



# Decimal Software Limited

ACN 009 235 956

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

**Date of Meeting**

30 November 2018

**Time of Meeting**

11 am WST

**Place of Meeting**

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 Fogarty Partners, 65 Hay Street, Subiaco, Western Australia on 30 November 2018 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 2018.

#### 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 2018 Annual Report) for the year ended 30 June 2018."*

**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:** In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1:

- (a) *by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or*
- (b) *by a person who is a member of the Key Management Personnel at the date of the Annual General Meeting, or their Closely Related Parties, as a proxy.*

*However, votes will not be disregarded if they are cast as a proxy for a person entitled to vote on Resolution 1:*

- (c) *in accordance with a direction as to how to vote on the Proxy Form; or*
- (d) *by the Chair of the Meeting pursuant to an express authorisation to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of the Key Management Personnel.*

##### Resolution 2 – Re-election of Jan Kolbusz as a Director

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

*"That, Mr Jan Kolbusz, 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 Jan Kolbusz are set out in the Explanatory Memorandum.

## **SPECIAL BUSINESS**

### **Resolution 3 – 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 28,900,000 Shares at an issue price of \$0.03 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 in favour of Resolution 3 by or on behalf of:

- (a) any person who participated in the issue of securities the subject of Resolution 3; or
- (b) an associate of that person.

However, the Company need not disregard a vote if:

- (c) 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
- (d) it is cast by the Chair of 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 4 – 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 in favour of Resolution 4 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of that person.

However, the Company need not disregard a vote if:

- (c) 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
- (d) it is cast by the Chair of 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: 17 October 2018

## 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.

### 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 vote at the Meeting is entitled to appoint a proxy to vote on their behalf.
- 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 directed your proxy how to vote on Resolution 1, the proxy appointment expressly directs and authorises the Chair of the Meeting to cast your votes in favour of Resolution 1. This express

authorisation is included because without it the Chair of the Meeting would be precluded from casting your votes as this resolution is 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 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 appointments 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 appointment is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in the 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 28 November 2018. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
  - online at [www.investorvote.com.au](http://www.investorvote.com.au)
  - by returning a completed Proxy Form in person to the Company at Unit 1, 174 Hampden Road, Nedlands, WA 6009
  - by post to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3001, Australia
  - by faxing a completed Proxy Form to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)
  - by mobile, scan the QR Code on your Proxy Form and follow the prompts

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 28 November 2018. 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 28 November 2018.

**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 2018. 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 2017 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 2019 annual general meeting, this may result in the re-election of the Board.

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

## **RESOLUTION 2 – RE-ELECTION OF MR JAN KOLBUSZ 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 Jan Kolbusz, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Kolbusz is the founder and former executive director of Decimal Group Pty Ltd that was legally acquired by Decimal Software Limited with effect from 11 April 2014. Mr Kolbusz was formerly the Director, Technology and Operations of Asgard. Mr Kolbusz spent over nine years at Asgard, pioneering portfolio administration platforms, before driving further innovation and profitability following the company's successful acquisition by St George Bank. Mr Kolbusz was also a Director of Consulting at Ernst & Young.

Prior to his time at Ernst & Young, Mr Kolbusz worked for US headquartered Baxter Healthcare, including managing the US to Australia conversions and implementations of integrated hospital systems. Mr Kolbusz began his career working across a variety of technical and management roles on large-scale IBM platforms. Mr Kolbusz is a Fellow of the Institute of Company Directors and has a double major in Mathematics and Computer Science from the University of Western Australia and a Masters in Information Systems from Curtin University.

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

## **RESOLUTION 3 – RATIFICATION OF PLACEMENT**

### **3.1 Background**

On 29 January 2018, the Company announced the completion of a capital raising comprising the issue of 28,900,000 fully paid ordinary shares in the Company to IFM Investors at 3 cents per Share to raise approximately \$867,000 (before costs) (**Placement**). The purpose of the Placement was to assist in funding the Company's "mobile first" strategy, as well as expanding existing programs with current and new prospects.

### 3.2 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 3 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 3 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.

### 3.3 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 3:

- (a) the number of Shares allotted was 28,900,000;
- (b) the Shares were issued at \$0.03 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 except that the recipient of these Shares agreed to a 12 month voluntary trading restriction on their ability to dispose of those Shares (relevantly these trading restrictions do not restrict a disposal as part of a Court approved scheme of arrangement such as the transaction proposed with Sargon Capital Pty Ltd);
- (d) the Shares were issued to IFM Investors. No related parties participated in the Placement; and
- (e) the funds raised were used to assist in funding the Company's "mobile first" strategy, as well as expanding existing programs with current and new prospects.

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

### 3.4 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

## RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

### 4.1 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 4 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.

**4.2 Listing Rule 7.1A**

The effect of Resolution 4 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 315,773,155 Shares and 30,500,002 unlisted options (with various exercise prices, expiration dates and other terms).

Based on the 315,773,155 Shares on issue at the date of this Notice, subject to Shareholder approval being obtained under Resolution 4, 31,577,315 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		
		\$0.0060 Issue Price at half the current market price (as at close of trade on 16 October 2018)	\$0.0120 Issue Price at current market price (as at close of trade on 16 October 2018)	\$0.0240 Issue Price at double the current market price (as at close of trade on 16 October 2018)
<b>Current Variable 'A'</b> 315,773,155 Shares	<b>Shares issued</b>	31,577,315	31,577,315	31,577,315
	<b>Funds raised</b>	\$189,464	\$378,928	\$757,856
	<b>Dilution</b>	10%	10%	10%
<b>50% increase in current Variable 'A'</b> 473,659,733 Shares	<b>Shares issued</b>	47,365,973	47,365,973	47,365,973
	<b>Funds raised</b>	\$284,196	\$568,392	\$1,136,783
	<b>Dilution</b>	10%	10%	10%
<b>100% increase in current variable 'A'</b> 631,546,310 Shares	<b>Shares issued</b>	63,154,631	63,154,631	63,154,631
	<b>Funds raised</b>	\$378,928	\$757,856	\$1,515,711
	<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 on or 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 4 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.

#### **4.3 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 4 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 16 October 2018, being \$0.0120, (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, November 2016 and November 2017 obtained Shareholder approval under Listing Rule 7.1A. The Company has issued 63,400,000 Equity Securities (including Shares) in the 12 months preceding the date of the Meeting which represents 20.57% 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 A**.
- (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.

#### **4.4 Directors' recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

## GLOSSARY

**Additional 10% Placement Capacity** has the meaning given to that term in section 4.1 of the Explanatory Memorandum.

**Additional Placement Period** has the meaning given to that term in section 4.3 of the Explanatory Memorandum.

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

**Annual General Meeting or Meeting** means the Company's 2018 annual general meeting.

**Annual Report** means the Company's annual report for the year ended 30 June 2018.

**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 2018.

**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 2018.

**Incentive Plan** means the Company's equity incentive plan as approved by Shareholders at the Company's 2017 annual general meeting.

**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.

**Placement** means the issue of 28,900,000 fully paid ordinary shares in the Company to IFM Investors at 3 cents per Share, as announced to ASX on 29 January 2018.

**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.

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

**WST** means Australian Western Standard Time

**ANNEXURE A – 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>
20 December 2017	500,000	Unlisted options <sup>1</sup>	Unlisted options, vesting on issue date, exercise price \$0.10, expiring on 14 June 2018	Nic Pollock	\$0.10 per option (representing a premium of 476% to the market price at the time of issue, being \$0.042 per Share)	Non-cash, issued to executive director as part of his remuneration	N/A
20 December 2017	1,000,000	Unlisted options <sup>1</sup>	Unlisted options, vesting on 1 January 2016, exercise price \$0.10, expiring on 31 December 2020	Nic Pollock	\$0.10 per option (representing a premium of 476% to the market price at the time of issue, being \$0.042 per Share)	Non-cash, issued to executive director as part of his remuneration	N/A
20 December 2017	2,000,000	Unlisted options <sup>1</sup>	Unlisted options, vesting on 1 January 2017, exercise price \$0.10, expiring on 31 December 2020	Nic Pollock	\$0.10 per option (representing a premium of 476% to the market price at the time of issue, being \$0.042 per Share)	Non-cash, issued to executive director as part of his remuneration	N/A
20 December 2017	1,500,000	Unlisted options <sup>1</sup>	Unlisted options, vesting on 1 January 2017, exercise price \$0.15, expiring on 31 December 2021	Nic Pollock	\$0.15 per option (representing a premium of 714% to the market price at the time of issue, being \$0.042 per Share)	Non-cash, issued to executive director as part of his remuneration	N/A

<sup>1</sup> The full terms and conditions of these options are set out in annexure A of the Company's 2017 notice of general meeting.

20 December 2017	2,000,000	Unlisted options <sup>1</sup>	Unlisted options, vesting on 1 January 2018, exercise price \$0.15, expiring on 31 December 2021	Nic Pollock	\$0.15 per option (representing a premium of 714% to the market price at the time of issue, being \$0.042 per Share)	Non-cash, issued to executive director as part of his remuneration	N/A
20 December 2017	1,500,000	Unlisted options <sup>1</sup>	Unlisted options, vesting on 1 January 2018, exercise price \$0.18, expiring on 31 December 2022	Nic Pollock	\$0.18 per option (representing a premium of 857% to the market price at the time of issue, being \$0.042 per Share)	Non-cash, issued to executive director as part of his remuneration	N/A
20 December 2017	2,000,000	Unlisted options <sup>1</sup>	Unlisted options, vesting on 1 January 2019, exercise price \$0.18, expiring on 31 December 2022	Nic Pollock	\$0.18 per option (representing a premium of 857% to the market price at the time of issue, being \$0.042 per Share)	Non-cash, issued to executive director as part of his remuneration	N/A
31 January 2018	28,900,000	Fully paid ordinary shares	Same as existing Shares	IFM Investors	\$0.030 per Share (representing no discount or premium) to the market price at the time of issue, being 0.030 per Share)	\$867,000  The funds were spent (\$867,000) to assist in funding the Company's "mobile first" strategy as well as expanding existing programs with both current and new prospects	
23 April 2018	8,000,000	Unlisted options <sup>1</sup>	Unlisted options, vesting on 23 April 2019, exercise price \$0.03, expiring on 23 April 2021	Damon Watkins	\$0.030 per option (representing a premium of 120% to the market price at the time of issue, being \$0.025 per Share)	Non-cash, issued to chief executive officer as part of his remuneration	N/A

23 April 2018	5,000,000	Unlisted options <sup>1</sup>	Unlisted options, vesting on 23 April 2020, exercise price \$0.04, expiring on 23 April 2022	Damon Watkins	\$0.040 per option (representing a premium of 160% to the market price at the time of issue, being \$0.025 per Share)	Non-cash, issued to chief executive officer as part of his remuneration	N/A
23 April 2018	2,000,000	Unlisted options <sup>1</sup>	Unlisted options, vesting on 23 April 2021, exercise price \$0.06, expiring on 23 April 2023	Damon Watkins	\$0.060 per option (representing a premium of 240% to the market price at the time of issue, being \$0.025 per Share)	Non-cash, issued to chief executive officer as part of his remuneration	N/A
28 May 2018	3,000,000	Unlisted options <sup>1</sup>	Unlisted options, vesting on 28 May 2019, exercise price \$0.03, expiring on 30 June 2020	Chris Webb	\$0.030 per option (representing a premium of 143% to the market price at the time of issue, being \$0.021 per Share)	Non-cash, issued to an employee as part of his remuneration	N/A
28 May 2018	3,000,000	Unlisted options <sup>1</sup>	Unlisted options, vesting on 28 May 2019, exercise price \$0.03, expiring on 30 June 2020	Paul Nolan	\$0.030 per option (representing a premium of 143% to the market price at the time of issue, being \$0.021 per Share)	Non-cash, issued to an employee as part of his remuneration	N/A
28 May 2018	3,000,000	Unlisted options <sup>1</sup>	Unlisted options, vesting on 28 May 2019, exercise price \$0.03, expiring on 30 June 2020	Albert Suhardiman	\$0.030 per option (representing a premium of 143% to the market price at the time of issue, being \$0.021 per Share)	Non-cash, issued to an employee as part of his remuneration	N/A

## Lodge your vote:

 **Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

 **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

DSX  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

XX



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 11:00am (WST) Wednesday, 28 November 2018**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Decimal Software Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, 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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Decimal Software Limited to be held at Fogarty Partners, 65 Hay Street, Subiaco, Western Australia on Friday, 30 November 2018 at 11:00am (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Non-binding resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Jan Kolbusz as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /