

Form 51-102F3

Material Change Report

Item 1 Name and Address of Company

Absolute Software Corporation
1055 Dunsmuir Street
Suite 1600
Vancouver, BC V7X 1K8

Item 2 Date of Material Change

May 8, 2012

Item 3 News Release

A news release was issued by Absolute Software Corporation ("Absolute" or the "Company") on May 8, 2012, and distributed through Equicom and filed on SEDAR.

Item 4 Summary of Material Change

Absolute reached a favourable settlement agreement in its precedent setting anti-theft patent infringement case.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

See 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

John Livingston
Chief Executive Officer
Absolute Software Corporation
Ph: 604-730-9851

Item 9 Date of Report

May 10, 2012

SCHEDULE A

ABSOLUTE SOFTWARE REACHES FAVOURABLE SETTLEMENT AGREEMENT IN PRECEDENT SETTING ANTI-THEFT PATENT INFRINGEMENT CASE

FOLLOWING THE RULING BY THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT IN FAVOR OF ABSOLUTE SOFTWARE, STEALTH SIGNAL CONSENTS TO FINAL SETTLEMENT

Vancouver, Canada: May 8, 2012 – Absolute® Software Corporation (“Absolute” or the “Company”) (TSX: ABT), the leading provider of firmware-embedded endpoint security and management solutions, today announced it has reached a settlement with Stealth Signal (now known as XTool Mobile Security, Inc.) by way of a stipulated judgment. The agreed damages were \$5.17m USD and Stealth Signal satisfied the judgment by granting Absolute a 30 day option to acquire all of the assets of Stealth Signal at no additional cost. Stealth Signal also agreed to begin the steps to dissolve the company within 60 days. The monetary damages in the final judgment have not been recorded as an asset as Absolute believes Stealth Signal has no material assets. Accompanying the monetary damages will be an injunction permanently restraining and enjoining Stealth Signal from making, using, offering to sell, selling or importing into the United States products infringing Absolute Patents.

In October 2011, the US Court of Appeals reversed the District Court’s summary judgment ruling that Stealth Signal did not infringe Absolute Patents (U.S. Patent Nos. 6,244,758, 6,300,863, and 6,507,914) and remanded the issue of whether Stealth Signal is infringing Absolute Patents to trial. The Court of Appeals also affirmed the District Court’s summary judgment that Absolute did not infringe Stealth Signal Patent (U.S. Patent No. 5,406,269), as Stealth Signal had claimed.

“We are glad to have reached a settlement in this case following the US Court of Appeals decision on this matter as it validates our growing patent portfolio and innovative Computrace technology platform,” stated John Livingston, Chairman and Chief Executive Officer at Absolute Software. “The decision by the Court and subsequent settlement reinforces our position that Absolute is indeed the true inventor and market leader that pioneered the development of the remote location tracking and anti-theft category for electronic devices. We will continue to offer patent licenses to those who wish to deliver similar functionality in the marketplace. Equally, we will continue to vigorously defend our patents as required.”

The full text of the earlier appeal judgment of ABSOLUTE SOFTWARE, INC., ET AL. v. STEALTH SIGNAL, INC., can be read at <http://cafc.bna.com/10-1503.pdf>.

About Absolute Software

Absolute Software Corporation (TSX: ABT) is the world leader in firmware-embedded endpoint security and management for computers and ultra-portable devices. Positioned in the Visionaries quadrant of Gartner, Inc.’s Magic Quadrant for Client Management Tools in 2012, Absolute’s solutions – Computrace, Absolute Manage, Absolute Secure Drive, and LoJack for Laptops – provide organizations with actionable intelligence to prove compliance, generate fast ROI, reduce overhead, and deliver comprehensive visibility and control over all of their endpoints, anywhere, anytime. The Company’s software agent is embedded in the firmware of computers, netbooks, and tablets by global leaders, including Acer, ASUS, Dell, Fujitsu, HP, Lenovo, Motion, Panasonic, Samsung, and Toshiba, and the Company has reselling partnerships with these OEMs and others, including Apple. For more information about Absolute Software, visit www.absolute.com and <http://blog.absolute.com>.

Forward-Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties. These forward-looking statements relate to, among other things, the expected performance, functionality and availability of our services and products, and other expectations, intentions and plans contained in this press release that are not historical fact. When used in this press release, the words "plan," "expect," "believe," and similar expressions generally identify forward-looking statements. These statements reflect our current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in technology and general market conditions. In light of the many risks and uncertainties you should understand that we cannot assure you that the forward-looking statements contained in this press release will be realized.

©2012 Absolute Software Corporation. All rights reserved. Computrace and Absolute are registered trademarks of Absolute Software Corporation. LoJack is a registered trademark of LoJack Corporation, used under license by Absolute Software Corporation. LoJack Corporation is not responsible for any content herein. U.S. patents No. 5,715,174, No. 5,764,892, No. 5,802,280, No. 5,896,497, No. 6,087,937, No. 6,244,758, No. 6,269,392, No. 6,300,863, No. 6,507,914, No. 7,818,557, No. 7,818,803, No. 7,945,709 and No. 8,062,380. Canadian patents No. 2,211,735, No. 2,284,806, and No. 2,205,370. U.K. patents No. EP0793823, No. GB2298302, and No. GB2338101. German patent No. 69512534. Australian patent No. 699045. Japanese patent No. JP4067035. The Toronto Stock Exchange has neither approved nor disapproved of the information contained in this news release.

For more information, please contact:

Public Relations:

Chris Michaels, HORN Group

chris.michaels@horngroup.com

415.905.4030

805.390.0819

Investor Relations:

Kristen Dickson, MSc, TMX|Equicom

kdickson@equicomgroup.com or 416.815.0700 x273

or

Dave Mason, CFA, TMX|Equicom

dmason@equicomgroup.com or 416.815.0700 x237