



# Decimal Software Limited

ACN 009 235 956

## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

**Date of Meeting**

24 November 2017

**Time of Meeting**

11 am WST

**Place of Meeting**

Boardroom of Fogarty Partners, 65 Hay Street, Subiaco, Western Australia

**A Proxy Form is enclosed**

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

# Decimal Software Limited

## ACN 009 235 956

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Decimal Software Limited ACN 009 235 956 (Company) will be held at the Boardroom of Fogarty Partners, 65 Hay Street, Subiaco, Western Australia on 24 November 2017 at 11 am (WST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

## AGENDA

### ORDINARY BUSINESS

#### Annual Report

To receive and consider the Annual Report, including the Directors' Report and the Auditor's Report for the Company and its controlled entities for the year ended 30 June 2017.

#### Resolutions

##### Resolution 1 – Non-binding resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

*"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report (as contained in the Directors' Report of the Company set out in the Company's 2017 Annual Report) for the year ended 30 June 2017."*

**Note:** Section 250R(3) of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting prohibition statement:** A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the person is the Chair of the Meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

##### Resolution 2 – Re-election of Gary Cox as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, Mr Gary Cox, who retires in accordance with article 6.3(c) of the Constitution and, being eligible for re-election, be re-elected as a Director."*

Details of Mr Gary Cox are set out in the Explanatory Memorandum.

### Resolution 3 – Election of Pauline Vamos as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, Ms Pauline Vamos, having been appointed as a Director on 18 May 2017 in accordance with article 6.2(b) of the Constitution, retires under article 6.3(i) of the Constitution, and being eligible, be elected as a Director of the Company."*

Details of Ms Pauline Vamos are set out in the Explanatory Memorandum.

### SPECIAL BUSINESS

### Resolution 4 – Approval of Incentive Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, pursuant to and in accordance with Exception 9 of Listing Rule 7.2, sections 200B and 200E of the Corporations Act and for all other purposes, approval is given to the Incentive Plan and the issue of Equity Securities under the terms of the Incentive Plan, the rules of which are annexed as Annexure A to the Explanatory Memorandum."*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by:

- (a) a Director (except a Director who is ineligible to participate in any employee incentive scheme of the Company); and
- (b) an Associate of any such Director.

However, the Company will not disregard a vote if:

- (c) the vote is cast by a person as proxy and the proxy form specifies how the proxy is to vote on this Resolution; and
- (d) the vote is not cast on behalf of a Director who is eligible to participate in any employee incentive scheme of the Company, or any Associate or related party of that Director.

**Voting prohibition statement:** In accordance with the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company if:

- (a) the person is either:
  - (i) a member of the Key Management Personnel for the Company; or
  - (ii) a Closely Related Party of a member of the Key Management Personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, this prohibition will not apply if:

- (a) the person is the Chair of the Meeting at which this Resolution is voted on; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

### Resolution 5 – Approval of grant of Options to Nic Pollock

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given to the grant of up to 10,500,000 Options to Nic Pollock (or his nominee(s)) on the terms and conditions attached as Annexure A and as described in the Explanatory Memorandum."*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by:

- (a) Mr Nic Pollock; and
- (b) an Associate of Mr Nic Pollock.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting prohibition statement:** In accordance with the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company if:

- (a) the person is either:
  - (i) a member of the Key Management Personnel for the Company; or
  - (ii) a Closely Related Party of a member of the Key Management Personnel for the Company; and

- (b) the appointment does not specify the way the proxy is to vote on this Resolution.  
However, this prohibition will not apply if:
- (c) the person is the Chair of the Meeting at which this Resolution is voted on; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

### Resolution 6 – Ratification of Placement

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 57,374,631 Shares at an issue price of \$0.04 each on the terms and conditions and in the manner set out in the Explanatory Memorandum."*

- Voting exclusion statement:** The Company will disregard any votes cast on Resolution 6 by:
- (a) any person who participated in the issue of securities the subject of this Resolution 6; and
- (b) any associates of that person.
- However, the Company will not disregard a vote if:
- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Resolution 7 – Approval of additional 10% placement capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given to the issue of Equity Securities totalling up to an additional 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

- Voting exclusion statement:** The Company will disregard any votes cast on Resolution 7 by:
- (a) a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 7 is passed; and
- (b) any associates of that person.
- However, the Company will not disregard a vote if:
- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### OTHER BUSINESS

**To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.**

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

**By order of the Board of Decimal Software Limited**



**David Gardner**  
Company Secretary

Dated: 20 October 2017

## Instructions on how to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

### Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the power of attorney, or the original power of attorney, must be received by the Company in the same manner, and by the same time as outlined for the Proxy Form below.

### Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

### Voting by proxy

- A Shareholder entitled to attend and cast two or more votes at the Meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. If the Chair of the Meeting is to act as your proxy (whether by appointment or by default) and you have not given directions on how to vote in the voting directions section of the Proxy Form for Resolutions 1, 4 and 5, the Proxy Form expressly

directs and authorises the Chair of the Meeting to cast your votes in favour of the relevant resolution. This express authorisation is included because without it the Chair would be precluded from casting your votes as these resolutions are connected with the remuneration of Key Management Personnel.

- Should any resolution, other than those specified in this Notice be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting restrictions which apply to some of the proposed Resolutions. These restrictions are explained in this Notice.
- To be effective, proxies must be lodged by 11 am (WST) on 22 November 2017. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
  - by returning a completed Proxy Form in person or by post to the Company at Unit 1, 174 Hampden Road, Nedlands, WA 6009; or
  - by faxing a completed Proxy Form to the Company on facsimile number +61 2 8047 8616; or
  - by email to [finance@decimal.com](mailto:finance@decimal.com)

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 11 am (WST) on 22 November 2017. If facsimile transmission is used, the power of attorney must be certified. Please mark them to the attention of the company secretary.

**Shareholders who are entitled to vote**

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), Shareholders eligible to vote at the Annual General Meeting will be those persons who are registered Shareholders of the Company at 4 pm (WST) on 22 November 2017.

**Enquiries**

Shareholders are asked to contact the company secretary, Mr David Gardner, on 1300 220 799 if they have any queries in respect of the matters set out in these documents.

# Decimal Software Limited

## ACN 009 235 956

### EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the glossary to the Explanatory Memorandum.

#### ANNUAL REPORT

The first item of the Notice deals with the presentation of the Annual Report, which includes the Directors' Report, Auditor's Report and Financial Statements for the Company for the year ended 30 June 2017. The Annual Report is available on the Company's website: [www.decimal.com.au](http://www.decimal.com.au). Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements;  
and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act. Any such written questions are required to be submitted at least 5 Business Days (as that term is used in the Corporations Act) prior to the Meeting, pursuant to section 250PA(1) of the Corporations Act.

Written questions must be submitted at the address below not later 5 Business Days (as that term is used in the Corporations Act) in advance of the Annual General Meeting:

<b>Hand deliveries:</b>	Unit 1, 174 Hampden Road, Nedlands, WA 6009
<b>Postal address:</b>	Unit 1, 174 Hampden Road, Nedlands, WA 6009
<b>Fax number:</b>	+61 8 2 8047 8616
<b>Email:</b>	<a href="mailto:finance@decimal.com">finance@decimal.com</a>

## **RESOLUTION 1 – NON BINDING RESOLUTION TO ADOPT REMUNERATION REPORT**

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Annual Report be adopted. The Remuneration Report is set out in the Annual Report and is also available on the Company's website: [www.decimal.com.au](http://www.decimal.com.au).

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

However, if at least 25% of the votes cast are against adoption (**Strike**) of the remuneration report at two consecutive annual general meetings, the Company will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second annual general meeting. All of the Directors who were in office when the applicable directors' report was approved will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Company's remuneration report did not receive a Strike at the Company's 2016 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the Company's 2018 annual general meeting, this may result in the re-election of the Board.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

## **RESOLUTION 2 – RE-ELECTION OF MR GARY COX AS A DIRECTOR**

The Constitution prescribes a process by which Directors regularly retire from office. Retiring Directors may offer themselves for re-election. Pursuant to article 6.3(c) of the Constitution, Mr Gary Cox, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Cox has had a highly successful and diverse career in business. He has had substantial experience in the information technology (**IT**) sector, particularly in building his own IT recruitment business which was ultimately sold to one of the world's largest IT recruitment firms, Adecco. During his time in this business Mr Cox gained considerable insight into the IT sector and brings experience in structure, costs and revenue models relevant to the IT industry. He was also General Manager for Optus in Western Australia and oversaw its successful start-up and launch for four years. More recently he has built a successful business which he is in the process of divesting.

The Board (with Mr Cox abstaining in respect of his own re-election) unanimously recommends to Shareholders the re-election of Mr Gary Cox.

## **RESOLUTION 3 – ELECTION OF MS PAULINE VAMOS AS A DIRECTOR**

The Constitution prescribes a process by which Directors who have been appointed by the Board during the year may retire at the next general meeting of the Company. Retiring Directors may offer themselves for election by Shareholders. Pursuant to article 6.3(i) of the Constitution, Ms Pauline Vamos, being a Director appointed by the Board on 18 May 2017, retires and, being eligible, offers herself for election as a Director.

Ms Vamos is a high profile expert in all aspects of the superannuation industry and has deep knowledge and experience in regulation, governance and financial advice in Australia and overseas. Ms Vamos has been on all sides of the financial services fence and has a reputation for her integrity as well as her skills in stakeholder management, strategy and public policy development. Ms Vamos also spent nine years as chief executive officer of ASFA, the peak body for the superannuation industry.

The Board (with Ms Vamos abstaining in respect of her own re-election) unanimously recommends to Shareholders the election of Ms Pauline Vamos.



## RESOLUTION 4 – APPROVAL OF INCENTIVE PLAN

### 4.1 Background

The Directors believe that the future success of the Company will depend in large part on the skills and motivation of the people employed in the business.

The Incentive Plan, which was adopted by the Board in 2014 and approved by Shareholders at the Company's 2014 annual general meeting, is designed to attract and retain the services of employees and to provide an incentive linked to the performance of the Company.

The Board considers that for each executive who receive options, their experience in the technology industry will greatly assist the Company in achieving its strategy and objectives. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Incentive Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain shareholdings in the Company, thereby aligning their interests with shareholders of the Company.

Under the Incentive Plan, the Board may offer to employees or officers the opportunity to subscribe for such number of Options and/or performance rights (**Incentives**) as the Board may decide and on the terms set out in the Plan. Incentives granted under the Incentive Plan will be offered to participants in the Incentive Plan on the basis of the Board's view of the contribution of the relevant employee or officer to the Company. A summary of the key terms of the Incentive Plan is set out in **Annexure A**.

At the 2014 annual general meeting, Shareholder approval was obtained for the purposes of Exception 9(b) of ASX Listing Rule 7.2 so as to authorise the issue of securities under the Incentive Plan for a period of 3 years without impacting upon the Company's ability under ASX Listing Rule 7.1 to issue up to 15% of its issued share capital in any 12-month period. Resolution 4 is sought to refresh that approval and allow the Company to continue to issue Incentives under the Incentive Plan without using any of that 15% issuing capacity.

### 4.2 Requirement for Shareholder approval

Under the Listing Rules, a company is not specifically required to seek shareholder approval for the Incentive Plan. However, subject to the exceptions in Listing Rule 7.2, Listing Rule 7.1 prohibits a listed company from issuing or agreeing to issue equity securities (including shares, performance rights and options) equal to an amount of more than 15% of a company's ordinary capital in any 12 month period without shareholder approval.

Exception 9(b) of Listing Rule 7.2 permits securities issued under an employee incentive scheme such as the Incentive Plan, to be excluded from the 15% limit where the Shareholders have approved the issue of securities under the employee incentive scheme within three years before the date they are issued.

Shareholder approval is therefore being sought for the issue of securities under the Incentive Plan for the purposes of Exception 9(b) of Listing Rule 7.2.

The Corporations Act restricts the benefits which can be given to individuals who hold a managerial or executive office (as defined in the Corporations Act) on cessation of their employment with the Company or its related bodies corporate (together, the **Group**). Under Section 200B of the Corporations Act, a company may only give a person a "benefit" (as defined in the Corporations Act) in connection with their ceasing to hold a managerial or executive office in the Group if it is approved by shareholders (in accordance with the requirements of Section 200E) or an exemption applies. A "benefit" includes automatic, or accelerated, vesting of share-based payments for person on, or as a result of, retirement from office. Therefore, if the Board were to exercise its discretion under the rules of the Incentive Plan and permit the early vesting of Incentives, this may crystallise a termination benefit for the purposes of the Corporations Act. Accordingly, Resolution 4 also seeks approval for the purpose of sections 200B and 200E, for any "termination benefit" that may be provided to a participant under the Plan.

#### **4.3 Effect of the proposed approval**

If Resolution 4 is passed:

- (a) all Incentives issued by the Company under the Incentive Plan will be excluded from the 15% limit imposed by ASX Listing Rule 7.1 for a period of three years from the date of the approval (i.e. until 24 November 2020); and
- (b) the Board will have the capacity to exercise certain discretions under the Incentive Plan, including the discretion to vest some or all of the unvested Incentives of any relevant participant who is affected by the termination benefits laws when they leave employment with the Group. If the Board exercises its discretion to vest some or all of an affected participant's unvested Incentives (or to provide that the participant's Incentives do not lapse but will continue and be tested in the ordinary course), the value of the benefit will be disregarded when calculating the relevant participant's cap for the purposes of calculating the permissible termination benefits payable under the Corporations Act.

In the absence of Shareholder approval for Resolution 4 incentives can be issued under the Plan but the issue of those Incentives will be counted as part of the 15% limit under Listing Rule 7.1.

#### **4.4 Information required by Listing Rule 7.2**

In accordance with Listing Rule 7.2 (Exception 9(b)), the following information is provided to Shareholders:

- (a) a summary of the terms and conditions of the Incentive Plan is set out in Annexure A to this Explanatory Statement;
- (b) Shareholders last approved the issue of securities under the Company's existing Plan at the 2014 annual general meeting held on 21 November 2014. Since that time 9,500,000 Options have been granted under the Plan; and
- (c) a voting exclusion statement for Resolution 4 is set out in the Notice of Meeting.

A complete copy of the rules of the Plan is available for inspection by Shareholders (free of charge) at the Company's registered office or, upon request, from the Company Secretary.

#### **4.5 Details of the termination benefits**

Section 200E of the Corporations Act requires certain information to be provided to shareholders in approving a termination benefit. Whilst the value of the proposed termination benefits cannot currently be ascertained, the manner in which the value of the proposed termination benefits is calculated, and the matters, events and circumstances that will, or are likely to, affect the calculation of the value are outlined below.

The Incentive Plan provisions set out how unvested Incentives can be treated if an employee leaves the Company (in certain circumstances). For example, under the rules of the Incentive Plan, where a participant resigns from his or her employment with the Company before his or her Incentives have vested, the Board may exercise its discretion to determine that some or all of the Incentives will vest, and the basis on which vesting may occur (which may include, without limitation, timing and conditions). As noted above, the exercise of these discretions may constitute a "benefit" for the purposes of the Corporation Act's termination benefits provisions.

The value of the termination benefits that the Board may give under the Incentive Plan cannot be determined in advance. This is because various matters will, or are likely to, affect that value. Specifically, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Incentives that the Board decides to vest.

Some of the other factors that may affect the value of a particular participant's termination benefits are as follows:

- (a) the participant's length of service and the portion of any relevant performance periods that have expired at the time they leave employment;
- (b) the participant's total fixed remuneration at the time grants are made under the Incentive Plan and at the time they leave employment; and

(c) the number of unvested Incentives that the participant holds at the time they leave employment.

#### 4.6 Directors' recommendation

The Board considers that the Incentive Plan is an appropriate mechanism to assist in the recruitment, reward, retention and motivation of employees and senior management of the Company, and therefore the Board recommends that Shareholders vote in favour of Resolution 4.

### RESOLUTION 5 – APPROVAL OF GRANT OF OPTIONS TO NIC POLLOCK

#### 5.1 Background

The Company proposes to issue Options to Mr Nic Pollock, the chief executive officer and executive Director of the Company (or his nominee(s)) on the following terms and subject to the Company's Equity Incentive Plan (**Incentive Plan**) (a summary of which is provided at **Annexure A**).

Tranche	Number	Vesting Period	Expiry Date	Exercise Price	Vesting conditions
First Tranche	500,000	N/A	31 December 2020	\$0.10	N/A
Tranche A	1,000,000	1 January 2016 - 31 December 2017	31 December 2020	\$0.10	The Company must achieve Annual Recurring Revenue ( <b>ARR</b> ) over the vesting period of \$2 million ( <b>Tranche A Target</b> ).
Tranche A Bonus	2,000,000	1 January 2017 - 31 December 2017	31 December 2020	\$0.10	If the ARR for the vesting period is above the Tranche A Target, then for every 25% by which that ARR is above the Tranche A Target, 500,000 Options will be allowed to vest (up to the maximum number of Tranche A Bonus Options). The remaining unvested Options will immediately lapse. All Tranche A Bonus Options will lapse if the Tranche A Target is not achieved.
Tranche B	1,500,000	1 January 2017 - 31 December 2018	31 December 2021	\$0.15	The Company must achieve 100% growth in ARR from the actual ARR realised over calendar 2017 ( <b>Tranche B Target</b> ).
Tranche B Bonus	2,000,000	1 January 2018 - 31 December 2018	31 December 2021	\$0.15	If the ARR for the vesting period is above the Tranche B Target, then for every 20% by which that ARR is above the Tranche B Target, 500,000 Options will be allowed to vest (up to the maximum number of Tranche B Bonus Options). The remaining unvested Options will immediately lapse. All Tranche B Bonus Options will lapse if the Tranche B Target is not achieved.
Tranche C	1,500,000	1 January 2018 - 31 December 2019	31 December 2022	\$0.18	The Company must achieve 50% growth in ARR from the actual ARR realised over calendar 2018 ( <b>Tranche C Target</b> ).

Tranche C Bonus	2,000,000	1 January 2019 - 31 December 2019	31 December 2022	\$0.18	If the ARR for the vesting period is above the Tranche C Target, then for every 15% by which that ARR is above the Tranche C Target, 500,000 Options will be allowed to vest (up to the maximum number of Tranche C Bonus Options). The remaining unvested Options will immediately lapse. All Tranche C Bonus Options will lapse if the Tranche C Target is not achieved.
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The Board (excluding Mr Pollock) considers this issue of Options to Mr Pollock will encourage productivity, enhance loyalty and provide an incentive for future performance whilst preserving the Company's cash resources.

## 5.2 Requirement for Shareholder approval for the grant of Options to Nic Pollock

As ASX Listing Rule 10.14 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As the grant of the Options to Mr Pollock involves the issue of securities under an employee incentive scheme to a director, Shareholder approval pursuant to ASX Listing Rule 10.14 is required.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Options to Mr Pollock as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Options to Mr Pollock will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

Further, Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless either the giving of the financial benefit falls within one of the nominated exceptions or shareholder approval is obtained prior to the giving of the financial benefit. As a Director, Mr Pollock is a related party of the Company.

One of the exceptions to the requirement to obtain Shareholder approval in accordance with Chapter 2E of the Corporations Act applies where the financial benefit constitutes part of the related party's "reasonable remuneration". The Board considers that the issue of the Options to Mr Pollock constitutes part of his remuneration as officer of the Company and to give this remuneration is reasonable given the circumstances of both the Company and Mr Pollock (including the responsibilities involved in the office of chief executive officer and executive Director of the Company). Accordingly, the Board has decided that Shareholder approval for the purposes of Chapter 2E of the Corporations Act is not required.

## 5.3 Information required for the purposes of Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided for the purposes of obtaining Shareholder approval for Resolution 5:

<b>Name of person receiving securities</b>	The Options are proposed to be granted to Mr Nic Pollock, the chief executive officer and an executive Director of the Company (or his nominee(s)).
<b>Maximum number of securities to be issued</b>	The maximum number of Options to be granted to Mr Pollock (or his nominee(s)) is 10,500,000.
<b>Date of issue</b>	The Options will be granted to Mr Pollock (or his nominee(s)) as soon as practicable following receipt of Shareholder approval, and in any event no later than 1 month after the date of the Meeting (or such later date as permitted by

any ASX waiver or modification of the Listing Rules) and it is anticipated all Options will be issued together on one date.

<b>Terms of Options</b>	The terms and conditions of the Options are set out above at section 5.1 and in Annexure A.
<b>Consideration</b>	The Options will be issued for nil consideration.
<b>Exercise price</b>	The exercise price for each tranche of Options is set out above at section 5.1
<b>Loans</b>	No loans will be made by the Company in connection with the acquisition of the Options by Mr Pollock
<b>Names of all Directors (and their associates) entitled to Participate in the Plan</b>	Executive Directors are the only Directors currently eligible to participate in the Incentive Plan.
<b>Names of all persons who received securities under the Plan</b>	Shareholders approved the grant of 2,500,000 Options to Mr Jan Kolbusz for nil consideration under the Incentive Plan at the Company's general meeting on 19 January 2016. Other than those 2,500,000 Options which were subsequently issued to Mr Kolbusz, since that approval, no securities have been acquired under the Incentive Plan by Directors or their associates.
<b>Voting exclusion statement</b>	A voting exclusion statement in respect of Resolution 5 is included in the Notice.

#### **5.4 Directors' recommendation**

The Board (in the absence of Mr Pollock) believes that the grant of Options to Mr Pollock are reasonable and appropriate and constitute an important component in his remuneration package. Accordingly, the Directors (other than Mr Pollock who has an interest in the outcome of Resolution 5), recommend that Shareholders approve Resolution 5.

### **RESOLUTION 6 – RATIFICATION OF PLACEMENT**

#### **6.1 Background**

On 18 January 2017, the Company announced the completion of a capital raising comprising the issue of 57,374,631 million fully paid ordinary shares in the Company to various sophisticated and professional investor clients of Bell Potters Securities Limited at 0.4 cents per Share to raise approximately \$2.29 million (before costs) (**Placement**). The purpose of the Placement was to raise funding to accelerate the Company's sales and marketing activity targeting the superannuation industry.

#### **6.2 Listing Rule 7.4**

ASX Listing Rule 7.1 provides that a company must not issue, or agree to issue, equity securities during any 12 month period which, when aggregated, exceeds 15% of the number of that company's fully paid ordinary securities on issue at the commencement of that 12 month period, unless one of the exceptions in ASX Listing Rule 7.1 applies or Shareholders approve the issue for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 7.4 provides that an issue of securities made without Shareholder approval under ASX Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time the issue was conducted and shareholders subsequently ratify the issue.

Resolution 6 seeks Shareholder approval to ratify the issue of the Shares the subject of the Placement for the purposes of ASX Listing Rule 7.4.

The approval of Resolution 6 will provide the Company with greater flexibility to issue further securities up to its 15% placement capacity in accordance with ASX Listing Rule 7.1 without needing to obtain the prior approval of its Shareholders.

### **6.3 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) the number of Shares allotted was 57,374,631;
- (b) the Shares were issued at \$0.04 each;
- (c) the Shares were issued on the same terms and conditions as the Company's existing Shares on issue and rank equally in all respects with all other Shares on issue;
- (d) the Shares were issued to various sophisticated and professional investor clients of Bell Potter Securities Limited. No related parties participated in the Placement; and
- (e) the funds raised were used to accelerate the Company's sales and marketing activity targeting the superannuation industry, and for general working capital purposes.

A voting exclusion statement is included in the Notice of Meeting.

### **6.4 Directors' recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 6.

## **RESOLUTION 7 – APPROVAL OF 10% PLACEMENT FACILITY**

### **7.1 Background**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation of \$300 million or less; and
- (b) the entity that is not included in the S&P ASX 300 Index.

The Company is an eligible entity for the purposes of Listing Rule 7.1A.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

Resolution 7 seeks Shareholders' approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards achieving the Company's strategy and objectives and for working capital purposes.

### **7.2 Listing Rule 7.1A**

The effect of Resolution 7 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the Company has on issue 286,873,155 Shares and 13,833,334 unlisted options (with various exercise prices, expiration dates and other terms).

Based on the 286,873,155 Shares on issue at the date of this Notice, subject to Shareholder approval being obtained under Resolution 5, 28,687,315 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities, that formula is:

$$(A \times D) - E$$

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
  - (b) plus the number of partly paid Shares that became fully paid in the 12 months;
  - (c) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
  - (d) less the number of fully paid Shares cancelled in the 12 months.

Note that 'A' is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue, that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

**TABLE A**

Variable 'A' in Listing Rule 7.1A.2	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.0165 Issue Price at half the current market price (as at close of trade on 3 October 2017)	\$0.033 Issue Price at current market price (as at close of trade on 3 October 2017)	\$0.066 Issue Price at double the current market price (as at close of trade on 3 October 2017)
<b>Current Variable 'A'</b> 286,873,155 Shares	<b>Shares issued</b>	28,687,315	28,687,315	28,687,315
	<b>Funds raised</b>	\$473,340	\$946,681	\$1,893,362
	<b>Dilution</b>	10%	10%	10%
<b>50% increase in current Variable 'A'</b> 430,309,733 Shares	<b>Shares issued</b>	43,030,973	43,030,973	43,030,973
	<b>Funds raised</b>	\$710,011	\$1,420,022	\$2,840,044
	<b>Dilution</b>	10%	10%	10%
<b>100% increase in current variable 'A'</b> 573,746,310 Shares	<b>Shares issued</b>	57,374,631	57,374,631	57,374,631
	<b>Funds raised</b>	\$946,681	\$1,893,362	\$3,786,725
	<b>Dilution</b>	10%	10%	10%

**Note:** This table assumes:

- The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Capacity.
- No Options are exercised before the date of the issue of the Equity Securities.
- The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Resolution 7 is a special resolution, requiring approval of 75% or more of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

### **7.3 Specific information required by Listing Rule 7.3A**

The following information in relation to the Shares proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities.
- (c) Table A above shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table shows:

- (i) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;
- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 3 October 2017, being \$0.033, (the current market price as at the trading day immediately prior to the date of this Notice), where the issue price is halved, and where it is doubled; and
- (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.



- (d) Approval of the Additional 10% Placement Capacity will be valid during the period (**Additional Placement Period**) from the date of the Annual General Meeting and will expire on the earlier of:
  - (i) the date that is 12 months after the date of the Annual General Meeting; and
  - (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
  - (i) if Equity Securities are issued for cash consideration, the Company intends to use the funds for further development of its business, achieving its strategic objectives and for working capital purposes; and
  - (ii) if Equity Securities are issued for non-cash consideration, for the acquisition of new projects and investments. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Equity Securities.

- (f) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities, including consideration of matters including, but not limited to:
  - (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer;
  - (ii) the financial situation and solvency of the Company; and
  - (iii) advice from the Company's professional advisers, including corporate, financial and broking advisers (if applicable).

The persons to whom Shares will be issued under the Additional 10% Placement Capacity have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.

- (g) The Company has in November 2014, November 2015 and November 2016 obtained Shareholder approval under Listing Rule 7.1A. The Company has issued 60,874,631 Equity Securities (including Shares) in the 12 months preceding the date of the Meeting which represents 24.6% of the Equity Securities on issue at the start of the 12 months preceding the date of the Meeting. Details of the Equity Securities issued in the 12 months preceding the Meeting are set out in **Annexure B**.
- (h) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity, other than noting the persons to whom Shares will be issued will be determined on a case by case basis having regard to the factors outlined in paragraph (f) above. The Company has not approached, and has not yet determined to approach, any particular existing security holders to participate in an offer under the Additional 10% Placement Capacity, therefore no existing security holders' votes would be excluded under the voting exclusion statement included in this Notice.

#### **7.4 Directors' recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 7.

## GLOSSARY

**Additional 10% Placement Capacity** has the meaning given to that term in section 7.1 of the Explanatory Memorandum.

**Additional Placement Period** has the meaning given to that term in section 7.3 of the Explanatory Memorandum.

**Annexure** means an annexure to the Explanatory Memorandum.

**Annual General Meeting or Meeting** means the Company's 2017 annual general meeting.

**Annual Report** means the Company's annual report for the year ended 30 June 2017.

**ARR** means annual recurring revenue.

**Auditor's Report** means the auditor's report on the Financial Report.

**Associate** has the meaning given to that term in the Listing Rules.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor** means the Company's auditor from time to time.

**Board** means the board of Directors of the Company.

**Chair** means the individual elected to chair any meeting of the Company from time to time.

**Closely Related Party** has the meaning given to that term in the Corporations Act, under which a Closely Related Party of a member of the Key Management Personnel refers to a company the member controls, the member's spouse, child or dependant (or a child or dependant of the member's spouse), or anyone else who is one of the member's family and may be expected to influence or be influenced by the member in the member's dealings with the entity.

**Company** means Decimal Software Limited ACN 009 235 956.

**Constitution** means the Company's constitution, as amended from time to time.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company.

**Directors' Report** means the directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities for the year ended 30 June 2017.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum accompanying the Notice.

**Financial Report** means the financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities for the year ended 30 June 2017.

**Incentive** means a performance right or Option issued under the Incentive Plan.

**Incentive Plan** means the Company's equity incentive plan as approved by Shareholders at the Company's 2014 annual general meeting and the subject of resolution 5 of this Notice.

**Key Management Personnel** has the meaning given to that term in the Corporations Act and refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

**Listing Rules** means the ASX Listing Rules.

**Notice** means the notice convening the Meeting and the associated Explanatory Memorandum.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Placement** means the issue of 57,374,631 million fully paid ordinary shares in the Company to clients of Bell Potters Securities Limited at 0.4 cents per Share, as announced on 18 January 2017.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report contained in the Directors' Report.

**Resolution** means a resolution contained in the Notice.

**Shareholder** means a member of the Company from time to time.

**Shares** means ordinary shares in the capital of the Company.

**Spill Meeting** has the meaning given to that term in the Explanatory Memorandum for Resolution 1.

**Spill Resolution** has the meaning given to that term in the Explanatory Memorandum for Resolution 1.

**Strike** has the meaning given to that term in the Explanatory Memorandum for Resolution 1.

**Tranche A Target** has the meaning set out in section 5.1 of this Explanatory Memorandum.

**Tranche B Target** has the meaning set out in section 5.1 of this Explanatory Memorandum.

**Tranche C Target** has the meaning set out in section 5.1 of this Explanatory Memorandum.

**Trading Day** has the meaning given to that term in the Listing Rules.

**WST** means Australian Western Standard Time

## ANNEXURE A – SUMMARY OF THE TERMS OF THE INCENTIVE PLAN

A summary of the key terms of the Incentive Plan is set out in the table below:

<b>Eligibility:</b>	Under the terms of the Incentive Plan, the Board may determine that a full time or part time employee or executive Director of the Company or its subsidiaries ( <b>Eligible Employee</b> ) may participate in the Plan.
<b>Invitation to participate:</b>	Following determination that an Eligible Employee may participate in the Incentive Plan, the Board may issue a written invitation to the Eligible Employee to apply for Incentives ( <b>Invitation</b> ). The Board will advise each Eligible Employee the number of Incentives they are eligible to apply for, the method of calculation of the Exercise Price, the date by which the application for Incentives must be received by the Company, applicable Vesting Conditions, dates and times when the Incentives lapse, the period during which the Incentives may be exercised and any other terms attached to the Incentives.
<b>Application for Incentives:</b>	Following receipt of an Invitation, an Eligible Employee may apply for all or some of the Incentives specified in the Invitation. By making the application the Eligible Employee agrees to be bound by the terms of the Incentive Plan.
<b>Incentives:</b>	The Incentive Plan allows the Board to grant performance rights and Options to Eligible Employees.
<b>Exercise Price:</b>	The exercise price of any Incentive granted under the Incentive Plan is at the absolute discretion of the Board and will be specified in the relevant Invitation.
<b>Number of Incentives to be granted:</b>	The number of Incentives granted under the Incentive Plan will be decided by the Board from time to time.
<b>Vesting Conditions:</b>	The vesting terms for grants of Incentives under the Incentive Plan will be decided by the Board from time to time and will be specified in the relevant Invitation.
<b>Board discretion:</b>	The decision of the Board as to the satisfaction of any vesting conditions may be made in their absolute discretion and will be considered final and binding.
<b>Change of control:</b>	<p>A change of control of the Company includes circumstances where a takeover bid is made for the Company and the bidder acquires more than 50% of the Company, or Shareholders approve a scheme of arrangement, or in any other case where a person obtains voting power in the Company which the Board determines (acting in good faith and in accordance with their fiduciary duties) is sufficient to control the composition of the Board.</p> <p>If a change of control event occurs, or the Board determines such event is likely to occur, the Board may in its discretion determine the manner in which any or all of a participant's Incentives will be dealt with including, without limitation, in a manner that allows the participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.</p>
<b>Expiry Date:</b>	The Board may set out in an Invitation the date and times when any Incentives lapse. If an Invitation does not stipulate an expiry date, the Incentives will lapse seven years from the date of grant.
<b>Forfeiture due to fraudulent or dishonest actions:</b>	If the Board determines that a participant has acted fraudulently, dishonestly or has wilfully breached his or her obligations to the Company then the Board may determine that their Incentives (whether vested or unvested) shall automatically lapse upon written notification to the participant.

**Cessation of employment:**

*Treatment of Incentives on Cessation of Employment*

Cause	Incentives which have not vested	Incentives which have vested
Good Leaver (e.g. resignation, redundancy, constructive dismissal)	The extent to which unvested Incentives will be forfeited is determined at the Board's discretion	May be exercised until the Incentive lapses
Bad Leaver (termination for cause e.g. fraud, dishonesty, material breach of obligations)	Immediately lapse unless stipulated otherwise in the relevant Invitation or if the Board determines otherwise	Immediately lapse unless stipulated otherwise in the relevant Invitation or if the Board determines otherwise

**Disposal restrictions:**

The Incentive Plan contemplates the potential for disposal restrictions (such as a holding lock) to be imposed on Shares allocated on the exercise of Incentives.

**Transferability**

Incentives granted under the Incentive Plan are generally not transferable.

**Hedging**

A participant must not enter into any arrangement for the purpose of hedging their economic exposure to an Incentive that has been granted to them.

**ANNEXURE B – INFORMATION REQUIRED FOR THE PURPOSES OF LISTING RULE 7.3A.6(B)**

<b>Date of Issue</b>	<b>Number of Equity Securities issued</b>	<b>Class of Equity Security</b>	<b>Summary of Terms</b>	<b>Investor / Recipient</b>	<b>Price of Equity Securities issued</b>	<b>Cash/Non-cash consideration</b>	<b>Current value of non-cash consideration</b>
6 December 2016	666,666	Unlisted options <sup>1</sup>	Unlisted options, vesting on issue date, exercise price \$0.08, expiring on 14 June 2018	Mark Potts	\$0.08 per option (representing a premium of 190% to the market price at the time of issue, being \$0.042 per Share)	Non-cash, issued to non-executive director as part of his remuneration	N/A
6 December 2016	666,666	Unlisted options <sup>2</sup>	Unlisted options, vesting on 14 June 2017, exercise price \$0.12, expiring on 14 June 2019	Mark Potts	\$0.12 per option (representing a premium of 286% to the market price at the time of issue, being \$0.042 per Share)	Non-cash, issued to non-executive director as part of his remuneration	N/A
6 December 2016	666,668	Unlisted options <sup>3</sup>	Unlisted options, vesting on 14 June 2018, exercise price \$0.24, expiring on 14 June 2020	Mark Potts	\$0.24 per option (representing a premium of 571% to the market price at the time of issue, being \$0.042 per Share)	Non-cash, issued to non-executive director as part of his remuneration	N/A
25 January 2017	57,374,631	Shares	Same as existing Shares	Various sophisticated and professional investors	\$0.04 per Share (representing a discount of 23% to the market price at the	\$2,294,985  The Company has spent all of the funds (\$2,294,985) accelerating	N/A

<sup>1</sup> The full terms and conditions of these options are set out in annexure A of the Company's 2016 notice of general meeting.

<sup>2</sup> The full terms and conditions of these options are set out in annexure A of the Company's 2016 notice of general meeting.

<sup>3</sup> The full terms and conditions of these options are set out in annexure A of the Company's 2016 notice of general meeting.

					time of issue, being 0.052 per Share)	sales and marketing activities and for working capital	
24 May 2017	500,000	Unlisted options <sup>4</sup>	Unlisted options vesting on 24 May 2018, exercise price \$0.10, expiring on 24 May 2020	Sue Landers and Mitch Ison	\$0.10 per option (representing a 208% premium to the market price at the time of issue, being \$0.048 per Share)	Non-cash. Issued as employee incentives under the Equity Incentive Plan	N/A
8 June 2017	500,000	Unlisted options <sup>5</sup>	Unlisted options vesting on 24 May 2019, exercise price \$0.15, expiring on 24 May 2021	Sue Landers and Mitch Ison	\$0.15 per option (representing a 312% premium to the market price at the time of issue, being \$0.048 per Share)	Non-cash. Issued as employee incentives under the Equity Incentive Plan	N/A
8 June 2017	500,000	Unlisted options <sup>6</sup>	Unlisted options vesting on 24 May 2020, exercise price \$0.18, expiring on 24 May 2022	Sue Landers and Mitch Ison	\$0.18 per option (representing a 375% premium to the market price at the time of issue, being \$0.048 per Share)	Non-cash. Issued as employee incentives under the Equity Incentive Plan	N/A

<sup>4</sup> These unlisted options were issued under the terms of the Equity Incentive Plan, as detailed in the Company's 2014 notice of annual general meeting and the subject of Resolution 4 of this Notice.

<sup>5</sup> These unlisted options were issued under the terms of the Equity Incentive Plan, as detailed in the Company's 2014 notice of annual general meeting and the subject of Resolution 4 of this Notice.

<sup>6</sup> These unlisted options were issued under the terms of the Equity Incentive Plan, as detailed in the Company's 2014 notice of annual general meeting and the subject of Resolution 4 of this Notice.

# PROXY FORM

**Decimal Software Limited**  
**ACN 009 235 956**

## Appointment of Proxy

If appointing a proxy to attend the Annual General Meeting on your behalf, please complete the form and submit it in accordance with the directions on the reverse side of this page.

I/We \_\_\_\_\_ of \_\_\_\_\_, being a Shareholder/Shareholders of Decimal Software Limited, pursuant to my/our right to appoint not more than two proxies, appoint:



The Chair of the Meeting  
 (mark with an "X")

OR

Write here the name of the person you are appointing if this person is someone other than the Chair of the Meeting.

Write here the name of the person you are appointing as a second proxy (if any).

or failing him/her, (if no proxy is specified above), the Chair of the Annual General Meeting (**Meeting**), as my/our proxy to vote for me/us and on my/our behalf at the Meeting to be held at the Boardroom of Fogarty Partners, 65 Hay Street, Subiaco, Western Australia at 11 am (WST) on 24 November 2017 and at any adjournment or postponement of that Meeting.

This proxy is to be used in respect of \_\_\_\_\_% of the ordinary Shares I/we hold.

## Voting directions to your Proxy

If the Chair of the Meeting is your proxy or is appointed as your proxy by default, the Chair of the Meeting intends to vote all available undirected proxies in favour of Resolutions 1 to 7.

Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair of the Meeting to vote in accordance with the Chair's voting intentions on all Resolutions (except where I/we have indicated a different voting intention) even though Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of Directors and Key Management Personnel, which includes the Chair of the Meeting.

RESOLUTION	For	Against	Abstain*
1. Non-binding resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Gary Cox as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Pauline Vamos as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of grant of Options to Nic Pollock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ratification of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain, subject always to any applicable voting prohibitions.

\*If you mark the "abstain" box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

If executed by a company, executed in accordance with section 127 of the *Corporations Act 2001* (Cth):

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole director and sole company secretary

Director

Director/Company secretary

Date: \_\_\_\_\_ / \_\_\_\_\_ 2017

Contact Name

Contact Business Telephone/Mobile

## INSTRUCTIONS FOR COMPLETING PROXY FORM

2. In the "Appointment of Proxy" section of the Proxy Form:
  - (a) fill in your name and address where indicated;
  - (b) if you wish to appoint the Chair of the Meeting as your proxy, mark the bolded square box with an "X". Alternatively, if you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that individual or body corporate in the top rectangular box. If you are appointing another person as a second proxy, please write the name of that individual or body corporate in the lower rectangular box; and
  - (c) fill in the percentage of the Shares that you hold that your proxy is to use.
3. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.
4. A proxy need not be a Shareholder of the Company.
5. You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your Shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.
6. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.
7. Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
8. Completion of a Proxy Form will not prevent individual Shareholders from attending the Annual General Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Annual General Meeting.
9. If a representative of a company Shareholder is to attend the Meeting, a properly executed original (or certified copy) of evidence of appointment is required. The appointment must comply with section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment to including any authority under which it is signed.
10. If a representative as power of attorney of a Shareholder is to attend the Meeting, a certified copy of the power of attorney, or the original power of attorney, must be received by the Company in the same manner, and by the same time as outlined for the Proxy Form in paragraph 11 below.

### 11. **Signing Instructions**

You must sign this form as follows in the spaces provided:

- |                           |   |
|---------------------------|---|
| <b>Individual:</b>        | Where the holding is in one name, the holder must sign.   |
| <b>Joint Holding:</b>     | Where the holding is in more than one name, all of the Shareholders should sign.  |
| <b>Power of Attorney:</b> | If you are signing under a power of attorney, you must lodge an original or certified photocopy of the appropriate power of attorney with your completed Proxy Form.  |
| <b>Companies:</b>         | Where the company has a sole director who is also the sole company secretary, this Proxy Form must be signed by that person.<br><br>If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. |



Otherwise this Proxy Form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

**12. Lodgement of a Proxy**

This Proxy Form (and any power of attorney under which it is signed) must be received at the address below not later than 11 am (WST) on 22 November 2017 (48 hours before the commencement of the Meeting). Any Proxy Form received after that time will not be valid for the scheduled Meeting.

**Hand deliveries:** Unit 1, 174 Hampden Road, Nedlands, WA 6009

**Postal address:** Unit 1, 174 Hampden Road, Nedlands, WA 6009

**Fax number:** +61 2 8047 8616

**Email:** [finance@decimal.com](mailto:finance@decimal.com)

**13. Enquiries**

Shareholders are asked to contact the company secretary, Mr David Gardner, on 1300 220 799 if they have any queries in respect of the matters set out in these documents.