of the Ethics and Compliance Committee as required.
- 9.3 The Board shall receive the report of the Ethics and Compliance Committee on an annual basis with respect to the Committee's activities during the year.

10. Whistle Blower Policy

- 10.1 The Board shall establish a Whistle Blower policy and ensure that there are adequate procedures for it to be apprised on a timely basis and in sufficient detail of all concerns raised by employees, officers and directors of the Corporation and external parties regarding instances of misconduct including illegal or unethical behaviour, fraudulent activities, and violation of Corporation policies, particularly with respect to accounting, internal accounting controls or auditing matters and that such concerns are properly received, reviewed, investigated, documented and brought to an appropriate resolution.

11. Oversight of Financial Performance

- 11.1 The Board shall approve the annual budget on the recommendation of the Audit Committee and periodically receive an analysis of actual results versus approved budgets. The Board shall approve the annual and interim reports to shareholders, including the financial statements and MD&A.

12. Auditor Matters

- 12.1 The Board shall review and approve the recommendation of the Audit Committee to put before the shareholders for approval at the annual general meeting, the appointment, re- appointment and removal of the Corporation's auditors and to approve the remuneration and terms of engagement of the Corporation's auditors.

13. Board Policies

- 13.1 The Board may establish and maintain Board policies that establish the parameters for management of the Corporation, with consideration of legal and regulatory requirements, risk tolerance and the Corporation's strategies and objectives. The Board has established the following policies:

- (a) Whistle Blower Policy;
- (b) Code of Conduct and Business Ethics;
- (c) Insider Trading Policy;
- (d) Policy on Disclosure;
- (e) Majority Voting Policy; and
- (f) Diversity Policy.

14. Management Oversight

- 14.1 The Board shall approve the corporate goals and objectives relevant to CEO compensation and evaluate the CEO's performance in light of those corporate goals and objectives.
- 14.2 The Board shall approve the compensation of the CEO, including salary, bonus, long term incentives and material benefits.
- 14.3 The Board shall provide oversight on the recommendation of the Nomination and Governance Committee regarding the appointment and succession plans for the Board and Executive Officers (including appointing, training and monitoring the CEO and other members of the Executive Teams).
- 14.4 The Board shall approve the compensation of executive officers and the appointment and termination of those individuals. All management incentive plans tied to performance shall be approved by the Board. The Board shall provide oversight to the determination of Senior Management responsibilities.

15. Dialogue with Shareholders and Disclosure

- 15.1 The Board shall establish a Disclosure and Compliance Committee responsible for overseeing the Corporation's Disclosure Policy and Insider Trading Policy.
- 15.2 The Nomination and Governance Committee and Audit Committee will recommend any changes to the Disclosure and Compliance Committee Mandate to the Board for approval.
- 15.3 The Board shall adopt a Disclosure Policy for the Corporation and there shall be a dialogue with shareholders based on the mutual understanding of objectives. The Board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place. The Board shall appoint one of the independent non-executive Directors to be the senior independent Director who shall be available to shareholders if they have concerns which contact through the normal channels of Chair, CEO or the Chief Financial Officer has failed to resolve or for which such contact is inappropriate.
- 15.4 The Chair of the Board shall be available at the Annual General Meeting of the Corporation to respond to any shareholder questions on the activities and responsibilities of the Board.

16. Meeting Procedures

- 16.1 The Board shall meet at least quarterly and at such times and with such frequency as the Board shall determine is appropriate to meet its responsibilities. A quorum of the Board shall consist of a majority of the Directors. At least seven days' notice of any meeting of the Board shall be given, although such notice may be waived or shortened with the consent of all the members of the Board.
- 16.2 The independent directors shall hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.
- 16.3 In setting the meeting agendas, the Chair of the Board shall encourage members of the Board to provide input in order to address emerging issues.
- 16.4 The Board shall set its annual agenda to ensure compliance with the requirements of the Corporate Governance Guidelines and shall cause the same to be done by its Committees with respect to their Charters. The Board shall review and approve the annual agendas of its Committees.
- 16.5 The Board shall be supplied in a timely manner with information (including regular management financial information) and resources in a form and of a quality appropriate to enable it to discharge its duties and to allow monitoring of management's objectives and strategies.
- 16.6 The Secretary of the Board shall circulate the minutes of meetings of the Board to all members of the Board for review and comments.
- 16.7 Directors are expected to attend every Board meeting and review all meeting materials in advance of the meetings.

17. Board Effectiveness

- 17.1 The Board shall review the Corporate Governance Guidelines on an annual basis to ensure that they remain relevant and cause the same to be done by each of its Committees of their Charter.
- 17.2 In conjunction with the Nomination and Governance Committee, the Board shall adopt a process for nominating or appointing individuals as directors, including:
 - (a) Consider what competencies and skills the Board, as a whole, should possess;

- (b) Assess what competencies and skills each existing director possesses; and
 - (c) Consider the appropriate size of the Board, with a view to facilitating effective decision-making.
- 17.3 The Board, its Committees and each individual Director shall regularly conduct a self- assessment regarding his, her or its effectiveness and contribution. A self-assessment shall consider in the case of the Board or a Board Committee, its Charter and in the case of an individual Director, the applicable position description(s), as well as the competencies and skills each individual Director is expected to bring to the Board.
- 17.4 The Board shall provide continuing education opportunities for all Directors, so that individuals may maintain or enhance their skills and abilities as Directors, as well as to ensure their knowledge and understanding of the Corporation's business remains current.
- 17.5 The Board shall ensure that all new Directors receive a comprehensive orientation. All new Directors should fully understand the role of the Board and its Committees, as well as the contribution individual Directors are expected to make (including, in particular, the commitment of time and resources that the Corporation expects from its Directors). All new directors should also understand the nature and operation of the Corporation's business.

18. Board Administration

- 18.1 The Board shall establish and monitor procedures for identification of and dealing with conflicts of interest. Directors shall recuse themselves from a particular matter where there may be a perception of conflict or a perception that they may not bring objective judgment to the consideration of the matter.
- 18.2 The Board shall not take any action which may confer on certain shareholders or other parties an unfair advantage at the expense of other shareholders or the Corporation.
- 18.3 Directors shall annually complete a Directors and Officers Questionnaire to facilitate the detection of any independence issues or conflicts of interest at the Board level.
- 18.4 The Board shall oversee an annual review of director compensation to ensure development of a compensation strategy that properly aligns the interests of Directors with the long-term interests of the Corporation and shareholders.
- 18.5 The Corporation shall indemnify Directors against losses that may arise from the appropriate exercise of their authority as Directors, and shall arrange for an adequate level of Directors and Officers Liability Insurance to supplement this indemnification.
- 18.6 The Board shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers being necessary or advisable in order to perform its duties and responsibilities.
- 18.7 The Board shall be entitled to engage independent counsel and other advisors as it considers necessary to carry out its duties and to set and pay the compensation for any such advisors.

19. No Rights Created

- 19.1 This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board 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 Corporation's articles and By-laws, it is not intended to establish any legally binding obligations.



If you have any questions or require any assistance in executing your proxy or voting instruction form, please call Gryphon Advisors Inc. at:

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