

Dear Shareholder,

The Altium Limited Board ('Board') would like to invite you, or your representatives, to attend the 2015 Annual General Meeting ('Meeting') of Altium Limited ('Altium' or 'Company').

Date: Tuesday 17 November 2015

Time: 9am – Please note change of time from previously advised

Venue: The Gold Room at L'Aqua Conference Centre, Rooftop Level, Cockle Bay Wharf Sydney NSW 2000

The meeting will be followed by a technology presentation (expected to run for approximately 2 hours) to be delivered by Altium's CEO, Aram Mirkazemi and Henry Potts, Chief Product and Operations Officer.

General Business

Financial statements and reports

1. To receive the Financial Report, Directors' Report and Auditor's Report for the Company for the financial year ended 30 June 2015.

Remuneration Report

2. To receive, consider and adopt the Remuneration Report of the Company for the financial year ended 30 June 2015, which forms part of the Directors' Report. Please note that the vote on the Remuneration Report is advisory only and does not bind the Directors or the Company.

Note: A voting exclusion applies to this resolution.

Election of directors

3. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
Samuel Weiss, a director retiring from office in accordance with Articles 7.2-7.4 of the Constitution of the Company, is re-elected as a director of the Company.
4. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
David Warren, a director retiring from office in accordance with Articles 7.2-7.4 of the Constitution of the Company, is re-elected as a director of the Company

Special Business

5. Grant of Performance Rights to Director FY15– Aram Mirkazemi

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

"That approval be given for all purposes, including for the purposes of ASX Listing Rule 10.14 and section 200B of the Corporations Act, Shareholders approve the issue of up to 129,014 Performance Rights (and the issue of Shares following the vesting of those Performance Rights) to Mr Aram Mirkazemi (or his nominee) in respect of Mr Mirkazemi's FY15 long-term incentive award under the terms of the Altium Performance Rights Plan, as described in the Explanatory Memorandum."

Note: A voting exclusion applies to this resolution.

6. Grant of Performance Rights to Director FY16– Aram Mirkazemi

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

"That approval be given for all purposes, including for the purposes of ASX Listing Rule 10.14 and section 200B of the Corporations Act, Shareholders approve the issue of up to 192,308 Performance Rights (and the issue of Shares following the vesting of those Performance Rights) to Mr Aram Mirkazemi (or his nominee) in respect of Mr Mirkazemi's FY16 long-term incentive award under the terms of the Altium Performance Rights Plan, as described in the Explanatory Memorandum."

Note: A voting exclusion applies to this resolution.

7. Increase in non-executive directors' fee pool available for directors of the Company

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

In line with Australian Securities Exchange (ASX) Listing Rule 10.17, the total aggregate amount of directors' fees payable to all of Altium's non-executive directors is increased by AU\$800,000 per annum, from the existing AU\$700,000 per annum (approved by shareholders at the 2007 AGM) to a maximum sum not exceeding AU\$1,500,000 per annum to cover future Board fees payable to non-executive directors of the Company and allow for growth and renewal of the Board.

Note: A voting exclusion applies to this resolution.

8. Renewal of Proportional Takeover Provision - Special Resolution

To consider and, if thought fit, to pass the following resolution as a special resolution: That articles 3.17 to 3.18 inclusive of the Company's Constitution requiring prior shareholder approval for a proportional takeover of the Company, be re-adopted for a further period of three years from the date of this Meeting in accordance with Section 648G of the Corporations Act.

Dated 16 October 2015

By Order of the Board



Alison Raffin

Company Secretary

Proxy and Voting Instructions

The Company's shareholders should read the Explanatory Notes accompanying, and forming part of, this Notice of Meeting for more details on the resolutions to be voted on at the Meeting. The information provided is intended to assist shareholders in understanding the reasons for and the effect of the resolutions, if passed.

- **Voting Exclusion - there is a voting exclusion in place on Items 2, 5, 6 and 7**

The Company will disregard any votes cast on **Item 2**, by or on behalf of Key Management Personnel ("KMP") and closely related parties of KMP, whether the votes are cast as a shareholder, proxy or in any other capacity. The Company will also disregard any votes cast on **Items 5, 6 or 7** by a KMP as a proxy for another shareholder if the proxy appointment does not specify how the KMP is to vote on those items. The Company will also disregard any votes cast on **Item 5, 6 or 7** by Aram Mirkazemi and his associates and any votes cast on **Item 7** by the Non-Executive Directors (Sam Weiss, Carl Rooke and David Warren) and their associates.

However, the Company will not disregard a vote cast by a KMP or closely related party or associate of a KMP, if the vote is cast by a person:

- a) in their capacity as proxy for a person who is entitled to vote on that Item, in accordance with the written direction on the Proxy Form; or
- b) in their capacity as the Chairman of the Meeting as a proxy for a person who is entitled to vote on that Item, in accordance with a direction on the proxy form to vote as the proxy decides even if the resolution is connected directly or indirectly with the remuneration of a KMP.

If the Chairman is your proxy or is appointed as your proxy by default, and you do not direct your proxy how to vote on these Items on the proxy form (this is known as an "undirected proxy"), you are directing the Chairman to vote as he or she decides, even if that resolution is connected directly or indirectly with the remuneration of the Chairman or other KMPs. Therefore, if you do not wish to have the Chairman voting on these Items as he or she decides, you should direct the Chairman how to vote by marking either the "for", "against" or "abstain" box for each Item.

For the purposes of these voting exclusion statements:

- KMP includes employees and officers of the Company who have authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly, including the Company's Directors (whether executive or otherwise): and
- Closely related parties of a member of the KMP include any of the following:
 - a) the spouse, children or dependents of a member;
 - b) the children or dependents of the member's spouse;
 - c) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or
 - d) a company controlled by the member.

If you cannot attend the meeting and plan to appoint a proxy to attend and vote on your behalf, please note that recent changes to the Corporations Act apply to this meeting and could affect whether or not your proxy is able to vote on your behalf, particularly in relation to Items 2, 5, 6 and 7. Please read this Notice of Meeting carefully and consider directing your proxy on how to vote on each resolution by marking the appropriate box on the proxy form.

• Proxies

If you are unable to attend and vote at the Meeting and wish to appoint a person who is attending as your proxy, please complete the enclosed Form of Proxy. The instrument appointing a proxy must be in writing under the hand of the appointer or their attorney duly authorised in writing, or if such appointer is a corporation, under its common seal or under the hand of its duly authorised officer or attorney.

A shareholder entitled to attend and vote is entitled to appoint a proxy and if entitled to cast two or more votes at the Meeting, may 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 no such proportion or number is specified, each proxy may exercise half of the shareholder's votes. A proxy can be an individual or a body corporate and need not be a member of the Company.

Subject to any applicable voting restrictions, where an appointment specifies the way the proxy is to vote on the resolution:

- the proxy is not required to vote on a show of hands, but if the proxy does so, the proxy must vote that way;
- if the proxy has two or more appointments that specify different ways to vote on the resolutions, the proxy must not vote on a show of hands;
- if the proxy is not the Chairman, the proxy need not vote on a poll but if the proxy does so, the proxy vote must vote that way; and
- if the proxy is the Chairman, the proxy must vote on a poll and must vote that way.

In addition, there are now some circumstances where the Chairman will be taken to have been appointed as a shareholder's proxy for the purposes of voting on a particular resolution even if the shareholder has not expressly appointed the Chairman as their proxy.

This will be the case where:

- the appointment of proxy specifies the way the proxy is to vote on a particular resolution;
- the Chairman is not named as the proxy;
- a poll is being called on the resolution; and
- either of the following applies:
 - (i) the proxy is not recorded as attending the Meeting; or
 - (ii) the proxy attends the Meeting but does not vote on the resolution.

Shareholders should consider directing their proxy as to how to vote on each resolution by crossing either a "For" or "Against" box when lodging their proxy form to ensure that their proxy is permitted to vote on their behalf in accordance with their instructions.

The proxy form together with the authority (if any) under which it is signed or a notarially certified copy of that authority must be received at the Company's registered office or by the Company's share register, Computershare Investor Services Pty Ltd (Ph: 1300 850 505) no later than 9.00am (AEST), Sunday, 15 November 2015. Please note that the Company's registered office and the Company's share registry office are closed outside of regular business hours.

The completed Form of Proxy may be lodged:

IN PERSON:	Share Registry	Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067 Australia
BY MAIL:	Share Registry	Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, Australia
BY FAX:	Share Registry	(within Australia) 1800 783 447 (overseas) +61 3 9473 2555

Voting Entitlement Cut-offs

Pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 and Article 6.1 of the Company's Constitution, the time nominated by the Board for the purposes of determining the voting entitlements at the Meeting is 9am (AEST), Sunday, 16th November 2015.

Explanatory Notes

Item 1: Financial statements and reports

As required by section 317 of the Corporations Act 2001 (Cth) ("Corporations Act"), the Financial Report, Directors' Report and Auditor's Report of Altium Limited ("Altium" or the "Company") for the financial year ended 30 June 2015 will be laid before the Meeting. There is no requirement for a formal resolution on this item. Shareholders will be given reasonable opportunity to ask questions and make comments on these reports at the Meeting.

Item 2: Remuneration Report

Section 300A of the Corporations Act requires listed companies to include a Remuneration Report within the directors' report. The Remuneration Report must be put to a vote of members at the Meeting. The vote on the resolution will be advisory only and will not bind the directors or the Company. However, under changes to the Corporations Act which came into effect on 1 July 2011, if the Remuneration Report receives a "no" vote of at least 25% at the Meeting, and then again at the 2016 Annual General Meeting, a resolution will be required to be put to shareholders at the 2016 Annual General Meeting as to whether another meeting of shareholders should be held within 90 days at which all Directors (other than the Chief Executive Officer) who were in office at the date of the relevant Directors' Report must stand for re-election.

Shareholders will be given reasonable opportunity to ask questions and make comments on these reports at the Meeting.

Recommendation

Noting that each director has a personal interest in their own remuneration from the Company, as described in the Remuneration Report, the Board unanimously recommends the adoption of the Remuneration Report.

The Chair of the Meeting intends to vote undirected proxies in favour of Item 2.

This resolution is subject to a Voting Exclusion.

Items 3 - 4: Election of directors

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third Annual General Meeting (AGM) following the director's appointment or three years, whichever is longer. However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next AGM of the entity. This rule does not apply to the Chief Executive Officer.

Retirement and re-election

Articles 7.2 and 7.3 of the Constitution requires that at each Annual General Meeting each Director who has held office for two years or more must retire from office and is eligible for re-election. Samuel Weiss and Dr David Warren retire by rotation under Article 7.2 and offer themselves for re-election.

Candidate information

Samuel Weiss AB MS FAICD, Non-Executive Chairman

Sam joined the Altium Board as a Non-executive Director on 1 January 2007 and was elected Chairman of the Board on 4 October of that year. Sam is also Chairman of 3PLearning Ltd and Ensogo Ltd, a Non-executive director of Oron Group Ltd and, Breville Group Ltd. He is a former Chairman of The Benevolent Society. He brings valuable experience and a deep understanding of international markets, especially in Asia, the USA and Europe from his previous roles as Vice President, Asia-Pacific, Gateway Computers and Chief Operating Officer for Nike Europe. Sam has substantial expertise in organisation design, strategy and remuneration and a long history of strong corporate governance management and board leadership. In addition to his role as Board Chairman, Sam is a member of the Audit and Risk Management Committee and the Human Resources Committee.

Dr David Warren BSc Tas Hon DSc Tas MAIP FAICD, Non-Executive Director

David has been associated with Altium since its inception in 1985. After joining Altium's management team in 1987, David served as President of Altium's USA operation from 1994 to 1995. He has served as a member of the Board since 1991. Since 1995 he has worked in the areas of mergers and acquisitions, sales and corporate development prior to becoming a Non-Executive Board member in 2004. David has served on a number of company boards both private and public. His work in astronomy led him into the world of software and electronic design where he has since gained more than 35 years' experience.

David has expertise in software and electronic design, mergers and acquisitions, sales, management and corporate development. In addition to his role as a non-executive director of the Board, David is also a member of the Audit and Risk Management Committee and the Chair of the Human Resources Committee.

Recommendation

The Board has significantly benefited from the contribution of Mr Weiss and Dr Warren. The Board (other than each director in relation to their own election) unanimously recommends that shareholders vote in favour of Items 3 & 4.

The Chair of the Meeting intends to vote undirected proxies in favour of Items 3 & 4.

Items 5 - 6: FY15 and FY16 Grants to Managing Director under the Altium Performance Rights Plan

Performance Rights Plan

Background to the Plan

The Performance Rights Plan (the "Plan") is a key part of Altium's remuneration policy for its senior executives. The Plan establishes long term incentives which link rewards for employees with the delivery of Altium's key performance drivers and the interests of Altium's shareholders.

Summary of the Plan terms

In accordance with Listing Rule 7.2, a summary of the terms of the Plan are as follows.

- The Board may determine to grant awards to Employees in the form of Performance Rights.
- Each Performance Right is a contractual right which entitles the holder to either receive or be allocated one fully paid ordinary share in Altium ("Share") or the cash equivalent. The Performance Rights will be granted for no payment. Altium may grant Performance Rights which require the holder to pay an exercise price in order to receive a Share on vesting but the Board does not currently intend to do so.
- Performance Rights may be granted in tranches with different vesting periods and may be subject to performance hurdles (in addition to continued employment) as determined by the Board (see below).
- Unless otherwise determined by the Board, the Performance Rights will lapse upon the occurrence of any of the following:
 - the participant ceasing to be an employee of a member of the Altium group;
 - any vesting conditions becoming incapable of satisfaction or being determined by the Board not to be satisfied; or
 - the holder of Performance Rights defaulting in any material respect under the rules of the Plan.
- The Board may determine that the Performance Rights will vest, lapse or remain outstanding in accordance with the Rules upon the occurrence of certain events such as the participant retiring, being made redundant, being permanently disabled or deceased or where there is a change of control, takeover offer, winding-up or delisting of Altium from the ASX.
- Under the terms of the Plan, the Board may settle vested Performance Rights by the payment of a cash amount equal to the market price of the relevant securities.
- Under the terms of the Plan, the Board may grant Performance Rights which entitle the holder to receive payments equal in value to the dividends they would have received had they held the shares which they may acquire if and when their Performance Rights vest. The Board does not currently intend to grant Performance Rights with such entitlements.
- The Board may amend the rules of the Plan from time to time (for example, to address or take advantage of regulatory or tax positions in Australia or overseas).

Performance Rights granted under the Plan are subject to both the rules of the Plan and the terms of the specific grant.

Mr Mirkazemi's remuneration

Mr Mirkazemi's remuneration for FY15 and FY16 comprises three key components as set out in the table below, the amounts of which have not changed between FY15 and FY16.

	FY15 US\$	FY16 US\$	
Fixed compensation	400,000	400,000	
Short-term incentive (STI)	200,000	200,000	} At Risk
Long-term incentive (LTI)	600,000	600,000	

Following testing of the performance hurdles which applied to Mr Mirkazemi's FY15 STI and LTI payments, it was determined that half of those payments would lapse.

The grant of Performance Rights for which approval under Items 5 and 6 is sought represents Mr Mirkazemi's LTI payment for FY15 and FY16.

The Board considers that these grants of Performance Rights are appropriate in the circumstances.

Performance hurdles

Altium operates in a global marketplace for software that is changing rapidly and growing at a substantial rate every year. Management and the Board have set internal growth targets that are ambitious but reflect the need for Altium to establish a leading market share in its key markets before competitors do so. The scale of the growth, and the somewhat unpredictable nature of when it will occur means that setting financial targets well into the future is likely not to be very accurate. The Board has had regard to this when considering the performance hurdles that should apply to Performance Rights granted under the Plan.

The performance hurdles that will apply to the proposed FY15 and FY16 grants of Performance Rights to the Managing Director are set out below.

FY15 Grant

- The FY15 grant of Performance Rights was communicated to Mr Mirkazemi in December 2014 but the actual grant was conditional on obtaining shareholder approval as required by the ASX Listing Rules. The performance hurdle for this grant of Performance Rights was

tested over the financial year ending 30 June 2015. The performance hurdle had two components:

- Component A: Subject to component B, 100% of the Performance Rights would vest if Altium's earnings per share (EPS) over the FY15 financial year was at or above a target level ("Full Vesting"). The vesting will occur in three tranches following the 2015 Annual General Meeting and the release of Altium's financial results for the financial years ending 30 June 2016 and 30 June 2017. If Altium's EPS was at least 90% of the target level, then half of the Performance Rights would vest (subject to the satisfaction of Component B) at the same vesting dates ("Half Vesting").
- Component B: No Performance Rights will vest unless Altium's Deferred Revenue Balance increases in value over the FY15 financial year (as reported in Altium's financial statements normalised for exchange rate movements).
- The performance hurdles that applied for the FY15 grant are summarized in the table below.

Vesting Date (approximate)	% of Performance Rights that vest on the Vesting Date – Full Vesting	% of Performance Rights that vest on the Vesting Date – Half Vesting
November 2015	34%	17%
September 2016	33%	16.5%
September 2017	33%	16.5%

- Altium's EPS for the FY15 financial year was above 90% but below 100% of the EPS target. Therefore the Board has determined that Mr Mirkazemi will be entitled to Half-Vesting of his FY15 Performance Rights as described above. This means that Mr Mirkazemi will receive 129,014 Performance Rights subject to Item 5 being approved rather than the full 258,028 Performance Rights to which he would have been entitled had Full-Vesting been achieved. The 129,014 Performance Rights will vest on the dates above subject to Mr Mirkazemi remaining an Altium employee at the relevant vesting dates.

FY16 Grant

- If Item 6 is approved, Mr Mirkazemi will receive a grant of 192,308 Performance Rights representing the long-term incentive component of his remuneration for FY16. These Performance Rights will be subject to performance hurdles as described below.
- The number of Performance Rights that vest will depend on the Altium EPS for each of the financial years ending 30 June 2016, 30 June 2017 and 30 June 2018 as set out in the table below. If the Altium EPS for any of those three financial years is below the target level for that year, all of the Performance Rights that have not previously vested will immediately lapse and no testing will occur in respect of subsequent years.

Financial year	Altium EPS for the financial year	Treatment of Performance Rights
FY16	At or above FY16 Target	33.3% will vest in September 2016
FY17	At or above FY17 Target	33.3% will vest in September 2017 (unless FY16 Target was missed)
FY18	At or above FY18 Target	33.3% will vest in September 2018 (unless FY16 or FY17 Targets were missed)

Additional terms and restrictions

In the event of any capital reorganisation of the Company (including bonus issues, other pro rata issues or corporate reconstruction), the participant's Performance Rights will be adjusted, as set out in the Rules for each Plan. In general, it is intended that the participant will not receive any advantage or disadvantage from such an adjustment not received by holders of Securities and any adjustment must be consistent with the Listing Rules and Corporations Act.

Performance Rights will not attract voting rights in respect of Shares or the right to participate in new issues of Shares until the Performance Rights vest and Shares are delivered or allocated, whether or not the Shares are subject to an escrow. Income tax will be the responsibility of the participants.

A participant may not sell, assign, transfer or otherwise deal with, or grant a security interest over Performance Rights without the prior written approval of the Board. Performance Rights may lapse immediately on any purported sale, assignment, transfer, dealing or grant of security interest. In addition, it is contrary to Altium's Director & Employee Share Trading Policy and the law for participants to seek or enter into derivative contracts that hedge their exposure to movements in the price of Shares while they hold Performance Rights that have not vested.

Following vesting, disposal of Shares allocated under the Plans will be subject to Altium's Director & Employee Share Trading Policy.

Information required by the ASX Listing Rules

Under Listing Rule 10.14, an entity must not issue securities to directors under an employee incentive scheme without the approval of its members. Accordingly, approval of Shareholders is sought for the purposes of Listing Rule 10.14 to enable Altium to grant the FY15 and FY16 Performance Rights to Mr Mirkazemi, and subsequently issue or transfer Shares to Mr Mirkazemi on vesting of those Performance Rights. The ASX Listing Rules require the following information to be included in this notice.

- No Performance Rights have previously been granted to any director under the Plan and accordingly, shareholders have not previously approved a grant of Performance Rights under the Plan in accordance with Listing Rule 10.14.
- The Managing Director, Mr Mirkazemi is the only director entitled to participate in the Plan.
- If Items 5 and 6 are approved by the requisite majority of shareholders, the Performance Rights will be granted as soon as possible and

in any event within 12 months of the date of the meeting.

Information required by the Corporations Act

If approval is given, any benefits received by Mr Mirkazemi upon the cessation of his employment will not be prohibited under the retirement benefit provisions of section 200B of the Corporations Act. Benefits may include the Board using its discretion to determine that Mr Mirkazemi's Performance Rights:

- will not lapse on the cessation of his employment but will be retained and vest as if he remained an employee; or
- will vest on his cessation of employment (which will usually only occur in limited circumstances such as where he is made redundant or retires as set out in the rules of the Plan and as described above).

The value of the benefit Mr Mirkazemi may receive as a result of the early vesting or non-lapse of his Performance Rights for the purposes of the retirement benefit provisions of the Corporations Act cannot be ascertained at the date of this Notice as it will be necessarily determined by the number of Performance Rights vesting or not lapsing and the market value of Shares at that date. However, the key matters, events or circumstances which will, or are likely to affect the number of Performance Rights that the Board determines should vest or not lapse on a participant's cessation of employment and the calculation of the value of those Performance Right include:

- the number of Performance Rights held by Mr Mirkazemi under the Plan at the time of their cessation of employment;
- the market price of Shares at the time of their cessation of employment; and
- the number or proportion of Performance Rights held by the executive which the Board determines should vest or not lapse, which will in turn will depend upon factors which may include:
 - the participant's performance since the Performance Rights were granted;
 - the length of time that has elapsed since the Performance Rights were granted;
 - the extent to which the performance conditions have been satisfied at the time the participant ceases employment;
 - the financial performance of Altium and the business or support area in which the participant works;
 - the seniority level of the participant; and
 - the circumstances in which the participant leaves Altium.

Recommendation

The Directors (other than Aram Mirkazemi who has a direct interest and abstained from consideration of the matter) unanimously recommend that Shareholders vote in favour of Items 5 and 6.

The Chairman of the AGM intends to vote all available and undirected proxies in favour of these resolutions.

Voting exclusions apply to this resolution, as set out in this Notice of Meeting.

Item 7: Increase in non-executive Director fee pool

The approval of shareholders is sought under Listing Rule 10.17 so that the total aggregate amount of directors' fees payable to all of Altium's non-executive directors for their services is increased by AU\$800,000 per annum, from the existing AU\$700,000 per annum (approved by shareholders at the 2007 AGM) to a maximum sum not exceeding AU\$1,500,000 per annum. It is NOT intended to use the maximum amount immediately. However, with an increasing governance focus on the importance of board renewal, diversity and a broad skill set, the Altium board proposes the increase to allow it to expand and renew the board by attracting candidates of the highest calibre and from markets both in and outside of Australia. An increase will provide the Board with the ability over time to increase directors' fees in line with market conditions and if appropriate to attract high quality directors to replace or expand its membership as part of the Board's programme of renewal. Shareholders should note the following points in relation to this resolution.

- At the 2007 AGM, the current total aggregate amount of directors' fees payable to all of Altium's non-executive directors was set at AU\$700,000 per annum and has not increased since this time.
- The Company currently has 4 Directors. As the Constitution allows for the appointment of up to 9 directors it is necessary to have a cap that will allow the Company (based on the current average director's fee) to appoint up to 9 directors if appropriate.
- The growth and more complex nature of the Altium business today has increased the time required by Board members and skills needed to lead a global entity, particularly those appointed to the Board sub-committees.
- An increase in this fund will provide the Company with the scope to appoint additional non-executive directors to enhance the breadth of experience and skills on the Board.
- In response to the new Corporate Governance measures introduced by the ASX, and the importance placed on independent representation on the Board, the number of non-executive directors may further increase in the future.
- Altium has not issued any shares to non-executive directors at any time within the preceding 3 years.

Please note that a voting exclusion is in place for this resolution with Non-Executive Directors and their associates excluded from voting on the resolution.

The Chair of the Meeting intends to vote undirected proxies in favour of Item 7.

Item 8: Renewal of Proportional Takeover Approval Provisions

The Company proposes to put to the shareholders a resolution to renew the Company's proportional takeover approval provisions contained in articles 3.17 to 3.18 inclusive of the Company's Constitution.

The Constitution of the Company contains provisions that prohibit the registration of any transfer of shares giving effect to an offer made under a proportional takeover scheme (that is, an offer for some but not all of the holders' shares in the Company) unless and until the persons holding shares in a class which the offer under the takeover was made have passed an ordinary resolution approving the scheme.

The offeror and any associate of the offeror are excluded from voting on that resolution. To remain effective, these provisions must be renewed by the shareholders in a general meeting every 3 years. In accordance with section 648G of the Corporations Act these proportional takeover approval provisions cease to apply unless otherwise renewed.

Effect of the provisions

If articles 3.17 to 3.18 of the Company's Constitution are renewed and a proportional takeover bid is made for a class of securities in the Company, the Directors will be required to convene a general meeting of the holders in that class to vote on a resolution to approve the proportional takeover bid or to conduct a postal ballot to approve the proportional takeover bid. The resolution must be voted on at least 15 days before the bid closes. The bidder and any associates of the bidder will be excluded from voting.

If the resolution is rejected by the holders, then the bid will be deemed to be withdrawn and registration of any transfer of securities resulting from the proportional takeover bid will be prohibited. Acceptances will be returned and any contracts formed by acceptances will be rescinded.

If the resolution is approved, transfers of securities to the bidder will be registered provided they comply with the other provisions of the Constitution.

If no resolution is voted on at least 15 days before the close of the bid, then a resolution to approve the proportional takeover bid will be deemed to have been passed.

The renewed provisions will expire after three years, unless again renewed by the holders by a special resolution.

Reasons for proposing resolution

Part 6.5 Subdivision 5 C of the Corporations Act 2001 (Cwlth) permits the inclusion and renewal of proportional takeover approval provisions in the Constitution.

The Directors consider that the holders should continue to have the opportunity to vote on a proposed proportional takeover bid. Without the provisions, a proportional takeover bid for the Company might enable a bidder to obtain control of the Company without the holders having the opportunity to dispose of all their securities. The provisions give the holders the opportunity to decide whether a proportional takeover bid should proceed. If it does proceed, individual holders can make a separate decision as to whether they wish to accept the bid for their securities.

Present acquisition proposals

As at the date of this statement, none of the Directors are aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Review of the advantages and disadvantages of the proportional takeover approval provisions during the period they have been in effect. During the period in which articles 3.17 to 3.18 have been in effect there have been no proportional takeover bids made for the Company and the article has therefore not been activated. It may be argued that during the period for which articles 3.17 to 3.18 have been in effect it has had the disadvantage of discouraging proportional takeover bids and reducing any takeover speculation element in the Company's share price.

Potential advantages and disadvantages

The provisions enable the Directors to ascertain the views of the holders on a proportional takeover bid. Apart from this, there is no specific advantage for Directors, as Directors, in renewing the proportional takeover approval provisions.

The provisions also ensure that all holders will have an opportunity to study a proportional takeover bid proposal and vote on whether it should be permitted to proceed. This should ensure that the terms of any future proportional bids are structured to be attractive to a majority of independent holders.

It may be argued that the proportional takeover approval provisions make a proportional takeover more difficult to achieve and therefore proportional bids will be discouraged. This in turn may reduce opportunities which the holders may have to sell some of their securities at an attractive price to persons securing control of the Company, and it may reduce an element of takeover speculation from the Company's security price. It may also be argued that the provisions constitute an additional restriction on the ability of the holders to deal freely with their securities.

Recommendation

The Directors consider that, on balance, renewal of the provisions in the Constitution is in the best interests of the holders and accordingly recommend that you vote in favour of the resolution.

The Chair of the Meeting intends to vote undirected proxies in favour of Item 8.

All Correspondence to:
Computershare Investor Services Pty Limited
GPO Box 242, Melbourne
VIC 3001 Australia

Enquiries (within Australia) 1300 850 505
www.computershare.com
All Proxies Facsimile to 61 3 9473 2555

Mark this box with an 'X' if you have made any changes to your address details (see reverse) ☐

Securityholder Reference Number (SRN)

Appointment of Proxy

I/We being a member/s of Altium Limited and entitled to attend and vote hereby appoint

The Chairman of the meeting **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate you are appointing as your proxy.

Failing the individual or body corporate named, or if no individual or body corporate is named, I/We appoint the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Altium Limited to be held at the L'Aqua Gold Room, Rooftop Level, Cockle Bay Wharf, Sydney NSW 2000 on Tuesday 17 November 2015 at 9am and at any adjournment or postponement of that Meeting.

If the Chairman of the Meeting is your proxy or is appointed as your proxy by default, and you do not direct your proxy how to vote on Item 2, 5, 6 or 7 below, you are expressly authorising the Chairman of the Meeting to vote in favour of these items, even if that item is connected directly or indirectly with the remuneration of a member of the key management personnel. Therefore, if you do not wish to have the Chairman vote in favour of these items as a result of your undirected proxy, you should direct the Chairman to vote "against" or "abstain".

The Chairman intends to vote undirected proxies in favour of items 2 - 8

Voting Directions to your proxy – please mark ☒ or the percentage or number of shares you wish to vote to indicate your directions

Items	For	Against	Abstain*
2. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Director – Samuel Weiss	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Election of Director – David Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Grant of Performance Rights to Director FY15– Aram Mirkazemi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Grant of Performance Rights to Director FY16– Aram Mirkazemi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Increase in Directors' Fee Pool available for Directors of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Renewal of Proportional Takeover Provision - Special Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* 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.

Appointing a second proxy

I/We being a member/s of Altium Limited and entitled to attend and vote hereby appoint a second proxy.

☐ Mark with an 'X' if you wish to appoint a second proxy The percentage of my/our voting rights or number of shares for this Proxy form is: % **OR** State the percentage of your voting rights or the number of shares for this Proxy Form

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

Individual or Shareholder 1

Sole Director & Sole Company

Shareholder 2

Secretary Director

Shareholder 3

Director/Company Secretary

In addition to signing the proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime

Telephone Date

How to complete the Proxy Form

1. Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please mark the box and make the correction on the form. Shareholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your shares using this form.**

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box on the left. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company. Do not write the name of the Company or the registered shareholder in the space.

3. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three 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 a given item, your proxy may vote as they choose. If you mark more than one box on an item, your vote on that item will be invalid.

4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) Indicate that you wish to appoint a second proxy by marking the box.
- (b) On each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form (together being no more than 100% of your total shareholding). If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (c) Return both forms together.

5. Signing Instructions

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

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to Section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this 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.

If a representative of the corporation is to attend the Meeting the appropriate 'Certificate of Appointment of Corporate Representative' should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry or at www.computershare.com

6. Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below no later than **9:00am (AEST), Sunday, 15 November 2015**. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Documents may be lodged:

IN PERSON:	Share Registry	– Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067 Australia
BY MAIL:	Share Registry	– Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, Australia
BY FAX:	Share Registry	– (within Australia) 1800 783 447 (overseas) +61 3 9473 2555