

FORM 51-102F3

MATERIAL CHANGE REPORT

**Section 7.1 of National Instrument 51-102
Continuous Disclosure Obligations**

Item 1 — Name and Address of Company

RDM Corporation (“RDM” or the “Company”)
619A Kumpf Drive
Waterloo, Ontario N2V 1K8

Item 2 — Date of Material Change

February 13, 2017

Item 3 — News Release

A news release, attached as Schedule “A”, was issued and disseminated on February 13, 2017 through Canada Newswire and was subsequently filed on SEDAR.

Item 4 — Summary of Material Change

RDM Corporation (“RDM” or the “Company”) announced that it has entered into a definitive arrangement agreement (the “Agreement”) with a subsidiary of Deluxe Corporation (NYSE:DLX), pursuant to which Deluxe has agreed to acquire all of the outstanding common shares of the Company for cash consideration of \$5.45 per common share (the “Transaction”).

Item 5 — Full Description of Material Change

5.1 - Full Description of Material Change

See news release attached as Schedule “A”

5.2 - Disclosure for Restructuring Transactions

Not applicable

Item 6 — Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable

Item 7 — Omitted Information

Not applicable

Item 8 — Executive Officer

Rui Malhinha, Chief Financial Officer, (519) 746-8483

Item 9 — Date of Report

February 23, 2017

SCHEDULE “A”

RDM Corporation Announces Definitive Agreement to be Acquired by Deluxe Corporation

*Cash Consideration of \$5.45 per Common Share Price Represents a 35% Premium to 90-Day
Volume-weighted Average Enterprise Value*

Waterloo, Ontario, February 13, 2017 -- RDM Corporation (TSX: RC) (“RDM” or the “Company”), a leading provider of specialized software and hardware products for electronic payment processing, today announced that it has entered into a definitive arrangement agreement (the “Agreement”) with a subsidiary of Deluxe Corporation (NYSE:DLX), pursuant to which Deluxe has agreed to acquire all of the outstanding common shares of the Company for cash consideration of \$5.45 per common share (the “Transaction”). All amounts, unless stated otherwise, are in Canadian dollars.

Under the terms of the Agreement, Deluxe has agreed to acquire 100% of RDM’s outstanding common shares for \$5.45 in cash for each common share. In addition, all holders of outstanding stock options of RDM which have an exercise price below the purchase price of \$5.45 per common share will be entitled to receive the “in-the-money” value of such stock options, less applicable withholdings.

The transaction value of \$5.45 represents a 14% premium to the \$4.80 closing price of RDM’s common shares on February 10, 2017 and a 20% premium to RDM’s 90-day volume-weighted trading price of \$4.55 per common share.

Using the transaction value of \$5.45 per common share, RDM’s enterprise value is approximately US \$72 million, which represents a 20% premium to the enterprise value at February 10, 2017 and a 35% premium to the 90-day volume-weighted average enterprise value. A description of the calculation of enterprise value is included in the “Description of Calculation of Enterprise Value” section, below.

Jean Noelting, Chairman of the Board of Directors of RDM, stated “Following an extensive review of strategic options for RDM with external advisors, which included a process for review of both buying and selling opportunities, the Board of Directors unanimously agreed that this transaction provides an attractive opportunity for the Company’s shareholders to realize full cash liquidity at a premium to the market price of the Company’s common shares and enterprise value.”

RDM’s Board of Directors, after consultation with its financial and legal advisors, has unanimously determined that the proposed transaction is in the best interest of RDM, is fair to

RDM's shareholders and recommends that they vote in favour of the Transaction. The Board accepted the recommendation of the independent Special Committee established to consider the Transaction. Financial Technology Partners LP and FTP Securities LLC (collectively, "FT Partners"), acting as financial advisor to the Board and Special Committee, has provided an opinion that the consideration to be received by shareholders under the transaction is fair, from a financial point of view, to RDM's shareholders.

Transaction Summary

The Transaction will be effected by way of a court-approved plan of arrangement (the "Arrangement") under the Canada Business Corporations Act. Pursuant to the Arrangement, holders of common shares of RDM will receive \$5.45 in cash for each common share held at closing. The Arrangement is subject to certain customary conditions, including among other conditions, approval by the Superior Court of Justice of Ontario (Commercial List), and applicable regulatory approvals. An annual and special meeting of shareholders is scheduled to be held on March 27, 2017 to conduct the annual business of the Company and to consider the Transaction (the "Meeting"). In order for the Transaction to proceed it must be approved by at least 66 2/3% of the votes cast at the Meeting.

Pursuant to the Agreement, directors and officers of the Company, Penderfund Capital Management Ltd., Broadview Capital Management Inc., and Engine Capital Management LLC, collectively holding 14% of RDM's common shares, have agreed to support the Transaction and each has entered into a support agreement to vote their common shares in favour of the Transaction at the Meeting.

A copy of the Agreement will be available on SEDAR at www.sedar.com. The location of the Meeting will be announced and all relevant shareholder meeting materials will be mailed to all shareholders in due course.

Description of Calculation of Enterprise Value

The Transaction enterprise value was calculated as equity value less excess cash. Equity value was calculated based on the number of fully diluted shares outstanding as of December 31, 2016 (and adjusted according to the treasury stock method for common share equivalents) multiplied by the Transaction price of \$5.45 per common share. Excess cash was estimated at US \$26 million, being an estimated US \$30 million of cash available less US \$4 million of cash required for operational purposes. Calculations were done in US dollars, with all per share prices and currency amounts converted to US dollars using a CDN/US exchange rate of 0.7647.

Enterprise value at February 10, 2017 was calculated as equity value less excess cash. Equity value was calculated based on the number of fully diluted shares outstanding as of December 31, 2016 (and adjusted according to the treasury stock method for common share equivalents) multiplied by the \$4.80 closing price of RDM's shares on February 10, 2017.

Excess cash was estimated at US \$26 million, being an estimated US \$30 million of cash available less US \$4 million of cash required for operational purposes. Calculations were done in US dollars, with all per share prices and currency amounts converted to US dollars using a CDN/US exchange rate of 0.7647.

The 90-day volume-weighted average enterprise value was calculated by applying a daily trading volume weighting to a calculation of RDM's daily enterprise value during the period. Daily enterprise value was calculated as equity value less excess cash. Daily equity value was calculated based on the number of fully diluted shares outstanding based on the latest available financial statements at the time (and adjusted according to the treasury stock method for common share equivalents), multiplied by a share price which was the average of the high, low and close share prices for the day. Excess cash was calculated based on RDM's latest available financial statements at the time, less an assumed US \$4 million of cash required for operational purposes. Calculations were done in US dollars, with all per share prices and currency amounts converted to US dollars at daily foreign exchange rates.

About RDM Corporation

RDM Corporation provides large financial institutions with Remote Deposit Capture (RDC) solutions designed to help their clients simplify the way they do business. RDM processes over \$600 billion in payments annually and helps financial institutions increase revenue, expand market share and improve customer service for over 80,000 end users.

Four of the top ten financial institutions in the United States use RDM's payment processing solutions. RDM serves 31 percent of the top 100 Fortune 500 companies including brokerage firms, big-box retailers, healthcare and insurance providers, and government entities. Working with clients for 30 years, RDM provides both software and hardware solutions including web-based and mobile RDC, and manufactures a wide range of digital imaging scanners. For more information, visit www.rdmcorp.com.

About Deluxe

Deluxe Corp. is a growth engine for small businesses and financial institutions. Nearly 4.4 million small business customers access Deluxe's wide range of products and services, including customized checks and forms, as well as website development and hosting, email marketing, social media, search engine optimization and logo design. For its approximately 5,600 financial institution customers, Deluxe offers industry-leading programs in checks, data driven marketing, treasury management and digital engagement solutions. Deluxe is also a leading provider of checks and accessories sold directly to consumers. For more information, visit www.deluxe.com, www.facebook.com/deluxecorp or www.twitter.com/deluxecorp.

Additional Information and Where to Find it

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. RDM intends to file with Canadian securities regulators a management information circular to be mailed by RDM to its shareholders in connection with the Transaction. Shareholders are urged to carefully review the management information circular as it will contain important information about RDM and the Transaction. The management information circular and other documents relating to the Transaction will be available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Forward-looking statements

This news release contains forward-looking statements. Forward-looking statements are based on estimates and assumptions made by RDM in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that RDM believes are appropriate in the circumstances. Many factors could cause RDM's actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements. Risk factors relating to RDM are discussed in the Risks and Uncertainties section of RDM's Annual Information Form and year-end Management's Discussion and Analysis. These factors should be considered carefully, and readers should not place undue reliance on RDM's forward-looking statements. RDM has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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